ENBRIDGE GAS INC.
Answer to Interrogatory from
Board Staff (STAFF)

Reference: Exhibit B1/Tab 1/Schedule 1/pgs. 12-13

Question:

The MAADs Decision (EB-2017-0306/0307) accepted an annual adjustment to rates to reflect the declining trend in use. Enbridge Gas has applied existing OEB-approved methodologies for the Enbridge Gas Distribution and Union Gas rate zones to adjust rates to account for changes in average use/normalized average consumption.

a) Please provide the impact on 2019 proposed revenue requirement as a result of adjustments to average use/normalized average consumption.
b) Are these changes captured in the respective deferral and variance accounts?

Response

a) The 2019 proposed revenue is not affected by the changes in forecast/target average use. The proposed adjustments for changes in average use impacts the proposed 2019 unit rates only.

   When average use decreases (increases), rates must be increased (decreased) to maintain the same revenue. The forecasted/target average use for 2019 relative to the forecasted/target 2018 has increased between 1.7% to 2.3% in the EGD rate zone and between 3.0% to 4.8% in the Union rate zones. If the rates for 2019 were not reduced by a similar proportion, customers would be charged approximately an additional $9.5 million in the EGD rate zone and $11.7 million in the Union rate zones due to higher average use.

b) As indicated in a) above, the change in forecast/target 2019 average use has been reflected in 2019 proposed unit rates, and would therefore not be captured in the respective deferral accounts. Enbridge Gas has not proposed any changes to the AUTUVA and NAC deferral accounts for 2019. These deferral accounts will continue to capture the revenue impact, for general service rate classes, resulting from normalized actual average use which deviates from the forecast/target average use underpinning rates.