

ENBRIDGE GAS INC.
Answer to Interrogatory from
Vulnerable Energy Consumers Coalition (VECC)

Reference: Exhibit B1/T2/S1/pg.33

Question:

- a) With respect to the Sudbury Replacement project please compare/contrast the proposed cost allocation methodology (peak demand and average demand factor) with the method used to allocate the existing Sudbury assets being replaced.
- b) Please do the same for the Don River Replacement, and the Kingsville and Stratford Replacement projects, pointing out any differences (if any) between how the existing and replacement assets are allocated.

Response

- a) The proposed cost allocation methodology of the Sudbury Replacement project in the Union North rate zone uses the same allocation methodology as the existing Sudbury assets being replaced. Both the project and existing assets are categorized as joint-use distribution mains and are allocated to Union North rate classes in proportion to peak and average day demands. The allocation of the existing Sudbury assets was approved by the Board as part of legacy Union's 2013 cost allocation study (EB-2011-0210). Enbridge Gas has updated the allocation factor in the current application to reflect the 2019 forecast consistent with the use of 2019 forecast billing units to derive the ICM unit rates.
- b) The proposed cost allocation methodology of the Don River Replacement project in the EGD rate zone uses the same allocation methodology as the existing Don River crossing assets being replaced. Both the project and existing assets are categorized as extra high pressure mains greater than 4 inches in diameter and are allocated to EGD rate classes in proportion to peak delivery demands on the extra high pressure system greater than 4 inches in diameter. The allocation of the existing Don River crossing assets was approved by the Board as part of legacy EGD's 2018 cost allocation study (EB-2017-0086).

The proposed cost allocation methodology of the Kingsville and Stratford Reinforcement projects in the Union South rate zone uses the same allocation methodology as existing other transmission assets. Both the project and existing other transmission costs are categorized as other transmission mains and are allocated to Union South rate zone rate classes in proportion to in-franchise design day demands. The allocation of the existing other transmission assets was approved by the Board as part of legacy Union's 2013 cost allocation study (EB-2011-0210).