

APPrO INTERROGATORY #2

INTERROGATORY

Reference: i) Exhibit D2 Tab 2 Schedule 1 Discontinuance of Site Restoration Cost Rider (Rider D) in 2018

Preamble: Enbridge proposes to discontinue the Rate Rider D credit to customers one year ahead of the original approved schedule, as the total amount of the refund is now expected to be exhausted by the end of 2017. APPrO would like information to demonstrate how these funds were originally intended to be distributed and information to compare how the actual funds were actually distributed by rate class.

- a) For each year from 2014 to 2018 please complete the following table to compare the projected forecast and actual SRC credit amounts and volumes by rate class. Please ensure you provide complete information for each rate class, including Rate 125 for each year:

		Year (provide a separate table for each year 2014 to 2018)					
		Rate Class (include all applicable rate classes)					TOTAL
1	Forecast Volume ¹ (m ³)						
2	Forecast Rate Rider D ¹ (\$/m3)						
3	Forecast Credit (\$)						
4	Actual Volume ^{2 3}						
5	Actual Rate Rider D ³ (\$/m3)						
6	Actual Credit (\$)						
7	Volume Variance (Actual-Forecast) (m3)						
8	Credit Variance (Actual-Forecast) (\$)						

Table 1 Forecast and Actual SRC Credit by Year

Witnesses: R. Cheung
 A. Kacicnik

Notes

1. Provide forecast volume and Rate Rider amounts by rate class based on the original EB-2012-0459 filing. If a volume for any specific year was not forecast during this proceeding, then provide the annual volume and/or Rate Rider forecast at the time of the specific year's rate filing. For 2018, assume that the Actual Rate Rider is zero as proposed. If the Rate Rider was not forecast for any specific year, then calculate the Rate Rider based on the EB-2012-0459 forecasted credit amount and the forecast volume.
2. For 2017, please provide projected annual volume to year end.
3. Assume that Actual Volumes are the same as the Forecast Volume for 2018.

b) Please summarize the information provided in Table 1 in a) above illustrating the variances from forecast by rate class by year.

Credit Variance (Actual-Forecast) (\$) From Table 1						
	Rate Class (include all applicable rate classes)					TOTAL
2014						
2015						
2016						
2017						
2018						
Sum 2014- 2018						

Table 2 SRC Variance by Rate Class

c) Please summarize the volume variances from Table 1 in a) above by rate classes in the table below.

Volume Variance (Actual-Forecast) (\$) From Table 1						
	Rate Class (include all applicable rate classes)					TOTAL
2014						
2015						
2016						
2017						
2018						
Sum 2014- 2018						

Table 3 Volume Variances Among Rate Classes

d) Assuming that the Board required Enbridge to true-up the credits by rate class to match the forecasted amounts, please provide alternative reasonable methodologies to make such true-ups, and specify any resulting adjustments.

Witnesses: R. Cheung
 A. Kacicnik

- e) When did Enbridge first notice that SRC payments were exceeding forecast and describe any resulting actions taken.

RESPONSE

- a) Tables 1 to 5 provide the forecast and actual Rider D SRC credit for the years from 2014 to 2018.

Witnesses: R. Cheung
A. Kacicnik

TABLE 1: 2014 (OCT - DEC) SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Total
	1	6	9	100	110	115	125	135	145	170	200	300	300 Int	
1.	Forecast Volumes (10 ³ m ³)	1,083,679	1,089,720	158	0	153,852	116,102	20,235	42,807	117,216	41,033	-	6,919	2,671,720
2.	Contract Demand Volumes Forecast (10 ³ m ³)	-	-	-	-	-	29,806	-	-	-	-	47	-	29,853
3.	Board-Approved Rates Rider D (\$/m ³)	0.065211	0.021419	0.007776	0.021419	0.006149	0.003543	0.000390	0.004411	0.001383	0.002829	0.137590	0.004500	
4.	Approved Credit (\$'000)	\$ 70,667	\$ 23,341	\$ 1	\$ 0	\$ 946	\$ 411	\$ 8	\$ 189	\$ 162	\$ 116	\$ 6	\$ 31	\$ 96,849
5.	Actual Volumes (10 ³ m ³)	1,511,561	1,521,408	126	868	145,872	138,965	21,694	28,686	115,083	52,437	-	10,106	3,546,807
6.	Contract Demand Volumes Actual (10 ³ m ³)						29,806					47		29,853
7.	Actual Credit (\$'000)	\$ 98,729	\$ 32,650	\$ 1	\$ 19	\$ 891	\$ 480	\$ 8	\$ 127	\$ 159	\$ 149	\$ 6	\$ 45	\$ 134,233
8.	Volumetric Variance (10 ³ m ³)	427,882	431,689	(32)	868	(7,980)	22,864	0	1,459	(14,121)	11,404	0	3,187	875,087
9.	Credit Variance (\$'000)	\$ 28,061	\$ 9,309	\$ (0)	\$ 19	\$ (55)	\$ 68	\$ 1	\$ (62)	\$ (3)	\$ 32	\$ 0	\$ 14	\$ 37,384

Witnesses: R. Cheung
 A. Kacicnik

TABLE 2: 2015 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
	Rate 1	Rate 6	Rate 9	Rate 100	Rate 110	Rate 115	Rate 125	Rate 135	Rate 145	Rate 170	Rate 200	Rate 300	Rate 300 Int	Total
1.	Forecast Volumes (10 ³ m ³)	4,673,421	4,662,431	510	0	477,711	504,807	56,056	133,192	471,137	169,087	-	30,000	11,178,352
2.	Contract Demand Volumes Forecast (10 ³ m ³)	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
3.	Board-Approved Rates Rider D (\$/m ³)	0.014058	0.004754	0.002023	0.004754	0.001434	0.007986	0.001138	0.001067	0.000336	0.000822	0.031701	0.000919	
4.	Approved Credit (\$'000)	\$ 65,699	\$ 22,164	\$ 1	\$ 0	\$ 685	\$ 411	\$ 952	\$ 8	\$ 142	\$ 158	\$ 6	\$ 28	\$ 90,392
5.	Actual Volumes (10 ³ m ³)	4,921,588	4,919,216	304	3,472	680,665	512,632	68,473	74,668	395,971	176,403	-	26,780	11,780,173
6.	Contract Demand Volumes Actual (10 ³ m ³)	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
7.	Actual Credit (\$'000)	\$ 69,131	\$ 23,553	\$ 1	\$ 17	\$ 978	\$ 416	\$ 952	\$ 9	\$ 78	\$ 134	\$ 6	\$ 25	\$ 95,444
8.	Volumetric Variance (10 ³ m ³)	248,167	256,785	(206)	3,472	202,953	7,825	12,417	(58,524)	(75,165)	7,316	0	(3,220)	601,821
9.	Credit Variance (\$'000)	\$ 3,432	\$ 1,389	\$ (0)	\$ 17	\$ 293	\$ 5	\$ (0)	\$ 2	\$ (64)	\$ 6	\$ (0)	\$ (3)	\$ 5,052

Witnesses: R. Cheung
 A. Kacicnik

TABLE 3: 2016 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	
	Rate 1	Rate 6	Rate 9	Rate 100	Rate 110	Rate 115	Rate 125	Rate 135	Rate 145	Rate 170	Rate 200	Rate 300	Rate 300 Int	Total	
1.	Forecast Volumes (10 ³ m ³)	4,870,006	4,796,209	510	0	703,348	517,078	-	59,278	88,566	325,657	170,837	-	34,992	11,566,480
2.	Contract Demand Volumes Forecast (10 ³ m ³)	-	-	-	-	-	119,224	-	-	-	-	187	-	-	119,411
3.	Board-Approved Rates Rider D (\$/m ³)	0.012315	0.004373	0.001838	0.004373	0.001396	0.001078	0.000126	0.000829	0.000280	0.000914	0.030640	0.000788		
4.	Approved Credit (\$'000)	\$ 59,974	\$ 20,973	\$ 1	\$ 0	\$ 982	\$ 557	\$ 1,087	\$ 73	\$ 91	\$ 156	\$ 6	\$ 28	\$ 83,936	
5.	Actual Volumes (10 ³ m ³)	4,621,553	4,601,819	177	3,375	825,884	495,797	-	63,821	48,321	306,694	169,647	-	21,095	11,158,184
6.	Contract Demand Volumes Actual (10 ³ m ³)	-	-	-	-	-	119,224	-	-	-	-	187	-	-	119,411
7.	Actual Credit (\$'000)	\$ 56,963	\$ 20,088	\$ 0	\$ 15	\$ 1,160	\$ 528	\$ 1,087	\$ 8	\$ 40	\$ 85	\$ 155	\$ 6	\$ 17	\$ 80,154
8.	Volumetric Variance (10 ³ m ³)	(248,453)	(194,390)	(333)	3,375	122,536	(21,280)	0	4,543	(40,245)	(18,962)	(1,190)	0	(13,897)	(408,296)
9.	Credit Variance (\$'000)	\$ (3,011)	\$ (885)	\$ (1)	\$ 15	\$ 178	\$ (29)	\$ (0)	\$ 1	\$ (33)	\$ (6)	\$ (1)	\$ 0	\$ (11)	\$ (3,782)

Witnesses: R. Cheung
 A. Kacicnik

TABLE 4: 2017 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	
	Rate 1	Rate 6	Rate 9	Rate 100	Rate 110	Rate 115	Rate 125	Rate 135	Rate 145	Rate 170	Rate 200	Rate 300	Rate 300 Int	Total	
1.	Forecast Volumes (10 ³ m ³)	4,911,478	4,862,269	263	0	861,435	490,292	-	60,899	63,318	296,313	170,843	-	34,992	11,752,101
2.	Contract Demand Volumes Forecast (10 ³ m ³)	-	-	-	-	-	119,224	-	-	-	-	187	-	-	119,411
3.	Board-Approved Rates Rider D (\$/m ³)	0.011277	0.003975	0.002837	0.003975	0.001185	0.000974	0.008086	0.000114	0.000207	0.000829	0.027992	0.000718		
4.	Approved Credit (\$'000)	\$ 55,388	\$ 19,327	\$ 1	\$ 0	\$ 1,021	\$ 478	\$ 964	\$ 7	\$ 61	\$ 142	\$ 5	\$ 25	\$ 77,479	
5.	Actual Volumes ¹ (10 ³ m ³)	4,701,161	4,641,345	123	479	813,322	495,710	-	63,525	53,373	302,174	165,693	-	0	11,236,905
6.	Contract Demand Volumes Actual (10 ³ m ³)	-	-	-	-	-	-	113,149	-	-	-	187	-	-	113,336
7.	Actual Credit ¹ (\$'000)	\$ 52,975	\$ 18,453	\$ 0	\$ 2	\$ 965	\$ 483	\$ 915	\$ 7	\$ 32	\$ 137	\$ 5	\$ -	\$ 74,037	
8.	Volumetric Variance (10³m³)	(210,317)	(220,924)	(140)	479	(48,113)	5,418	(6,075)	2,626	5,861	(5,150)	0	(34,992)	(521,271)	
9.	Credit Variance (\$'000)	\$ (2,413)	\$ (874)	\$ (0)	\$ 2	\$ (56)	\$ 5	\$ (49)	\$ 0	\$ 1	\$ (4)	\$ (0)	\$ (25)	\$ (3,442)	

Notes
 1 2017 annual volumes and credits are based on 8 months of actuals and 4 months of forecasts

Witnesses: R. Cheung
 A. Kacicnik

TABLE 5: 2018 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO	Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300	Col. 13 Rate 300 Int	Col. 14 Total
1.	Forecast Volumes (10 ³ m ³)	4,760,547	4,829,793	0	0	789,036	542,831	-	64,501	50,136	291,152	169,764	0	11,497,761
2.	Contract Demand Volumes Forecast (10 ³ m ³)	-	-	-	-	-	111,124	-	-	-	-	187	-	111,311
3.	Board-Approved Rates Rider D (\$/m ³)	0.004677	0.001634	0.000000	0.000000	0.000464	0.000278	0.003312	0.000044	0.000074	0.000336	0.011486	0.000000	
4.	Approved Credit (\$'000)	\$ 22,266	\$ 7,890	\$ -	\$ 0	\$ 366	\$ 151	\$ 368	\$ 3	\$ 19	\$ 22	\$ 57	\$ 2	\$ 31,144
5.	Actual Volumes ¹ (10 ³ m ³)	4,760,547	4,829,793	0	0	789,036	542,831	-	64,501	50,136	291,152	169,764	0	11,497,761
6.	Contract Demand Volumes Actual (10 ³ m ³)	-	-	-	-	-	111,124	-	-	-	-	187	-	111,311
7.	Actual Credit ¹ (\$'000)	\$ 22,266	\$ 7,890	\$ -	\$ 0	\$ 366	\$ 151	\$ 368	\$ 3	\$ 19	\$ 22	\$ 57	\$ 2	\$ 31,144
8.	Volumetric Variance (10 ³ m ³)	0	0	0	0	0	0	0	0	0	0	0	0	0
9.	Credit Variance (\$'000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes
 1 2018 annual volumes and credits are matching with the forecasts.

Witnesses: R. Cheung
 A. Kacicnik

- b) Table 6 on the following page summarizes the annual \$millions variance of the SRC credit by rate classes for the years from 2014 to 2017 and the 2018 forecast of \$31.1 million.

As noted in paragraph 8 of Exhibit D2, Tab 2, Schedule 1, it is expected that around \$383.9 million will be credited to ratepayer by the end of 2017.

The total amount of \$35.2 million listed in Row 5 of Table 6 shows the expected recoverable amount if Rider D continues in 2018. The total amount of \$4.1 million listed in Row 7 in the same table shows the expected recoverable amount if Rider D is discontinued in 2018.

Witnesses: R. Cheung
A. Kacicnik

TABLE 6: SITE RESTORATION COST VARIANCE BY RATE CLASS - 2014 TO 2018

ITEM NO	Year	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
		Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate	Total
		1	6	9	100	110	115	125	135	145	170	200	300	300 Int	
1.	2014 (Oct - Dec)	\$ 28,061	\$ 9,309	\$ (0)	\$ 19	\$ (55)	\$ 68	\$ 0	\$ 1	\$ (62)	\$ (3)	\$ 32	\$ 0	\$ 14	\$ 37,384
2.	2015	\$ 3,432	\$ 1,389	\$ (0)	\$ 17	\$ 293	\$ 5	\$ (0)	\$ 2	\$ (64)	\$ (24)	\$ 6	\$ (0)	\$ (3)	\$ 5,052
3.	2016	\$ (3,011)	\$ (885)	\$ (1)	\$ 15	\$ 178	\$ (29)	\$ (0)	\$ 1	\$ (33)	\$ (6)	\$ (1)	\$ 0	\$ (11)	\$ (3,782)
4.	2017	\$ (2,413)	\$ (874)	\$ (0)	\$ 2	\$ (56)	\$ 5	\$ (49)	\$ 0	\$ (29)	\$ 1	\$ (4)	\$ (0)	\$ (25)	\$ (3,442)
5.	2014 to 2017 Rider D Variance	\$ 26,069	\$ 8,939	\$ (2)	\$ 52	\$ 360	\$ 50	\$ (49)	\$ 4	\$ (188)	\$ (31)	\$ 33	\$ (0)	\$ (25)	\$ 35,212
6.	2018 Forecast	\$ 22,266	\$ 7,890	\$ -	\$ 0	\$ 366	\$ 151	\$ 368	\$ 3	\$ 19	\$ 22	\$ 57	\$ 2	\$ -	\$ 31,144
7.	Net Variance (row 5-6)	\$ 3,803	\$ 1,049	\$ (2)	\$ 52	\$ (6)	\$ (101)	\$ (417)	\$ 1	\$ (207)	\$ (53)	\$ (24)	\$ (2)	\$ (25)	\$ 4,069
Actual Credits by Year															
2014 \$ 134,233															
2015 \$ 95,444															
2016 \$ 80,154															
2017 \$ 74,037															
2018 \$ 31,144															
2014 to 2018 Total \$ 415,012															
Total Forecast \$ 379,800															
Total Over-refunded \$ 35,212															

Witnesses: R. Cheung
 A. Kacicnik

- c) Table 7 on the following page summarizes the volumetric variance by rate classes from the years from 2014 to 2017.

Witnesses: R. Cheung
A. Kacicnik

TABLE 7: VOLUMES VARIANCE BY RATE CLASS - 2014 TO 2018

ITEM NO	Year	Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125 ¹	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300 ¹	Col. 13 Rate 300 Int	Col. 14 Total
1.	2014 (Oct - Dec)	427,882	431,689	(32)	868	(7,980)	22,864	0	1,459	(14,121)	(2,133)	11,404	0	3,187	875,087
2.	2015	248,167	256,785	(206)	3,472	202,953	7,825	0	12,417	(58,524)	(75,165)	7,316	0	(3,220)	601,821
3.	2016	(248,453)	(194,390)	(333)	3,375	122,536	(21,280)	0	4,543	(40,245)	(18,962)	(1,190)	0	(13,897)	(408,296)
4.	2017	(210,317)	(220,924)	(140)	479	(48,113)	5,418	(6,075)	2,626	(9,945)	5,861	(5,150)	0	(34,992)	(521,271)
5.	Total Volumetric Variance	217,280	273,160	(710)	8,195	269,397	14,826	(6,075)	21,045	(122,835)	(90,399)	12,381	0	(48,923)	547,341
6.	2018 Forecast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7.	Total Volumetric Variance	217,280	273,160	(710)	8,195	269,397	14,826	(6,075)	21,045	(122,835)	(90,399)	12,381	0	(48,923)	547,341

Notes

1. Contract Demand Volumes for Rates 125 and 300

Witnesses: R. Cheung
 A. Kacicnik

- d) Once the total amounts cleared and final variances are known through the completion of Fiscal 2017, EGD will bring forward a proposal to clear the final balance in the Constant Dollar Net Salvage Adjustment Deferral Account, currently estimated as \$4.1M.
- e) EGD became aware at the end of 2014 that SRC Rider D actual refund exceeded forecast. Given the five year approval of Rider D and the Constant Dollar Net Salvage Adjustment Deferral Account true up method, EGD considered it appropriate to continue monitoring over or under clearances for at least the first few years before it might consider an attempted corrective proposal such as that being proposed at this time.

Witnesses: R. Cheung
A. Kacicnik