ENBRIDGE GAS INC.
Answer to Interrogatory from
School Energy Coalition (SEC)

Reference: B1/2/1, App. E, p. 2

Question:

Please confirm that the $2.6 million of grossed-up tax savings in 2018 are, under the Applicant's proposal, remaining to the benefit of the shareholder. Please confirm that the extra taxes payable in the future of $2.6 million because of that accelerated depreciation will be paid by the customers in rates.

Response

Enbridge Gas confirms that no revenue requirement impacts (i.e., return on rate base, operating expenses, or income tax benefit/requirement), related to the Sudbury Replacement project, were included in Union's 2018 rates for recovery from customers. As seen in the referenced exhibit, the forecast total 2018 revenue requirement was a cost $0.1 million.

With respect to the 2019 to 2023 revenue requirement for the Sudbury Replacement Project (including the tax requirement which will reflect the impact of any reversal of tax timing differences), Enbridge Gas confirms that its ICM proposal, to build the forecast annual revenue requirement into the annual ICM rate rider, combined with the establishment of an ICM deferral account to capture the variance between the actual ICM project revenue requirement and the actual ICM revenues collected, would result in customers paying the actual cost of the approved ICM project, subject to disposition of the deferral account.