

ENERGY PROBE INTERROGATORY #2

INTERROGATORY

References: Exhibit B, Tab 2, Schedule 4, Page 2; Exhibit C, Tab 1, Schedule 15, Page 4, para 8; Exhibit D, Tab 1, Schedule 2.

Preamble: The GTA Reinforcement project is a multi-year infrastructure project with Segments A and B. Variance is due to delay of Segment A and B into 2016. The project was delayed several months due to permitting issues and construction complexities. The project total is expected to be \$870.3 million, versus the project budget of \$686.5 million.

- a) Please provide the 2016 Revenue Requirement impact of the \$143.4 million GTA overspend.
- b) Please provide the impact on 2016 Utility earnings and ESM.
- c) Please Indicate the updated estimated breakdown for Segment A and Segment B and the approved and updated "as spent" allocations to the Rate 332 transportation and in-franchise customers (compared to the \$55 million).
- d) Please provide the updated in-service Revenue Requirement calculation for the Rate 332 service (compared to that based on \$55 million estimated CAPEX spend) and provide more details of the Rate 332 in service rate for December 2016 and the amounts proposed to be recovered in the 2016 GTAITCRRDA.

RESPONSE

- a) Please refer to the response to CCC interrogatory #1, found at Exhibit I.B.EGDI.CCC.1.
- b) Please refer to the response to CCC interrogatory #1, found at Exhibit I.B.EGDI.CCC.1.
- c) The table below provides an updated breakdown of the forecast GTA project capital costs versus the Board approved costs. As per the Board approved methodology, Rate 332 transportation rates are designed to recover 60% of the revenue requirement for the transportation component of Segment A of the GTA project.

Witnesses: J. Collier
A. Kacicnik
R. Small

GTA Project Capital Costs

(\$Millions)	Actual in-service			<u>Approved</u>
	<u>as at Dec. 31, 2016</u>	<u>Remaining Forecast</u>	<u>Total Forecast</u>	
Segment A				
- Transportation Component: Rate 332 and EGD Bundled Customers (60%/40%)	399.1	0.9	400.0	336.7
- Distribution Component	73.8	-	73.8	57.4
Total Segment A	472.9	0.9	473.8	394.1
Segment B	371.8	24.7	396.5	292.4
Total GTA Project	844.7	25.6	870.3	686.5

- d) As per the Board approved methodology, Rate 332 transportation rates are designed to recover 60% of the revenue requirement for the transportation component of Segment A of the GTA project. For 2016, 60% of the forecast revenue requirement for the transportation component of Segment A would equal approximately \$18.0M.

Based on 2016 actual capital expenditures (from above) and actual in-service date, 60% of the actual revenue requirement for the transportation component of Segment A would equal approximately \$17.6M.

Also, please see the response to Board Staff Interrogatory #13, found at Exhibit I.C.EGDI.STAFF.13 which lays out the interaction between the 60% of the 2016 forecast revenue requirement for the transportation component of Segment A that was to be recovered from Rate 332, GTAITCRRDA, and the amount that was forecasted to be recovered from EGD's bundled customers given that Rate 332 transportation service was not able to be offered for most of 2016.

Witnesses: J. Collier
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