

ENBRIDGE GAS INC.
Answer to Interrogatory from
London Property Management Association (LPMA)

Reference: Exhibit B1, Tab 2, Schedule 1, page 15 & Exhibit F1, Tab 2, Rate Order Working Papers, Schedule 16

Question:

- a) Please provide the specific reference from the EB-2017-0306/EB-2017-0307 Decision and Order that directed Enbridge Gas to calculate the ICM threshold using the 2013 Board-approved rate base and depreciation plus the 2019 forecast amount of rate base and depreciation associated with the projects that were eligible for capital pass-through treatment and included in Union's base rates during Union's 2014-2018 IRM term.
- b) The 2019 rate base and depreciation figures used in the ICM calculation, as shown in Exhibit F1, Tab 1, Schedule 16, pages 4-5 in the Rate Order Working Papers uses approved 2018 figures and 2019 forecasts. Please update this schedule using actual 2018 figures and any resulting changes to the 2019 forecast. Please also provide a revised Table 6 and 7 from Exhibit B1, Tab 2, Schedule 1 that reflects these updated figures.

Response

- a) The MAADs Decision directed Enbridge Gas to add the rate base and depreciation associated with projects that were found eligible for capital pass-through treatment during Union's 2014-2018 IRM term to the 2013 rate base and depreciation for purposes of determining the eligible incremental capital amount for Union Gas' service territory. The MAADs Decision did not direct the amount of capital pass-through rate base and depreciation to include.

Enbridge Gas updated 2019 rates to reflect the 2019 forecast revenue requirement of the capital pass-through projects and included the 2019 forecast rate base and depreciation of the capital pass-through in the ICM threshold calculation. Since the purpose of the ICM materiality threshold is to determine the amount of capital spend that can be supported through current rates, the 2019 rate base and depreciation

are used, and is consistent with the proposal to adjust 2019 rates for the 2019 revenue requirement. Please see Exhibit I.STAFF.8, part a).

- b) Please see Attachment 1 which provides Exhibit F1, Tab 2, Rate Order, Working Papers, Schedule 16, pages 4 and 5 updated to reflect draft 2018 actual costs and the most recent 2019 forecast revenue requirement for each capital pass-through project.

The resulting changes to Table 6 and Table 7 from Exhibit B1, Tab 2, Schedule 1 are provided below.

Table 6
 ICM Threshold Rate Base and Depreciation Expense by Rate Zone
 Updated for Exhibit I.LPMA.13 b)

Line No.	Particulars (\$ millions)	Rate Base (a)	Depreciation (b)
	<u>EGD</u>		
1	2013 Board-Approved	6,246	305
	<u>Union</u>		
2	2013 Board-Approved	3,734	196
3	2019 Capital Pass-Through Amounts	1,588	43
4	Total	5,322	239

Table 7
 Maximum Eligible Incremental Capital by Rate Zone
 Updated for Exhibit I.LPMA.13 b)

Line No.	Particulars (\$ millions)	EGD (a)	Union (b)
1	2019 In-Service Capital Forecast	481.7	518.5
2	Less: Materiality Threshold Value	468.5	374.9
3	Maximum Eligible Incremental Capital	13.1	143.6