

PENSION / OPEB 2018 UPDATED FORECAST

1. Within the EB-2012-0459 Decision with Reasons, the Ontario Energy Board (the “Board”) determined that for each of the years between 2015 to 2018, Pension and OPEB expenses within Operations & Maintenance costs are to be re-forecast annually and included within an updated calculation of final Allowed Revenue to be filed within a rate adjustment application for each of those fiscal years. The updated total Allowed Revenue replaces the 2018 placeholder Allowed Revenue information which was filed at Appendix A, pages 33 to 40 within the Board’s Decision and Rate Order in EB-2012-0459.
2. During 2017, Enbridge undertook a review of pension plan design following the acquisition of Spectra Energy in order to harmonize programs for employees of both companies. The harmonized pension plan will be effective January 1, 2018 for non-union employees of Enbridge Gas Distribution and is part of a competitive total rewards package. There are no changes to the OPEB plan. As of the date of this evidence, the details of the harmonized plan have not been communicated to employees. Enbridge expects that the relevant employee communications will be undertaken in the coming weeks. Once that has happened, Enbridge plans to file additional evidence, including details of the harmonized plan and including the Mercer Report (see below). It is expected that the additional evidence will be filed by October 6, 2017.
3. Enbridge uses Mercer Canada Limited (“Mercer”), to review, update and forecast its annual Pension and OPEB accrual expense and cash requirement. The 2018 annual Pension and OPEB accrual expense, as provided by Mercer, is forecasted at \$20.80 million; shown as “P&L Charge (Credit)” within the Mercer Report. The 2018 annual Pension and OPEB cash requirement, as provided by Mercer, is forecasted at \$26.92 million; shown as “Total Annual Employer Contributions” within

Witnesses: Mercer  
R. Stelmaschuk

Mercer's Report. As noted above, the Mercer Report will be filed by October 6, 2017.

4. The 2018 forecasted annual Pension and OPEB accrual expense and cash requirement is comprised of the following:

	Plan	2018 Forecasted Accrual Expense	2018 Forecasted Cash Requirement
1.	Enbridge RPP Plan	\$12.72 million	\$20.55 million
2.	Enbridge SERP Plan	\$0.08 million	Nil
3.	Enbridge SSERP Plan	(\$0.15 million)	Nil
4.	Enbridge portion of Enbridge Inc's RPP Plan	(\$0.29 million)	\$0.07 million
5.	Enbridge's portion of Enbridge Inc's SPP Plan	\$1.18 million	\$0.05 million
6.	DC Plan	\$0.36 million	\$0.36 million
7.	OPEB Plan	\$5.59 million	\$4.58 million
8.	Other – Pension Credits	\$1.31 million	\$1.31 million
9.	Total Pension and OPEB expense	\$20.80 million	\$26.92 million

5. The impact of the updated Pension & OPEB accrual expense and cash requirement can be seen and is explained in evidence at Exhibit D1, Tab 1, Schedule 2 and Exhibit D1, Tab 6, Schedule 2.

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