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

Reference: B1/1/1, p. 28

Question:

Please provide a detailed calculation showing the amounts that would be recovered from customers in each of 2019 – 2023 for the capital pass-through projects a) using the proposed one-time adjustment approach, and b) continuing to treat the projects as Y factor adjustments.

Response

Please see Attachment 1 for the capital pass-through project revenue requirement impact[1] using the proposed one-time adjustment in rates with continuing to pass-through utility tax timing differences only, and continuing to pass-through the actual revenue requirement of the projects.

The total revenue requirement difference of $33.8 million over the deferred rebasing period is required to support the level of capital investment prior to ICM funding as calculated by the ICM threshold value. As directed by the Board, Enbridge Gas has included the rate base and depreciation associated with the capital pass-through projects in calculating the ICM threshold value, resulting in a higher ICM threshold value. Without the proposed one-time adjustment, there would be an imbalance between the level of capital investment that can be supported by rates and the ICM threshold value calculation. Over the deferred rebasing period, the cumulative difference of the imbalance is approximately $410.0 million[2] of additional capital investment required prior to an ICM funding request. Please see Exhibit I.STAFF.8 a) for a description of the need for Enbridge Gas's proposed one-time adjustment and why continuing to pass-through the actual revenue requirement of the projects is not consistent with ICM threshold value calculation directive from the MAADs Decision.

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[1] The capital pass-through revenue requirement is based on the forecast revenue requirement of each project included in the application.
[2] Exhibit I.STAFF.8, Attachment 1.