

ENBRIDGE GAS INC.
Answer to Interrogatory from
Energy Probe Research Foundation (EP)

Reference: Exhibit B1, Tab 1, Schedule 1, Page 14, Table 4, Appendices A&B

Question:

- a) Please provide a redline comparison of the existing EGDI and Union ESM DAs and new EGDI ESMDA.
- b) Please explain in detail the changes to the dead band threshold and sharing for each Rate Zone.
- c) Please provide examples of the ESM calculations for 2019 using 0 -300 bps excess earnings

Response

- a) Enbridge Gas's ESMDA is a new deferral account, distinct from the earnings sharing mechanism deferral accounts used prior to 2019 for each of the legacy utilities. It is not an update of the existing EGD and UGL ESMDAs, therefore a redline comparison has not been attached.

Please see Exhibit I.STAFF.19 for a revised Enbridge Gas ESMDA accounting order.

- b) Commencing in 2019, Enbridge Gas will calculate earnings sharing based on the utility results for the amalgamated company. In accordance with the MAADs decision, earnings sharing will be calculated on actual utility results (not normalized), and earnings in excess of 150 basis points above the Board approved ROE will be shared 50/50 between ratepayers and the Company.

Under EGD's 2014 – 2018 Custom IR plan, if the actual utility ROE, calculated on a weather normalized basis, was greater than the Board approved ROE, the excess earnings were shared 50/50 between ratepayers and EGD.

Under Union's 2014 – 2018 Price Cap plan, if the difference between the actual (not normalized) utility ROE and the Board approved ROE was greater than 100 basis

points, but less than 200 basis points, the excess earnings were shared 50/50 between ratepayers and Union. If the difference between the actual utility ROE and the Board approved ROE exceeded 200 basis points, the excess over 200 basis points was shared 90/10 between ratepayers and Union.

- c) The requested information is not relevant to the relief being sought. Enbridge Gas does not have a combined ESM calculation model at this time.