

OSEA INTERROGATORY #1

INTERROGATORY

Issue 2.3,

Reference: EB-2017-0319, Exhibit B, Tab 1, Schedule 1, Page 27 of 30.

Preamble: "To calculate the Geothermal Energy Service program service fees, Enbridge has built a DCF model using a 10 year customer forecast, estimates of capital, operating costs and taxes, applying the principles set out in EBO 188.

The Company's 10 year customer forecast is based on several factors including expected demand for geothermal systems (which will be driven in part by a GreenON Fund Geothermal Rebate program), current capacity in the market, and ramp-up capability of the market to meet future demand. The Company expects about 170 customers in Year 1 and over a period of 10 years a total of about 18,000 customers."

- a) Please explain how Enbridge determined its customer forecasts for geothermal systems. If there are any reports, documents, workplans, or calculations that support these forecasts please file.
- b) Please explain how service rates for the Geothermal Energy Service Program are affected if the customer forecasts change, if at all (i.e., if more than 18,000 customers are interested in installing geothermal systems over the 10 year period, will service fees be lower than currently predicted?)

RESPONSE

- a) Please see response to Board Staff Interrogatory #13(b) filed at Exhibit I.2.EGDI.STAFF.13.
- b) The service fees may change (be reduced) where the customer additions are higher than forecast. While most of the associated costs are capital costs associated with specific installations, there are some program support costs that are allocable to all geothermal customers. Where the number of customers increases, then the amount allocable to each customer goes down. As explained in response to Board Staff Interrogatory #15(b) (ii) filed at Exhibit I.2.EGDI.STAFF.15, where there are material changes in the Geothermal Energy Service program costs, then Enbridge will present evidence in support of an updated service fee.