

ENBRIDGE GAS INC.
Answer to Interrogatory from
Building Owners and Managers Association (BOMA)

Reference: Exhibit B1, Tab 2, Schedule 1, p18, Table 8

Question:

- a) Why should the Board approve ICM funding of \$235M for Union, which exceeds its maximum eligible incremental capital of \$143.3M (see Table 7) by approximately \$90M, an increase of about 70%.
- b) Please prioritize Union requests for ICM funding among Sudbury, Kingsville, and Stratford.

Response

- a) As per the Board's ICM/ACM policy the maximum eligible incremental capital is defined as the difference between the forecasted total capital expenditures for a subject year and the materiality threshold for that year. The maximum eligible incremental capital of \$143.3 million, found in Table 7, is the 2019 calculation for the Union rate zones. Enbridge Gas is seeking incremental ICM funding for projects that fit within the maximum eligible incremental capital amount for 2019. Accordingly, Enbridge Gas is not exceeding the 2019 maximum eligible incremental capital.

As noted in the applicant's evidence at Exhibit B1, Tab 2, Schedule 1, page 18, the Sudbury Replacement project is a 2018 project for which Enbridge Gas is requesting ICM funding. Please see Exhibit I.STAFF.24 for further detail on the Sudbury Replacement project ICM request. The total ICM funding of \$235.2 million includes the required funding for the Sudbury Replacement project (\$91.9 million), and the 2019 ICM projects (\$143.3 million).

- b) Sudbury Replacement, Kingsville Reinforcement and Stratford Reinforcement projects are all required to ensure the safe and reliable service to customers. These projects were all approved as part of leave to construct applications, where the purpose, need, and timing were all considered by the Board as part of that approval. These projects are prioritized using the methodology as outlined in Exhibit C1, Tab 3, Schedule 1 pages 51 to 58.