

ENBRIDGE GAS DISTRIBUTION INC. AND UNION GAS LIMITED

Undertaking of Ms. Mikhaila
To Ms. Chatterjee

REF: Tr.2 p129

To summarize the drivers of rate increases in all classes since 2013.

Response:

Please see Attachment 1 for the rate change drivers for Union South rate classes since 2013.

As shown at Attachment 1, p.3, line 19, the increase to the Rate T3 revenue in 2017 Rates was \$1.667 million (or 32.8%). This increase was primarily driven by the inclusion of the Parkway Delivery Commitment Incentive (PDCI) costs in 2017 delivery rates. The 2017 Parkway Delivery Obligation (PDO) costs of \$1.056 million (or 20.8%), including the PDCI costs, is almost entirely offset by the PDCI credit received by Kitchener Utilities on their monthly bill for their Parkway deliveries. Absent the PDO increase, the increase in 2017 Rates would be \$0.611 million (or 12.0%).