

Appendix E

Elements to be Updated within 2015 through 2018 Custom Incentive Rate Processes and Applications

1. Volumes will be re-forecast annually through following the established processes of updating forecasts of; customer additions, probability weighted large volume customer forecasts, customer meter unlocks, economic outlook and gas prices, average use and approved heating degree days using the approved degree day methodologies.
2. Resulting from the annual volumes re-forecast, revenues will be re-forecast using approved rates.
3. Resulting from the annual volumes re-forecast, the annual gas supply plan will be redetermined, and annual projected gas costs as well as annual gas in storage volume requirements and related rate base gas in storage values and any gas cost related working cash allowance impacts will be reforecast within annual revenue requirements.
4. O&M related Customer Care/CIS costs will be updated annually in accordance with the Board Approved EB-2011-0226 Settlement Agreement.
5. O&M related DSM costs will be updated annually to reflect where available, updated Board Approved DSM costs resulting within the DSM Policy Consultation, EB-2014-0134 proceeding or subsequent proceedings. Any related rate base working cash allowance impacts will be re-forecast within annual revenue requirements.
6. O&M related Pension and OPEB expense amounts will be updated annually through the use of re-forecasts performed by Enbridge's external pension Consultant, Mercer Canada Limited. Any related rate base working cash allowance impacts will be reforecast within annual revenue requirements.
7. Utility income taxes will be re-forecast annually to reflect impacts to taxable income stemming from the updating of revenues, gas costs, O&M and the re-determined approved overall rate of return on rate base.
8. Return on Equity will be re-set each year within the results included in the Board Final Rate Order to reflect the Board Policy produced ROE%.
9. The cost of debt will be updated each year of the IR plan, using the most current information available, including information on the actual amounts and rates associated with any debt issued in the prior year.

Witness: K. Culbert