ENERGY PROBE INTERROGATORY #14

INTERROGATORY

Reference: Exhibit G1, Tab 1, Schedule 1, Page 4; Exhibit G2, Tab 5, Schedule 3, Page 2

Preamble: Rate 332 has been allocated 60% (or approximately $17.4 M) of the Segment A revenue requirement.

As described in Exhibit D2, Tab 1, Schedule 1, the forecast Rate 332 revenues are subject to the Rate 332 Deferral Account, which will record for clearance to the Company's bundled customers, any variance in Rate 332 revenues collected from Rate 332 transportation customers versus the amount forecast to be collected from those customers in 2017, net of any amounts recorded in the 2017 GTAITCRRDA. Dawn Transportation Service (DTS):

a) Confirm in more detail, the assumptions and calculation of actual/estimated total costs and 2017 revenue requirement for Segment A (Albion Pipeline) and confirm the basis of the 40:60 RR split (capacity?) between Enbridge and Rate 332 customers.

b) Confirm EGD will monitor and determine the actual split based on 2017 volumes.

c) If, based on experience, the RR split is different, then please describe actions EGD will take, in addition to recording Rate 332 Costs and Revenues in the 2017 GTAITCRRDA; for example what adjustments will EGO make to cost allocation/rate design in 2018?

RESPONSE

a) The 2017 revenue requirement for Segment A is based on the forecast of costs for Segment A of the GTA project as filed in Enbridge's Custom IR proceeding. In that proceeding the Company determined placeholder amounts (i.e., revenue requirements) for each year of its 5 year Custom IR term (2014 to 2018). The 2017 revenue requirement has been updated for the 2017 cost of capital (ROE and cost of debt) as per the Company's Custom IR framework. This is the only cost element that has been updated for 2017.

   The Rate 332 revenues are designed to recover the shippers' portion of Segment A costs. As per the Board's decision in EB-2012-0451, 60% of the annual revenue

Witnesses: A. Kacicnik
B. So

requirement for Segment A is to be recovered from shippers through Rate 332 contract demand (“CD”) charges. The 60:40 split of revenue requirement costs was determined by the Board based on the amount of capacity on Segment A that the Company indicated it would make available to 332 shippers (i.e., the Company indicated it would make 60% of total Segment A capacity available to Rate 332 shippers).

Note that both the revenue requirement of Segment A and the 60:40 split between Rate 332 shippers and the Company’s bundled customers are based on forecast.

b) Not confirmed. There is no need to determine the actual split based on actual 2017 volumes. Even if capacity contracted by Rate 332 shippers would be less than 60%, as per the Board’s decision the Company would still need to recover 60% of the revenue requirement from Rate 332 shippers. This would manifest itself in higher Rate 332 contract demand charges versus the situation / outcome where the available capacity (i.e., 60%) is fully contracted by Rate 332 shippers.

c) Not applicable. Please see response to part b) above.

Witnesses: A. Kacicnik
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