

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Energy Probe Research Foundation (EP)

Reference: Exhibit B1, Tab 1, Schedule 1, Page 12- AUTVA (Enbridge) and NAC (Union);

Question:

EGD Rate Zones

Exhibit F1, Tab 1, Rate Order, Working Papers, Schedule 10

- a) Please show Graphically, for Rate 1 and Rate 6, the average use for the last 10 years and for the forecast period. Please provide a comment on the accuracy of the model and trends.
- b) Please provide a status report on the review of Average Use models for EGD as agreed in the EB-2017-102, Settlement at Exhibit N1, Tab 1, Schedule 1, page 8

Union Rate Zones

Exhibit F1, Tab 2, Rate Order, Working Papers, Schedule 13.

- c) Please show Graphically for Rate M1 and M2, the average use for the last 10 years and for the forecast period. Please provide a Comment on the accuracy of the model and trends.
- d) Please provide a status report on the review of Average Use models for Union as in the EB-2016-0118 Settlement paragraph 12.

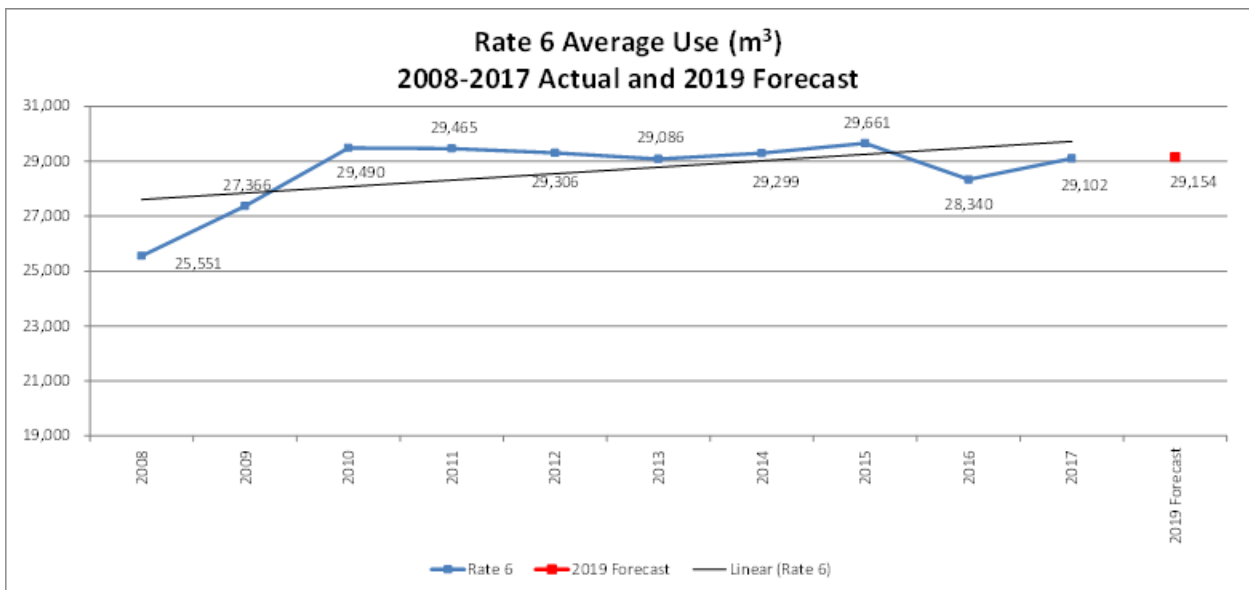
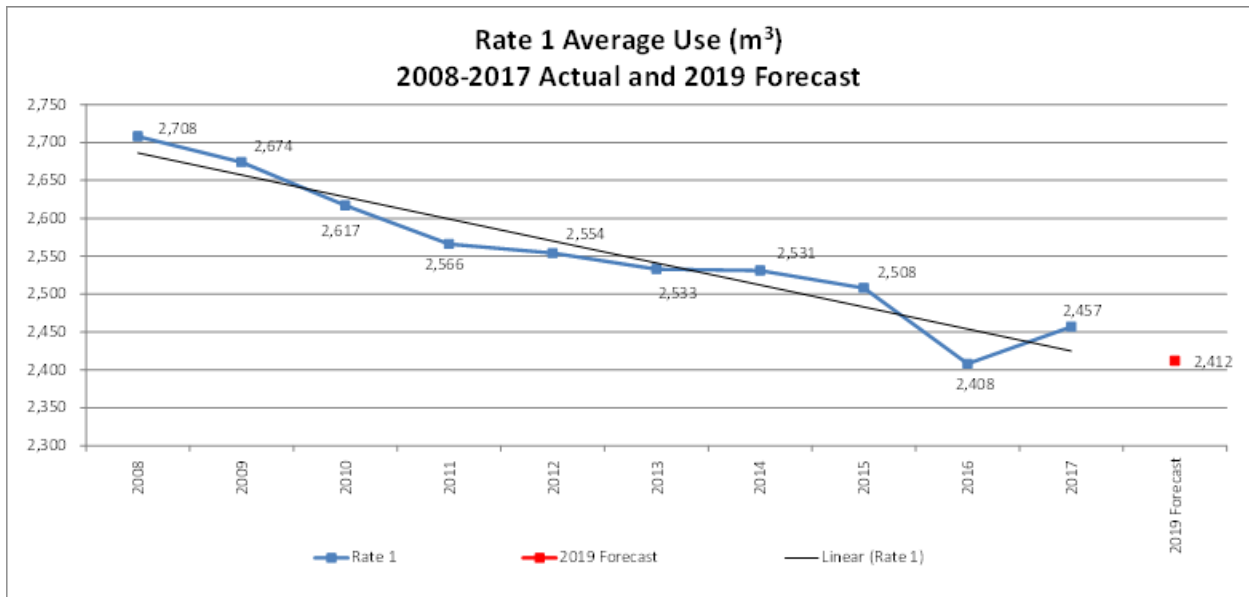
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**Response**

- a) The Rate 1 and 6 average uses that are normalized to 2019 Board approved degree days are shown in the charts below.

The 2019 forecast is developed using the data up to 2017. During the last 10 years Rate 1 average use declined 9.3% from 2,708 m<sup>3</sup> in 2008 to 2,457 m<sup>3</sup> in 2017. Rate 6 in the same period increased 13.9% from 25,551 m<sup>3</sup> in 2008 to 29,102 m<sup>3</sup> in 2017. For accuracy results, please see Exhibit I.STAFF.5, part a) Table 1, which provides the 10-Year history of Normalized Actual vs. Board-Approved average

uses. Out-of-sample average percentage variance over the last 10 years is -0.5% for Rate 1 and 0.5% for Rate 6. The results support the view that the General Service average use forecasting methodology continues to be a reliable predictor for General Service average use.

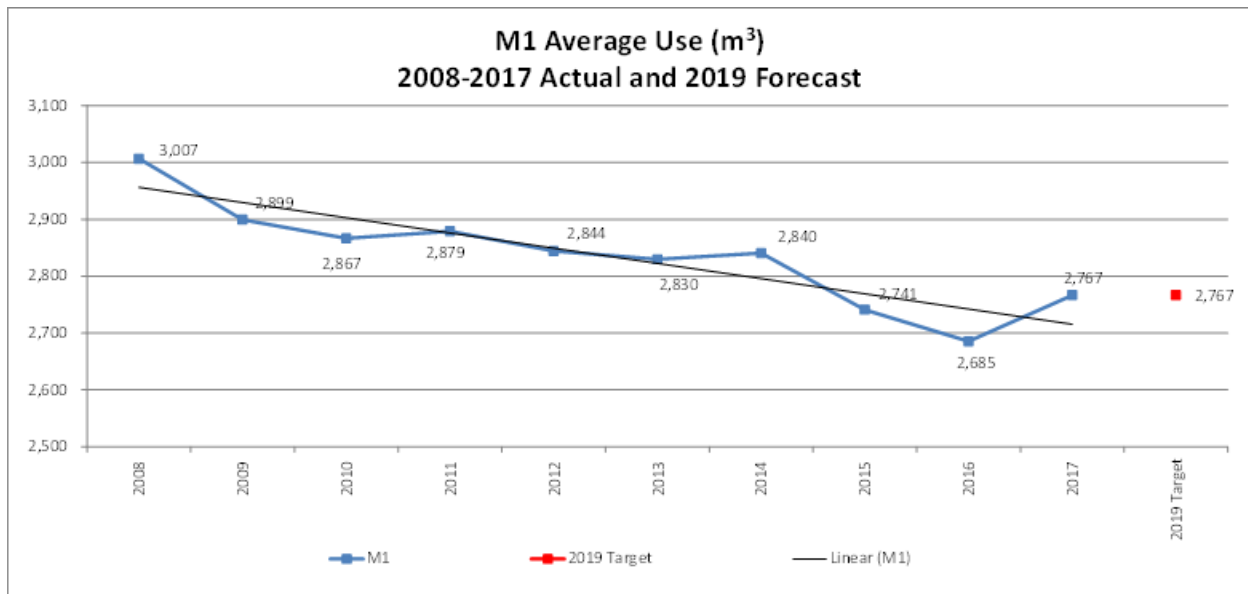


- b) As per the Board’s Decision and Order in the MAADs and Rate Setting Mechanism proceeding, Enbridge Gas will develop a proposal for the average use methodology for its next rebasing application.<sup>1</sup>
- c) The weather normalized average use at the 2019 Board approved normal, for Rate M1 and Rate M2 are shown in the charts below.

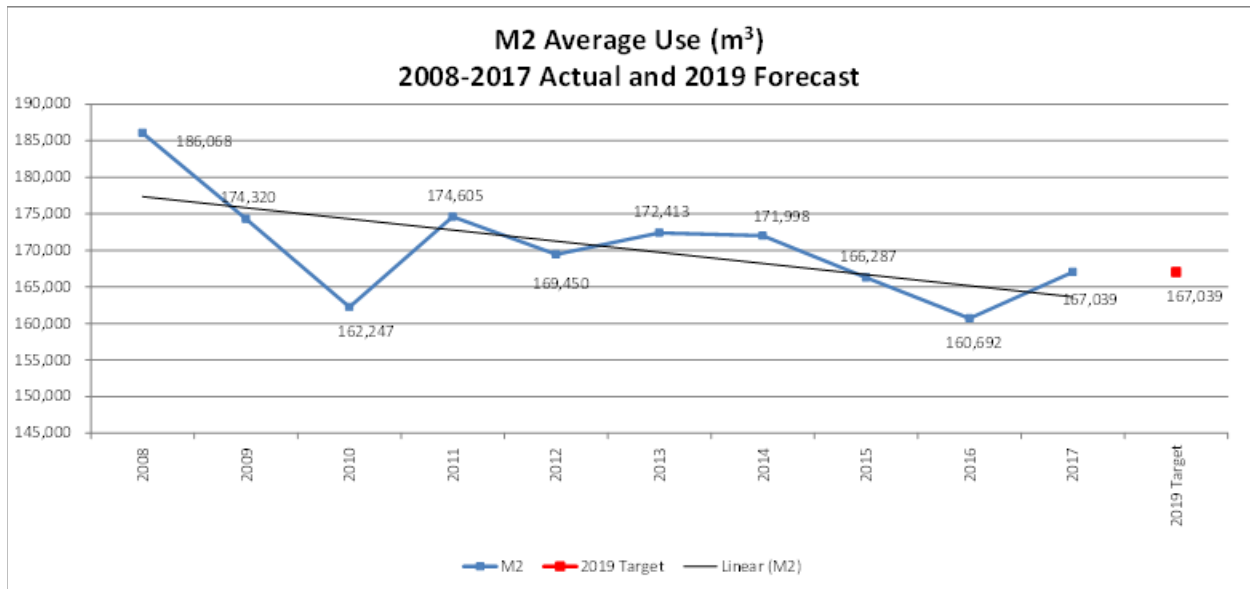
Over the last 10 years, Rate M1 NAC declined 8.0% from 3,007 m<sup>3</sup> in 2008 to 2,767 m<sup>3</sup> in 2017. Rate M2 NAC for the same period decreased 10.2% from 186,068 m<sup>3</sup> in 2008 to 167,039 m<sup>3</sup> in 2017.

When adjusting rates each year for changes to NAC, Union applies the most recent actual NAC for each rate class, calculated using the Board-approved 50:50 weather normal for the forecast year. For 2019 rates, 2017 actual NAC calculated using the 2019 weather normal is used for each rate class.

Because of actual customer behavior in each rate class, there has been some variability from year to year in the actual NAC, with an overall declining trend. Enbridge Gas is currently evaluating methodologies regarding NAC forecasting, and will file a proposal with its next rebasing application.



<sup>1</sup> EB-2017-0306/EB-2017-0307 Decision and Order, dated August 30, 2018.



d) Please see the response to part b).