ENBRIDGE GAS INC.
Answer to Interrogatory from
School Energy Coalition (SEC)

Reference: B1/2/1, p. 4

Question:

Please explain why it would be appropriate for the Board to fund ICM for any of the deferred rebasing years when:

a. The forecast 2019-2023 average annual capital spending in the EGD Rate zone is $509.4 million, which is less than the $616.9 million annual average capital spending in the 2014-2018 period, in which EGD over-earned in every year.

b. The forecast 2019-2023 average annual capital spending in the Union Rate zone is $523.3 million, which is less than the $696.5 million annual average capital spending in the 2014-2018 period, in which Union over-earned in almost every year.

Response

The ICM funding mechanism was made available to Enbridge Gas in the MAADs and Rate-Setting Mechanism Decision and Order.[1] Enbridge Gas's evidence with respect to Need is provided at Exhibit B1, Tab 2, Schedule 1, page 20. Within the Need section is a description of the Means Test, which legacy EGD and Union pass by not exceeding 300 basis points above the deemed return on equity in their most recent Earnings Sharing and Deferral and Variance Account Clearance applications.[2]

[1] EB-2017-0306/EB-2017-0307 Decision and Order, August 30, 2018, pages 32 to 34.
[2] Exhibit B1, Tab 2, Schedule 1, Appendix C.