

**APPENDIX "A"**  
**Enbridge Gas Distribution Inc.**  
**2013 Rates**  
**EB-2011-0354**

**Draft Issues List**

**Date: June 5, 2012**

**B. Rate Base**

1. Is Enbridge's forecast level of capital spending in 2013 appropriate?
2. Is the proposed Test Year Rate Base appropriate?
3. Is the proposed Information Technology Capital Budget appropriate?
4. Is the proposed budget for Storage Capital Expenditure appropriate?
5. Is the forecast of Customer Additions appropriate?
6. Is the allocation of the cost and use of capital assets between utility and non-utility ("unregulated") operations appropriate?
7. Is the proposed working capital allowance appropriate?

**Comment [s1]:** Contested  
Issue

**C. Operating Revenue**

1. Is Enbridge's revenue forecast appropriate?
2. Is Enbridge's gas volume forecast appropriate?
3. Is Enbridge's degree day forecast for each of the Company's delivery areas (EDA, CDA, and Niagara) appropriate?
4. Is the Average Use forecast appropriate?
5. Is the forecast level of Unaccounted For (UAF) gas volumes appropriate?
6. Is the proposal for the treatment and sharing of Transactional Services revenues, and the forecast of those revenues, appropriate?
7. Is Enbridge's forecast of other service and late payment penalty revenues, including the methodologies used to cost and price those services, appropriate?

#### **D. Operating Costs**

1. Is the 2013 O&M budget appropriate?
2. Is Enbridge's gas supply plan, including the forecast of gas, transportation and storage costs appropriate?
3. Are the proposed changes to Peak Gas Day Design Criteria (PGDDC) and methods of cost recovery appropriate?
4. Is the forecast of Employee Future Benefit costs which will be incurred under USGAAP appropriate, including the request to recover Pension Expense and Other Post-Employment Benefits ("OPEB") Expense on an accrual basis commencing January 1, 2013?
5. Is the corporate cost allocation ("RCAM") appropriate?
6. Are the affiliate charges appropriate?
7. Are the proposed depreciation rate changes appropriate?
8. Is the municipal taxes expense appropriate?
9. Is the demand side management budget appropriate?
10. Is the income tax expense forecast appropriate?
11. Is the proposal for the Open Bill Access Program appropriate?
12. Is the proposed O&M budget for Finance appropriate?
13. Has Enbridge properly implemented the revenue requirement associated with the Customer Care and CIS Settlement Agreement (per EB-2011-0226)?
14. Is the proposed O&M budget for Energy Supply, Storage Development and Regulatory appropriate?
15. Is the proposed O&M budget for Law appropriate?
16. Is the proposed O&M budget for Operations appropriate?
17. Is the proposed O&M budget for Information Technology appropriate?

18. Is the proposed O&M budget for Business Development & Customer Strategy, including Energy Technology Innovation Canada ("ETIC") related amounts, appropriate?
19. Is the proposed O&M budget for Human Resources appropriate?
20. Is the proposed O&M budget for Pipeline Integrity & Safety appropriate?
21. Is the proposed O&M budget for Public and Government Affairs appropriate?
22. Is the proposed O&M budget for Non-Departmental O&M Expenses appropriate?
23. Is the forecast of Provision for Uncollectable Amounts for 2013 appropriate?
24. Is the allocation of O&M costs between utility and non-utility ("unregulated") operations appropriate?

#### **DV. Deferral and Variance Accounts**

1. Are Enbridge's existing and proposed deferral and variance accounts appropriate?
2. Is Enbridge's request to recover from ratepayers an approximate \$90 million forecasted balance as at December 31, 2012 in the 2012 Transition Impact of Accounting Changes Deferral Account ("TIACDA") appropriate?

#### **E. Cost of Capital**

1. Is the forecast of the cost of debt for the Test Year, including the mix of short and long term debt and preference shares, and the rates and calculation methodologies for each, appropriate?
2. Is the proposed change in capital structure increasing Enbridge's deemed common equity component from 36% to 42% appropriate?
3. Is the proposal to use the Board's formula to calculate return on equity appropriate?

#### **F. Revenue Sufficiency / Deficiency**

1. Is the revenue requirement and revenue deficiency or sufficiency for the Test Year calculated correctly?

2. Is the overall change in revenue requirement reasonable given the impact on consumers?

Comment [s2]: Contested Issue

## **G. Cost Allocation**

1. Is Enbridge's utility Cost Allocation Study, including the methodologies and judgements used and the proposed application of that study with respect to Test Year rates, appropriate?
2. Are the Cost Allocation Study methodology relating to Customer Care and CIS costs appropriate?
3. Are the principles applied in the utility Cost Allocation Study consistent where appropriate with the principles applied in allocating costs between utility and non-utility ("unregulated") businesses?

## **H. Rate Design**

1. Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?
2. Are the proposed levels of customer charges, including the fixed/variable split, appropriate?

## **O. Other Issues**

1. Has Enbridge responded appropriately to all relevant Board directions from previous proceedings, including any commitments from prior settlement agreements?
2. Are Enbridge's economic and business planning assumptions for the Test Year appropriate?
3. Are sustainable productivity and efficiency gains achieved under incentive regulation appropriately reflected in Enbridge's Cost of Service estimates?
4. Are Enbridge's Conditions of Service (i.e. customer service policies including security deposits, late payment penalty, etc.) compatible with Board directives?
5. Have all impacts of the conversion of regulatory and financial accounting from CGAAP to USGAAP been identified, and reflected in the appropriate manner in the application, the revenue requirement for the Test Year, and the proposed rates?

6. Are the forecasts of natural gas market conditions in 2013 and beyond and the impacts on Enbridge, including turnback and mitigation actions by Enbridge, appropriate?
7. How should the Board implement the rates relevant to this proceeding if they cannot be implemented on or before January 1, 2013?

**Comment [s3]:** Contested Issue