BOARD STAFF INTERROGATORY #1

INTERROGATORY

H - Rate Design
Issue H1: Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?

Ref: Ex. H1 / H2

With respect to the Letters of Comment filed with the Board in response to the Notice of Application, please provide Enbridge's proposed response to the customer concerns theme areas raised in those letters.

RESPONSE

The general theme that was raised in the Letters of Comment relates to the concern regarding the proposed rate impacts being greater than the rate of inflation.

While the Company appreciates that for 2013 the year-over-year change in its rates is greater than the rate of inflation, the evidence filed by the Company set outs the detailed reasons for the forecast costs required to provide safe, reliable, and efficient service to its customers. Two of the key reasons are recapped below.

The greater need to provide safe and reliable service to customers drives a proposed increase in the Company's capital spending. The Asset Plan assists the Company to set its distribution system spending priorities to balance system safety, integrity and reliability, as well as, customer growth and the associated capital spending needs.

The Company proposed that its current Cost of Capital parameters be updated through its re-basing application. The first parameter to be updated relates to the formula used to determine the Company's return on equity (ROE). The Company made this proposal in accordance with the Report of the Board on the Cost of Capital for Ontario's Regulated Utilities (EB-2009-0084). The second parameter to be updated relates to the Capital Structure, specifically to the equity thickness component of the structure. The Company made this proposal given that its current equity thickness is considerably below the thickness level of Ontario electric utilities and North American peer utilities. An appropriate Capital Structure minimizes the risk of a credit downgrade, maintains financial flexibility and enables financing at a lower cost of debt.

Witnesses: J. Collier
A. Kacicnik

In summary, while the Company acknowledges that the proposed rate impacts are greater than the level of inflation, the proposed rates reflect the costs necessary to provide safe, reliable and efficient service to its customers and follow a five year period where rate impacts were below the rate of inflation.

Witnesses: J. Collier
A. Kacicnik

CME INTERROGATORY #1

INTERROGATORY

H - Rate Design
Issue H1: Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?

Reference: Exhibit H1, Tab 1, Schedule 1, Table 1

What will be the impact on the 2013 proposed revenue deficiency and rates if everything EGD asks the Board to approve in this case for recovery in 2013 and subsequent years were found to be recoverable in 2013? In other words, what is the total impact of adding to the claimed revenue deficiency all of the costs that EGD seeks to defer to future periods, including OPEB expenses, Pension expenses, gas supply costs pertaining to the proposed changes to PGDDC and any other deferrals of this nature?

RESPONSE

The response to this interrogatory addresses two scenarios as follows:

Table 1 on the following page depicts the average rate impact on a T-service basis based on a total revenue deficiency of approximately $249 million. The $249 million is derived based on EGD's proposed revenue deficiency of approximately $92.6 million plus approximately $66.2 million in gas costs related to additional STFT plus approximately $90 million in OPEB expenses (assuming it is recovered in one year). Please note that the derivation of the revenue deficiency impacts and resulting rate impacts relating to additional STFT and OPEB are based on a high level estimate for purposes of replying to this interrogatory in a timely manner.

Witnesses: J. Collier
A. Kacicnik

Table 1: 2013 Average Rate Impacts

Rate Class	T-Service Rate Impacts
1	14.1%
6	13.3%
9	13.3%
100	6.0%
110	6.6%
115	2.5%
135	2.9%
145	4.1%
170	1.3%
200	6.4%
	Delivery Rate Impact
125	12.1%
300	12.1%

Table 2 on the following page depicts the average rate impact on a T-service basis based on a total revenue deficiency of approximately $164.8 million. The $164.8 million is derived based on EGD's proposed revenue deficiency of approximately $92.6 million plus approximately $66.2 million in gas costs related to additional STFT plus approximately $6.0 million in OPEB expenses based on the Company's proposal to recover the OPEB expenses over a 15 year period via a deferral account. For the purpose of this interrogatory it is assumed the $6.0 million would be recovered in rates rather than through a deferral account. Please note that the derivation of the revenue deficiency impacts and resulting rate impacts relating to additional STFT and OPEB are based on a high level estimate for purposes of replying to this interrogatory in a timely manner.

Witnesses: J. Collier
A. Kacicnik

Table 2: 2013 Average Rate Impacts

Rate Class	T-Service Rate Impacts
1	8.8%
6	9.7%
9	4.2%
100	4.2%
110	4.8%
115	1.5%
135	1.9%
145	2.4%
170	0.6%
200	5.3%
	Delivery Rate Impact
125	5.3%
300	5.3%

Witnesses: J. Collier
A. Kacicnik

CME INTERROGATORY #2

INTERROGATORY

H - Rate Design
Issue H1: Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?

Reference: Exhibit H1, Tab 1, Schedule 1, Table 1

CME wishes to obtain a better understanding of the impacts of EGD's proposed rates on the manufacturers it serves. EGD's manufacturer customers will be more specifically identified when EGD provides its response to Interrogatory C1.1 herein. In conjunction with providing a response to that Interrogatory, please provide the rate impact on each of the rate classes identified in that Interrogatory response under which manufacturers take service.

RESPONSE

As indicated in CME Interrogatory Response #1 found at Exhibit I, Issue H1, Schedule 4.1, EGD classifies all manufacturers as industrial sector with customers forecast to take service under Rate 6, Rate 110, Rate 115, Rate 135, Rate 145 and Rate 170. Based on EGD's 2013 rate application, the following are the average rate impacts for each of these rate classes.

Table 1: Proposed 2013 Average Rate Impacts

Rate Class	T-Service Rate Impacts
6	5.0%
110	3.2%
115	0.8%
135	1.7%
145	2.2%
170	0.5%

Witnesses: J. Collier
A. Kacicnik

CCC INTERROGATORY #1

INTERROGATORY

H - Rate Design
Issue H1: Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?

What would be the annual bill impact of EGD's application if the increased STFT service was included?

RESPONSE

The table below depicts the average rate impact on a T-service basis resulting from the Company's 2013 rate application including the effects of approximately $66.2 million in STFT costs. Please note that the derivation of the revenue deficiency impact and resulting rate impacts relating to additional STFT are based on a high level estimate for purposes of replying to this interrogatory response in a timely manner.

Table 1: 2013 Average Rate Impacts

Rate Class	T-Service Rate Impacts
1	8.4%
6	9.5%
9	3.5%
100	4.1%
110	4.7%
115	1.4%
135	1.8%
145	2.3%
170	0.6%
200	5.2%
	Delivery Rate Impact
125	4.8%
300	4.8%

Witnesses: J. Collier
A. Kacicnik

ENERGY PROBE INTERROGATORY #1

INTERROGATORY

H – Rate Design
Issue H1: Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?

Ref: Exhibit G2, Tab 1, Schedule 1, Updated

Please add a column to Table 1 that shows the Board approved revenue to cost ratios for each rate class from EGD's last cost of service application.

RESPONSE

Please see Table 1 provided on the following page which includes the approved revenue to cost ratios from EB-2006-0034 (2007 rate case).

Witnesses: J. Collier
A. Kacicnik
M. Kirk

Table 1

FULLY ALLOCATED COST STUDY RESULTS

	Col. 1 Revenue *$Millions*	Col. 2 Cost of Service *$Millions*	Col. 3 Over/Under Contributions *$Millions*	Col. 4 Revenue to Cost	Col. 5 Revenue to Cost *(EB-2006-0034)*
Rate 1	1,466.58	1,461.16	5.41	1.00	1.01
Rate 6	856.29	857.09	(0.80)	1.00	1.00
Rate 9	0.52	1.32	(0.80)	0.40	0.85
Rate 100	0.00	0.00	0.00	0.00	0.98
Rate 110	26.30	29.21	(2.91)	0.90	1.01
Rate 115	7.78	7.50	0.28	1.04	0.93
Rate 125	11.42	11.51	(0.09)	0.99	0.43
Rate 135	1.74	1.93	(0.19)	0.90	0.93
Rate 145	7.79	9.46	(1.67)	0.82	0.98
Rate 170	7.84	7.84	0.00	1.00	0.89
Rate 200	23.85	22.94	0.91	1.04	1.00
Rate 300	0.21	0.40	(0.19)	0.54	0.56 (rate 305)
Rate 325 & 330	1.81	1.81	0.00	1.00	1.00
Direct Purchase	2.15	2.15	0.00	1.00	1.00
Total	2,414.28	2,414.28	0.00	1.00	1.00

Witnesses: J. Collier
A. Kacicnik
M. Kirk

ENERGY PROBE INTERROGATORY #2

INTERROGATORY

H - Rate Design
Issue H1: Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?

Ref: Exhibit G2, Tab 2, Schedule 1, Updated

a) Please explain the rationale for the significant reductions in the revenue to cost ratios proposed for 2013 as compared to those from the 2012 final rate order for rates 9, 110, 115, 145 and 300 along with the increases proposed for rates 170 and 200.

b) Please add a line to the schedule that shows the dollar over/under contribution for each rate class based on the 2012 final rate order.

RESPONSE

a) Revenue to cost ratios measure the amount of forecast revenue to be recovered from a rate class relative to the amount of costs allocated to the rate class from the Company's fully allocated cost study ("FACS"). The Company attempts to set revenue to cost ratios as close to 1 as possible. The FACS results are used as a guide for rate design, however, maintaining revenue to cost ratios year over year or improving them for all rate classes is not always feasible. Other competing rate design objectives such as rate impacts and rate stability may lead revenue to cost ratios to change on an annual basis.

The large volume rate classes revenue to cost ratios are more likely to change year over year as they are much more sensitive to changes in forecast volumes, contract demand, load factor and number of customer relative to the general service rate classes. These variables impact the total amount of revenue which is to be recovered from them versus the level of allocated costs. Also, given that large volume rate classes are small (in terms of revenues and costs) as compared to the general service classes, any change in year over year revenues/costs has a more pronounced effect on the revenue to cost ratio (i.e. numerator/denominator are much smaller) as compared to the general service classes.

Witnesses: A. Kacicnik
M. Kirk
J. Collier

b) Please see the attached schedule which includes the amount of over/under contribution for each rate class based on the 2012 final rate order.

Witnesses: A. Kacicnik
M. Kirk
J. Collier

REVENUE TO COST/
RATE OF RETURN COMPARISONS
DEC. 31, 2013
(millions of dollars)

ITEM NO.	DESCRIPTION	Col. 1 TOTAL	Col. 2 RATE 1	Col. 3 RATE 6	Col. 4 RATE 9	Col. 5 RATE 100	Col. 6 RATE 110	Col. 7 RATE 115	Col. 8 RATE 125	Col. 9 RATE 135	Col.10 RATE 145	Col. 11 RATE 170	Col. 12 RATE 200	Col. 13 RATE 300	Col. 14 RATE 325 & 330	Col. 15 DIRECT PURCHASE
1.	Sales and Trans. Revenue	2,409.00	1,462.84	854.81	0.52	0.00	26.26	7.78	11.42	1.74	7.77	7.84	23.85	0.21	1.81	2.15
2.	Unbilled Revenues	5.28	3.74	1.48	0.00	0.00	0.04	(0.01)	0.00	0.00	0.02	0.00	0.00	0.00	0.00	0.00
3.	Total Revenues	2,414.28	1,466.58	856.29	0.52	0.00	26.30	7.78	11.42	1.74	7.79	7.84	23.85	0.21	1.81	2.15
4.	Cost of Service	2,414.28	1,461.16	857.09	1.32	0.00	29.21	7.50	11.51	1.93	9.46	7.84	22.94	0.40	1.81	2.15
5.	Over/Under Contribution	0.00	5.41	(0.80)	(0.80)	(0.00)	(2.91)	0.28	(0.09)	(0.19)	(1.67)	0.00	0.91	(0.19)	(0.00)	0.00
6.	Revenue to Cost Ratio	1.00	1.00	1.00	0.40	0.00	0.90	1.04	0.99	0.90	0.82	1.00	1.04	0.54	1.00	1.00
7.	Revenue to Cost Ratio 2012 Final Rate Order	1.00	1.00	1.00	0.76	0.00	0.98	1.10	0.98	0.90	0.95	0.96	1.00	0.83	1.00	1.00
8.	Over/Under Contribution 2012 Final Rate Order	0.00	0.12	1.16	(0.11)	(0.00)	(0.50)	0.65	(0.17)	(0.19)	(0.48)	(0.36)	(0.04)	0.08	(0.00)	(0.00)

ENERGY PROBE INTERROGATORY #3

INTERROGATORY

H - Operating Revenue
Issue H1: Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?

Ref: Exhibit H2, Tab 6, Schedule 1

a) Please confirm that the reference to the GST in Rider G should be changed to the HST.

b) When is the last time that EGD changed each of the rates shown in Rider G?

RESPONSE

a) Yes, this is confirmed.

b) In EB-2008-0219 (2009 Test Year), the proposed rates provided in Table 1 on the following page were approved to the Rider G service charges.

Witness: J. Collier

Table 1
EB-2008-0219
Enbridge Miscellaneous Non- Energy Services

	Rider “G” Service Charges	Current Rate ($)	Proposed Rate ($)
1	New Account Charge	25.00	No Change
2	Appliance Activation Charge	65.00	70.00
3	Meter Unlock Charge	65.00	70.00
4	Lawyer Letter Handling Charge	15.00	No Change
5	Statement of Account Charge	10.00	No Change
6	Cheques Returned Non-Negotiable Charge	20.00	No Change
7	Red Lock Charge	65.00	70.00
8	Removal of Meter	260.00	280.00
9	Cut Off at Main	1,200.00	1,300.00
10	Valve Lock Charge	125.00 - 260.00	135.00 - 280.00
11	Safety Inspection	65.00	70.00
12	Meter Test	97.50	105.00
13	Street Service alteration	32.00	No Change
14	NGV Rental Cylinder	12.00	No Change
	Other (ad-hoc request)		
15	Labour – hourly charge	130.00	140.00
16	Cut Off at Main – commercial & special request	custom quoted	No Change
17	Cut Off at Main – other	1,200.00	1,300.00
18	Meter In-out (residential)	260.00	280.00
19	Request for Service Call Information	30.00	No Change
20	Temporary Meter Removal	260.00	280.00
21	Damage Meter Charge	360.00	380.00

SEC INTERROGATORY #1

INTERROGATORY

H - Rate Design
Issue H1: Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?

Ref: H2/3/1,p.4

Please explain why the Rate 6 fixed charge is proposed to remain fixed at $70 per month. Please confirm that the effect of this rate design choice is that the percentage increase in distribution charges (customer charge plus delivery charge) will increase as the customer's volume increases. Please provide a table showing the dollar and percentage increase in the distribution charges (customer charge plus delivery charge) for customers at monthly m3 levels of 2,000, 5,000, 10,000, 15,000, 20,000, 25,000 and 30,000.

RESPONSE

As part of Enbridge's approved IRM Settlement Agreement (EB-2007-0615), the Rate 6 monthly customer charge increased from $23.89/month in 2007 to $70/month in 2012. Given the consecutive five year increase in the monthly customer charge the Company has proposed that the monthly charge remain at $70/month for Rate 6 customers.

The Company has performed the requested Rate 6 bill impacts using typical annual consumption profiles. The annual volumes are similar to the requested scenarios which can be seen in the chart on the following page, but reflect typical annual usage profiles (i.e. winter consumption greater than summer consumption) rather than assuming a uniform monthly consumption at certain m3/month.

Witnesses: J. Collier
A. Kacicnik

Requested Monthly Volumes	Requested Annual Volumes	Typical Profiles Selected to meet request
m3	m3	m3
2,000	24,000	22,606
5,000	60,000	63,902
10,000	120,000	135,649
15,000	180,000	169,562
20,000	240,000	237,387
25,000	300,000	305,211
30,000	360,000	339,124

The attached annual bill comparison scenarios compare the Company's April 1, 2012 rates (EB-2012-0054) to the proposed 2013 (EB-2011-0354) rates. The Company has included a subtotal of the combined customer charge and distribution charge labeled Total Delivery. While the Total Delivery charge percentage change increases as the size of the customer volume increases, the total annual bill impact on a Sales Service basis decreases as the size of the customer increases and the impact on a T-Service basis remains relatively constant for all customers in the sample. This is a function of the relative proportion of the delivery part of the customer's bill versus their Total (i.e. Sales) and T-service portion of the bills.

Witnesses: J. Collier
A. Kacicnik

ANNUAL BILL COMPARISON SCENARIOS - COMMERCIAL & INDUSTRIAL CUSTOMERS

(A) EB-2011-0354 update @ 37.69 MJ/m³ vs (B) EB-2012-0054 @ 37.69 MJ/m³

Item No.			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
			Commercial Heating & Other Uses				Industrial Heating & Other Uses			
			(A)	(B)	CHANGE		(A)	(B)	CHANGE	
					(A) - (B)	%			(A) - (B)	%
1.1	VOLUME	m³	22,606	22,606	0	0.0%	63,903	63,903	0	0.0%
1.2	CUSTOMER CHG.	$	840.00	840.00	0.00	0.0%	840.00	840.00	0.00	0.0%
1.3	DISTRIBUTION CHG.	$	1,393.24	1,182.23	211.01	17.8%	3,312.72	2,811.02	501.70	17.8%
1.4	TOTAL DELIVERY	$	2,233.24	2,022.23	211.01	10.4%	4,152.72	3,651.02	501.70	13.7%
1.5	LOAD BALANCING	§ $	1,522.76	1,532.31	(9.55)	-0.6%	4,304.59	4,331.58	(26.99)	-0.6%
1.6	SALES COMMDTY	$	2,136.45	2,139.05	(2.60)	-0.1%	6,039.33	6,046.70	(7.37)	-0.1%
1.7	TOTAL SALES	$	5,892.45	5,693.59	198.86	3.5%	14,496.64	14,029.30	467.34	3.3%
1.8	TOTAL T-SERVICE	$	3,756.00	3,554.54	201.46	5.7%	8,457.31	7,982.60	474.71	5.9%
1.8	SALES UNIT RATE	$/m³	0.2607	0.2519	0.0088	3.5%	0.2269	0.2195	0.0073	3.3%
1.9	T-SERVICE UNIT RATE	$/m³	0.1662	0.1572	0.0089	5.7%	0.1323	0.1249	0.0074	5.9%
1.10	SALES UNIT RATE	$/GJ	6.916	6.682	0.2334	3.5%	6.019	5.825	0.1940	3.3%
1.11	T-SERVICE UNIT RATE	$/GJ	4.408	4.172	0.2364	5.7%	3.511	3.314	0.1971	5.9%

			Large Industrial Customer				Medium Commercial Customer			
			(A)	(B)	CHANGE		(A)	(B)	CHANGE	
					(A) - (B)	%			(A) - (B)	%
2.1	VOLUME	m³	135,650	135,650	0	0.0%	169,563	169,563	0	0.0%
2.2	CUSTOMER CHG.	$	840.00	840.00	0.00	0.0%	840.00	840.00	0.00	0.0%
2.3	DISTRIBUTION CHG.	$	6,395.73	5,427.14	968.59	17.8%	7,502.64	6,366.42	1,136.22	17.8%
2.4	TOTAL DELIVERY	$	7,235.73	6,267.14	968.59	15.5%	8,342.64	7,206.42	1,136.22	15.8%
2.5	LOAD BALANCING	§ $	9,137.54	9,194.88	(57.34)	-0.6%	11,421.96	11,493.60	(71.64)	-0.6%
2.6	SALES COMMDTY	$	12,820.01	12,835.63	(15.62)	-0.1%	16,025.07	16,044.57	(19.50)	-0.1%
2.7	TOTAL SALES	$	29,193.28	28,297.65	895.63	3.2%	35,789.67	34,744.59	1,045.08	3.0%
2.8	TOTAL T-SERVICE	$	16,373.27	15,462.02	911.25	5.9%	19,764.60	18,700.02	1,064.58	5.7%
2.9	SALES UNIT RATE	$/m³	0.2152	0.2086	0.0066	3.2%	0.2111	0.2049	0.0062	3.0%
2.10	T-SERVICE UNIT RATE	$/m³	0.1207	0.1140	0.0067	5.9%	0.1166	0.1103	0.0063	5.7%
2.11	SALES UNIT RATE	$/GJ	5.710	5.535	0.1752	3.2%	5.600	5.437	0.1635	3.0%
2.12	T-SERVICE UNIT RATE	$/GJ	3.203	3.024	0.1782	5.9%	3.093	2.926	0.1666	5.7%

			Large Commercial Customer				Medium Commercial Customer			
			(A)	(B)	CHANGE (A) - (B)	%	(A)	(B)	CHANGE (A) - (B)	%
3.1	VOLUME	m³	237,387	237,387	0	0.0%	305,211	305,211	0	0.0%
3.2	CUSTOMER CHG.	$	840.00	840.00	0.00	0.0%	840.00	840.00	0.00	0.0%
3.3	DISTRIBUTION CHG.	$	10,024.74	8,506.55	1,518.19	17.8%	12,512.71	10,617.77	1,894.94	17.8%
3.4	TOTAL DELIVERY	$	10,864.74	9,346.55	1,518.19	16.2%	13,352.71	11,457.77	1,894.94	16.5%
3.5	LOAD BALANCING	§ $	15,990.67	16,090.98	(100.31)	-0.6%	20,559.37	20,688.34	(128.97)	-0.6%
3.6	SALES COMMDTY	$	22,434.96	22,462.29	(27.33)	-0.1%	28,844.89	28,879.99	(35.10)	-0.1%
3.7	TOTAL SALES	$	49,290.37	47,899.82	1,390.55	2.9%	62,756.97	61,026.10	1,730.87	2.8%
3.8	TOTAL T-SERVICE	$	26,855.41	25,437.53	1,417.88	5.6%	33,912.08	32,146.11	1,765.97	5.5%
3.9	SALES UNIT RATE	$/m³	0.2076	0.2018	0.0059	2.9%	0.2056	0.1999	0.0057	2.8%
3.10	T-SERVICE UNIT RATE	$/m³	0.1131	0.1072	0.0060	5.6%	0.1111	0.1053	0.0058	5.5%
3.11	SALES UNIT RATE	$/GJ	5.509	5.354	0.1554	2.9%	5.456	5.305	0.1505	2.8%
3.12	T-SERVICE UNIT RATE	$/GJ	3.002	2.843	0.1585	5.6%	2.948	2.794	0.1535	5.5%

Large Commercial Customer

			(A)	(B)	CHANGE (A) - (B)	%
4.1	VOLUME	m³	339,125	339,125	0	0.0%
4.2	CUSTOMER CHG.	$	840.00	840.00	0.00	0.0%
4.3	DISTRIBUTION CHG.	$	13,736.91	11,656.58	2,080.33	17.8%
4.4	TOTAL DELIVERY	$	14,576.91	12,496.58	2,080.33	16.6%
4.5	LOAD BALANCING	§ $	22,843.86	22,987.16	(143.30)	-0.6%
4.6	SALES COMMDTY	$	32,050.02	32,089.02	(39.00)	-0.1%
4.7	TOTAL SALES	$	69,470.79	67,572.76	1,898.03	2.8%
4.8	TOTAL T-SERVICE	$	37,420.77	35,483.74	1,937.03	5.5%
4.9	SALES UNIT RATE	$/m³	0.2049	0.1993	0.0056	2.8%
4.10	T-SERVICE UNIT RATE	$/m³	0.1103	0.1046	0.0057	5.5%
4.11	SALES UNIT RATE	$/GJ	5.435	5.287	0.1485	2.8%
4.12	T-SERVICE UNIT RATE	$/GJ	2.928	2.776	0.1515	5.5%

SEC INTERROGATORY #2

INTERROGATORY

H - Rate Design
Issue H1: Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?

Ref: H2/3/1, p. 1

Please recalculate the delivery charge rates for Rate 6 on the assumption that the fixed monthly charge in the Test Year is a) $75.00, and b) $80.00.

RESPONSE

The tables below compare the Company's proposed 2013 Rate 6 rates based on a monthly fixed charge of $70.00 compared to: a) the monthly fixed charge set at $75.00 and b) the monthly fixed charge set at $80.00.

a) SUMMARY OF PROPOSED RATE CHANGE BY RATE CLASS

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
Rate No.		Rate Block m³	$70 Customer Charge EB-2011-0354 cents *	Rate Change cents *	$75 Customer Charge EB-2011-0354 cents *
RATE 6					
	Customer Charge		$70.00	$5.00	$75.00
	Delivery Charge	First 500	8.1434	(0.3421)	7.8013
		Next 1050	6.2252	(0.2615)	5.9637
		Next 4500	4.8824	(0.2051)	4.6772
		Next 7000	4.0192	(0.1689)	3.8504
		Next 15250	3.6357	(0.1527)	3.4830
		Over 28300	3.5397	(0.1487)	3.3910
	Gas Supply Load Balancing		0.8874	0.0000	0.8874
	Gas Supply Transportation		5.8487	0.0000	5.8487
	Gas Supply Commodity - System		9.4508	0.0000	9.4508
	Gas Supply Commodity - Buy/Sell		9.4240	0.0000	9.4240

Witness: J. Collier

b) SUMMARY OF PROPOSED RATE CHANGE BY RATE CLASS

Rate No.	Col. 1	Col. 2 Rate Block m³	Col. 3 $70 Customer Charge EB-2011-0354 cents *	Col. 4 Rate Change cents *	Col. 5 $80 Customer Charge EB-2011-0354 cents *
RATE 6					
	Customer Charge		$70.00	$10.00	$80.00
	Delivery Charge	First 500	8.1434	(0.6843)	7.4592
		Next 1050	6.2252	(0.5231)	5.7022
		Next 4500	4.8824	(0.4102)	4.4721
		Next 7000	4.0192	(0.3377)	3.6815
		Next 15250	3.6357	(0.3055)	3.3302
		Over 28300	3.5397	(0.2974)	3.2423
	Gas Supply Load Balancing		0.8874	0.0000	0.8874
	Gas Supply Transportation		5.8487	0.0000	5.8487
	Gas Supply Commodity - System		9.4508	0.0000	9.4508
	Gas Supply Commodity - Buy/Sell		9.4240	0.0000	9.4240

VECC INTERROGATORY #1

INTERROGATORY

H - Rate Design
Issue H1: Are the rates proposed for implementation effective January 1, 2013 and appearing in Exhibit H just and reasonable?

Reference: Exhibit G2 Tab 1 Schedule 1 Updated

a) Please compare the proposed 2013 R/C ratios to those approved in the 2006 COS Decision and Rate Order.

b) For any material differences provide the rationale.

RESPONSE

a) Please see the table below for a comparison of the Revenue to Cost ratios.

Rate Class	2013 Proposed EB-2011-0354	2006 Approved EB-2005-0001
1	1.00	1.00
6	1.00	1.00
9	0.40	0.87
100	n/a	0.99
110	0.90	1.01
115	1.04	0.93
125	0.99	n/a
135	0.90	0.89
145	0.82	1.02
170	1.00	0.94
200	1.04	1.00
300/305	0.54	0.84
325	1.00	1.01

Witnesses: A. Kacicnik
M. Kirk
J. Collier

b) Please see the response to Energy Probe’s interrogatory response at Exhibit I, Issue H1, Schedule 20.1, part a)

Witnesses: A. Kacicnik
M. Kirk
J. Collier