

BOARD STAFF INTERROGATORY #13

INTERROGATORY

Ref: Operating Costs – Pension / OPEB Update  
Exhibit D1 / Tab 5 / Schedule 1 Updated

Preamble:

Enbridge noted that it undertook a review of pension plan design following the acquisition of Spectra Energy in order to harmonize programs for employees of both companies. Enbridge stated that the harmonized plan will be effective January 1, 2018. The costs of the new pension plan for 2018 (on both an accrual and cash basis) are set out in Enbridge's evidence at Exhibit D1 / Tab 5 / Schedule 1 / Appendix 1 Updated.

Question(s):

- a) Please provide an explanation supporting the inclusion of the pension plan changes arising from the acquisition of Spectra Energy as an update to the 2018 Pension / OPEB expenses in the context that 2018 is the final year of the current Custom IR term.
- b) Please provide an estimate of the 2018 Pension / OPEB expenses (on both an accrual and cash basis) assuming there had been no acquisition of Spectra Energy (and therefore, Enbridge had not harmonized its pension plan).

RESPONSE

- a) The new plan is effective for Enbridge Gas Distribution employees on January 1, 2018, therefore, it is appropriate to reflect in 2018 expenses. The principle of updating and truing up pension and OPEB costs each year is to ensure that ratepayers pay only the actual costs for these items. The Company did not delay implementation because the changes improve the long-term financial sustainability of the pension plan by introducing a 5 year DC participation period for new hires and by eliminating cost of living adjustments ("COLA") for future service.
- b) Please refer to the response to BOMA Interrogatory 29(c) for the estimated impact for 2018 forecasted accrual expense and forecasted cash requirement.

Witnesses: Mercer  
R. Stelmaschuk