

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Association of Power Producers of Ontario (APPrO)

Reference: Exhibit B1, Tab 1, Schedule 1 Section 2.2.6 Capital Pass Through Deferral Accounts – Union Rate Zones

Preamble: Enbridge proposes to make adjustments to rate base and depreciation based on the Board's direction in the EB-2017-0306/0307 to reflect certain capital pass-through during prior IRM. Enbridge has indicated that it proposes to continue to capture the utility tax timing variances in the respective deferral accounts to recognize the reversal of the benefits customers received in rates from 2014-2018. Over the following PCI period, Enbridge notes that it would receive \$124.1 million of utility tax timing differences based on the current forecast and without capturing the reversal in the deferral account, customers would receive a benefit of \$182.0 million.

Question:

Please identify if Enbridge raised the issue of tax timing differences in the above noted proceedings and if so, the Board's ruling on the matter.

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**Response**

No. At the time of the MAADs proceeding, Enbridge Gas intended to continue with Union's capital pass-through deferral accounts to capture the impact of changes in income tax timing differences.

In the MAADs Decision, the Board approved Enbridge Gas's proposal for the deferral and variance accounts that would continue upon amalgamation<sup>1</sup> including Union's capital pass-through deferral accounts. Enbridge Gas's proposal to fix the capital pass-through revenue requirement in rates and discontinue the deferral account treatment for the projects with the exception of the utility tax timing differences was made following the MAADs Decision. For further details of why Enbridge Gas is proposing to adjust the capital pass-through deferral accounts please see Exhibit I.STAFF.8 a).

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<sup>1</sup> EB-2017-0306/EB-2017-0306 Decision with Reasons, p. 45.