

BOARD STAFF INTERROGATORY #16

INTERROGATORY

Ref: Cost Allocation
Exhibit G1 / Tab 1 / Schedule 1 / p. 4
Exhibit G2 / Tab 1 / Schedule 1 / p. 3

Question(s):

- a) Please confirm that the cost allocation methodology for Rate 332 and the Dawn Transportation Service was previously approved by the OEB. Please confirm that the same cost allocation methodology was used and approved by the OEB in Enbridge's 2017 Rates proceeding (EB-2016-0215).
- b) Please explain the minor variance between the \$2,983.55 million figure cited in Table 1 (Exhibit G2 / Tab 1 / Schedule 1 / p. 3) and the proposed 2018 allowed revenue amount of \$2,982.2 million.

RESPONSE

- a) The Company confirms that the same cost allocation methodology was used and approved by the Board for Rate 332 service and Dawn Transportation Service ("DTS") in Enbridge's 2017 Rate Proceeding (EB-2016-0215).

The Company further confirms that the cost allocation methodology for Rate 332 was initially approved by the Board in the GTA Project Decision and Order (EB-2012-0451) where the Board determined that 60% of the annual revenue requirement for Segment A will be recovered from Rate 332 shippers through a contract demand charge for contracted capacity.

The Company also confirms that the cost allocation methodology for DTS was initially approved by the Board as part of the Dawn Access Settlement Agreement (EB-2014-0323).

- b) The minor difference between \$2,983.55 million (Exhibit G2, Tab 1, Schedule 1, page 3, Table 1) and the proposed 2018 allowed revenue amount of \$2,982.2 million (Exhibit F1, Tab 1, Schedule 1, page 3, Column 3, Line 9) is due to the inclusion of DPAC revenue and cost of approximately \$1.42 million respectively in Table 1.

Witnesses: A. Kacicnik
B. So