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March 3, 2014

VIA RESS, EMAIL and COURIER

Ms. Kirsten Walli
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

Re: EB-2012-0459 - Enbridge Gas Distribution Inc. ("Enbridge")
2014 – 2018 Rate Application
Updated Exhibits

Further to Enbridge Gas Distribution's filing of February 28, 2014, enclosed please find the following updated exhibits:

Exhibit C1-5-1; and
Exhibit H3-1-1 plus Appendices F and G.

This submission was filed through the Board's RESS and is available on the Company's website at www.enbridgegas.com/ratecase.

Yours truly,

(original signed)

Lorraine Chiasson
Regulatory Coordinator

cc: Mr. F. Cass, Aird & Berlis
EB-2012-0459 Intervenors

GTA PROJECT REVENUE REQUIREMENT

1. This evidence is provided for purposes of informing the Board and parties to the proceeding of the need to update the GTA project forecast costs and related revenue requirements resident within the current evidence and annual Allowed Revenue calculations in Exhibit F1, Tab 1, Schedule 2 pages 1 through 5. As a result of various updates in circumstance and forecasts of costs within the EB-2012-0451 GTA LTC proceeding, it was not feasible or possible for the total evidence and derivation of Allowed Revenue forecasts resident within this five year customized IR application to stay in step with or be updated at a commensurate pace. Additionally, EGD believed that updating the evidence in this proceeding to incorporate the impact of the eventual Board findings within the GTA LTC application was the most prudent approach to use which would minimize the potential number of updates to evidence given the unknown impacts of an eventual Board decision.

2. The Company had hoped that the timing of a decision within the GTA LTC proceeding, would enable EGD to update the 2014-2018 data and information in this rate application before the specified ADR negotiation and potential hearing phases. The result however is that due to the timing of not only the LTC Decision but also the ADR and hearing phases of this application, such an update has not been able to be performed to date. EGD proposes to file an impact statement summarizing the impacts of updating the GTA forecast costs to those last filed within the LTC proceeding on the five years of Allowed Revenue amounts currently resident in this proceeding before the completion of the oral hearing as currently planned for March 24th. EGD also proposes that at that time, it will also update the

Witnesses: K. Culbert
C. Fernandes
A. Kacicnik

Appendices A through E previously provided as attachments to this exhibit, which specified the benchmark revenue requirements for both Segments A and B and as associated with the proposed GTA Project Variance Account evidence.

3. EGD is proposing that it will update the GTA project variance account evidence at the same time that it provides the impact statement as noted above.

Witnesses: K. Culbert
C. Fernandes
A. Kacicnik

ESTIMATE OF 2015 AND 2016 RATE IMPACTS

1. This evidence outlines the derivation of the Company's 2015 and 2016 estimated rate impacts to the customer rate classes. This evidence also addresses the derivation of the proposed Rider D related to the return of Site Restoration Costs ("SRC") reserve amounts for 2015 and 2016. Additionally, this evidence discusses the proposed Rate 332: Parkway to Albion Transportation Service. /u

Derivation of 2015 Estimated Rate Impacts

2. The derivation of the Company's proposed 2015 Allowed Revenue amount is presented at Exhibit F4, Tab 1, Schedule 1, page 2, Row 19 and equals $2,664.9 million for the 2015 fiscal year. The $2,664.9 million is comprised of EGD's distribution revenue amount and Gas Cost to Operations forecast. The 2015 Gas Cost to Operations forecast reflects pass-through of gas supply costs such as commodity, upstream transportation, load balancing and contracted storage. The Gas Cost to Operations evidence is filed at Exhibit D4, Tab 3, Schedule 1.

3. The Company proposes to recover the 2015 Allowed Revenue of $2,664.9 million as follows:

	($ millions)
2015 Proposed Revenue	$2,663.5
2015 Proposed Rate 332 Revenue	$1.4
2015 Total Allowed Revenue	$2,664.9

4. The Company has derived estimated rates that would recover the proposed 2015 revenues of $2,663.5 million. Appendix A attached provides a summary of

Witnesses: J. Collier
A. Kacicnik

the resulting estimated average rate impacts by rate class. The impacts for customers taking service under bundled rates are expressed on a T-service basis (i.e., total bill excluding gas supply charges). Rate impacts for customers taking service under unbundled rates are expressed on a delivery rate basis.

5. The proposed rate impacts are relative to the proposed 2014 rates as filed at Exhibit H2, Tab 6, Schedule 1 and reflect the proposed 2015 revenue amount, the proposed 2015 volumetric forecast, and the proposed 2015 Gas Cost to Operations forecast. The estimated rate impacts comparing 2014 (proposed) to 2015 proposed can be seen at Appendix A, Column 1. Appendix B, Column 6 at each of the line items 1.0 compares the average total bill impacts from 2014 (proposed) to 2015 for a sample of typical customers for each rate class. Appendix C shows the same comparison on a T-service basis.

Derivation of 2016 Estimated Rate Impacts

6. The derivation of the Company’s proposed 2016 Allowed Revenue amount is presented at Exhibit F5, Tab 1, Schedule 1, page 2, Row 19 and equals $2,803.1 million for the 2016 fiscal year. The $2,803.1 million is comprised of EGD’s distribution revenue amount and Gas Cost to Operations forecast. The 2016 Gas Cost to Operations reflects pass-through of gas supply costs such as commodity, upstream transportation, load balancing and contracted storage. The Gas Cost to Operations evidence is filed at Exhibit D5, Tab 3, Schedule 1.

7. The Company proposes to recover the 2016 Allowed Revenue of $2,803.1 million as follows:

	($ millions)
2016 Proposed Revenue	$2,791.2
2016 Proposed Rate 332 Revenue	$11.9
2016 Total Allowed Revenue	$2,803.1

8. The Company has derived estimated rates that would recover the proposed 2016 revenues of $2,791.2 million. Appendix A attached provides a summary of the resulting estimated average rate impacts by rate class. The impacts for customers taking service under bundled rates are expressed on a T-service basis (i.e., total bill excluding gas supply charges). Rate impacts for customers taking service under unbundled rates are expressed on a delivery rate basis.

9. The proposed estimated impacts are relative to the estimated 2015 impacts as discussed above and reflect the proposed 2016 revenue amount, the proposed 2016 volumetric forecast, and the proposed 2016 Gas Cost to Operations forecast. The estimated rate impacts comparing 2015 (proposed) to 2016 proposed can be seen at Appendix A, Column 2. Appendix B, Column 8 at each of the Line Items 1.0 compares the average total bill impacts from 2015 (proposed) to 2016 for a sample of typical customers. Appendix C shows the same comparison on a T-service basis.

Rider D – Site Restoration Costs

10. As outlined at Exhibit D1, Tab 5, Schedule 1, Paragraphs 34 and 35, the Company is proposing to return to customers approximately $259.8 million in SRC reserve over the 2014 to 2018 period. Table 1 at Exhibit D1, Tab 4, Schedule 1, outlines the amounts which are forecast to be cleared to customers over each of the five

years. The Company is proposing to clear the yearly amount by way of a Rate Rider D. The unit rates contained within Rider D will apply to customers' (monthly) consumption and appear as a separate line item on customers' monthly bills.

11. As the forecast amount to be returned is based on a forecast of volumes, the Company is proposing to track and capture the difference between the forecast amounts to be cleared and the actual amounts cleared to customers. This difference will be added or subtracted from a future clearance amount. This approach will ensure that $259.8 million is in fact credited back to customers. A description of the deferral account can be found at Exhibit D1, Tab 8, Schedule 1.

12. For 2015, the credit amount to be cleared back to customers is $63.1 million, for 2016 it is a credit of $58.1 million. To determine how much of the amount should be refunded to each rate class, EGD has allocated the 2015 and 2016 credit amounts to the customer rate classes based on its Board Approved cost allocation methodology for the rate base assets which make up the site restoration reserve, primarily services and mains. This approach also allows for stability in the year over year amounts which are allocated to each class as the allocators do not change substantially between the rate classes. The allocation of the 2015 amount of $63.1 million in site restoration credits to the customer rate classes can be seen at Appendix D, Line 4. Also contained within Appendix D at Line 8 are the unit rates which are developed based on the 2015 allocated credit amounts to the rate classes divided by 2015 forecast delivery volumes. The allocation of the 2016 amount of $58.1 million in site restoration credits to the customer rate classes can be seen at Appendix E, Line 4. Also contained within Appendix E, at Line 8 are the unit rates which are developed based on the 2016 allocated credit amounts to the rate classes divided by 2016 forecast delivery volumes.

13. Appendix B, Column 6 at each of the line Items 3.0 depicts the average estimated impact on an average total customer's 2015 bill for a sample of typical customers inclusive of the SRC clearance and recovery of the 2015 Allowed Revenue relative to the 2014 Allowed Revenue inclusive of the 2014 SRC clearance. Appendix C shows the same comparison on a T-service basis. Column 8, at each of the line items 3.0 of Appendix B, depicts the average impact on an average total customer's 2016 bill for a sample of customers inclusive of the SRC clearance and recovery of the 2016 Allowed Revenue relative to the 2015 Allowed Revenue inclusive of the credit. Appendix C shows the same comparison on a T-service basis. Appendix B and Appendix C at each of the line items 2.0 shows the amount of the SRC credit to be applied to the customer's bills.

Rate 332 – Parkway West to Albion Transportation Service

14. As part of EGD's EB-2012-0451 Leave to Construct ("LTC") application relating to the Greater Toronto Area ("GTA") project, the Company applied for a Rate 332: Parkway to Albion Transportation service applicable to the proposed transportation service agreement with Rate 332 Shippers.

15. The Rate 332 monthly charge is designed to recover the Shippers portion of the Segment A costs within the GTA project. In the EB-2012-0451 proceeding, the Company proposed that the derivation of the annual revenue requirement and determination of Rate 332 monthly charge be considered on a stand-alone basis. The revenue requirement for Segment A will be based on a cost-of-service methodology and will include costs for administration, operation, maintenance, depreciation, cost of debt, return on equity, and municipal and income taxes. As per the Board's decision in EB-2012-0451, 60% of the annual revenue requirement for Segment A will be recovered from Shippers through Rate 332 contract demand

charges. The Rate 332 monthly CD charge will recover Shippers share of the annual revenue requirement through a contract demand charge for contracted capacity.

16. The GTA project is scheduled to come into service on October 15, 2015. Accordingly, the Rate 332 transportation service will also become effective in October 2015.

17. A draft copy of the 2015 and 2016 proposed Rate 332 rate schedules are attached at Appendix F and G.

Witnesses: J. Collier
A. Kacicnik

RATE NUMBER 332	PARKWAY TO ALBION TRANSPORTATION SERVICE

APPLICABILITY:

To any Applicant who enters into an agreement with the Company pursuant to the Rate 332 Transportation Service Agreement ("Service Agreement").
Service shall be provided subject to the terms and conditions specified in the Service Agreement.

CHARACTER OF SERVICE:

Transportation service under this Rate Schedule shall be provided on a firm basis, subject to the terms and conditions set out in the Service Agreement.

RATE:

The following charge, effective xxxx, xx, 2015, shall apply for transportation service under this Rate Schedule:

Contract Demand Charge	**$ x.xxxx/103m3**

Monthly Minimum Bill: The minimum monthly bill shall equal the applicable Monthly Charge.

TERMS AND CONDITIONS OF SERVICE:

The terms and conditions of transportation service are set out in the Service Agreement.
The provisions of Parts I to IV of the Company's Handbook of Rates and Distribution Services do not apply to Rate 332 service.

EFFECTIVE DATE:

This rate schedule is effective xxxx, xx, 2015.

RATE NUMBER: 332	PARKWAY TO ALBION TRANSPORTATION SERVICE

APPLICABILITY:

To any Applicant who enters into an agreement with the Company pursuant to the Rate 332 Transportation Service Agreement ("Service Agreement").
Service shall be provided subject to the terms and conditions specified in the Service Agreement.

CHARACTER OF SERVICE:

Transportation service under this Rate Schedule shall be provided on a firm basis, subject to the terms and conditions set out in the Service Agreement.

RATE:

The following charge, effective xxxx, xx, 2016, shall apply for transportation service under this Rate Schedule:

Contract Demand Charge **$ x.xxxx/103m3**

Monthly Minimum Bill: The minimum monthly bill shall equal the applicable Monthly Charge.

TERMS AND CONDITIONS OF SERVICE:

The terms and conditions of transportation service are set out in the Service Agreement.
The provisions of Parts I to IV of the Company's Handbook of Rates and Distribution Services do not apply to Rate 332 service.

EFFECTIVE DATE:

This rate schedule is effective xxxx, xx, 2016.