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