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**VIA RESS, EMAIL and COURIER**

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

**Re: Enbridge Gas Distribution Inc. (“EGD” or the “Company”)  
Draft Rate Order – 2014 to 2018 Rate Proceeding EB-2012-0459**

Further to Enbridge’s filing of their Draft Rate Order on July 31, 2014, attached please find Appendix D - 2015 through 2018 placeholder Rate approximations.

Please file this information after the Appendix “D” lead sheet in your Draft Rate Order.

This submission was filed through the Board’s RESS and is available on the Company’s website at [www.enbridgegas.com/ratecase](http://www.enbridgegas.com/ratecase).

Yours truly,

*[original signed by]*

Lorraine Chiasson  
Regulatory Coordinator

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

**Table 1: Estimated Average Rate Impacts 2015 to 2018**

	<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>
	2014 Final	2015 Estimated	2016 Estimated	2017 Estimated	2018 Estimated
<u>Rate Class</u>	<u>T-Service Rate Impact</u>	<u>T-Service Rate Impact</u>	<u>T-Service Rate Impact</u>	<u>T-Service Rate Impact</u>	<u>T-Service Rate Impact</u>
1	-3.5%	2.3%	4.9%	2.7%	2.8%
6	-3.2%	1.9%	4.6%	2.7%	2.8%
9	-2.2%	1.0%	3.4%	1.7%	1.8%
100*	-12.2%	0.0%	0.0%	0.0%	0.0%
110	-1.8%	1.2%	2.0%	1.0%	1.0%
115	-0.6%	1.3%	2.0%	1.0%	1.0%
135	-0.5%	1.0%	2.0%	1.0%	1.0%
145	-1.4%	1.2%	2.2%	1.0%	1.0%
170	-0.9%	1.0%	1.8%	0.8%	0.8%
200	-3.0%	1.0%	2.0%	0.9%	0.8%
	<u>Delivery Rate Impact</u>	<u>Delivery Rate Impact</u>	<u>Delivery Rate Impact</u>	<u>Delivery Rate Impact</u>	<u>Delivery Rate Impact</u>
	Final	Estimated	Estimated	Estimated	Estimated
125	-11.0%	3.0%	10.0%	9.9%	9.9%
300	-2.0%	3.0%	10.0%	9.9%	9.9%

\*Rate 100 redesign

Supporting Documentation  
Final Rate Order: EB-2012-0459

## Supporting Documentation for Appendix D – Rate Impact Approximations 2015 to 2018

Table 1 of Appendix D depicts the estimated rate impacts resulting from the Company's forecast Allowed Revenues and revenue sufficiency/(deficiency) as determined in Appendix A, Schedules 2 to 6 of this rate order. The 2015 to 2018 Allowed Revenues, revenue sufficiency/(deficiency) and rate impacts are placeholders which will be updated annually to reflect certain updates stipulated in the Company's approved Customized Incentive Regulation model and as stated in Appendix F to this rate order.

A summary table of the 2014 to 2018 revenue sufficiency/(deficiency) from Appendix A is outlined below. The sufficiency/(deficiency) amounts at Line 27 reflect the impacts from the EB- 2012-0459 Decision and depict the cumulative impact from Allowed Revenues at Line 21 on the revenue sufficiency/deficiency from 2014 to 2018.

The estimated rate impacts depicted in Table 1 represent the year over year change in rates based on the change in revenue sufficiency/deficiency from one year to the next. The year over year change in sufficiency/(deficiency) and therefore change to rates is depicted on Line 28. This represents the amount of dollars that the level of the rate increase or decrease will be designed to recover in that year.

Line 29 of the Summary table depicts the level of revenue sufficiency/(deficiency) from the Company's updated filing from 2013-11-22. Line 30 depicts the year over year change in revenue sufficiency/deficiency which the Company's estimated proposed rates at the time of the filing were designed to recover. As can be seen from comparing the change in sufficiency/deficiency from Line 28 to Line 30 (Decision versus Estimated Proposed), the year over year change in the adjustment to rates is very similar. Therefore, the estimated rate impacts in Table 1 for 2015 to 2018 do not vary greatly from the Company's proposals even though the actual level of the deficiency decreased by approximately \$30 million each year as seen on Line 31. In fact, the estimated rate impacts depicted in Table 1 for 2015 to 2018 in some cases show an increase from the estimated proposed rate impacts. This is the result of applying a similar level of rate adjustment to a lower 2014 base and lower customer's bills resulting from adjustments from the Board's decision. This results in the actual dollar amount of the total annual bill being lower but the percentage change in rates being higher.

For example, the proposed 2014 rates would have resulted in an average residential T-service customers annual bill decreasing by approximately \$9 a year with a total T-service annual bill of \$531. The estimated 2015 proposed rate increase per the Company updated filing was 2.1% or \$11 annually for a total T-service annual bill of \$542.

As a result of the 2014 Decision, the 2014 rates have resulted in an average residential T-service customers annual bill decreasing by approximately \$19 per year with a total T-service annual bill of \$521. The estimated 2015 proposed rate increase reflecting the decision is 2.3% or \$12 annually for a total T-service annual bill of \$533.

DECISION ALLOWED REVENUE AND SUFFICIENCY / (DEFICIENCY) 2014 - 2018 FISCAL YEARS						
		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
		2014	2015	2016	2017	2018
Line		EGD	EGD	EGD	EGD	EGD
No.		Total	Total	Total	Total	Total
		(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
	<b>Cost of Capital</b>					
1.	Rate base	4,421.4	4,847.0	5,696.0	5,948.6	6,152.6
2.	Required rate of return	6.79%	6.89%	7.00%	7.04%	7.12%
3.		300.0	333.8	398.6	418.7	438.1
	<b>Cost of Service</b>					
4.	Gas costs	1,456.3	1,606.8	1,632.5	1,632.5	1,632.5
5.	Operation and maintenance	425.3	427.3	431.1	436.9	442.8
6.	Depreciation and amortization	248.5	261.7	288.9	297.7	305.5
7.	Fixed financing costs	1.9	1.9	1.9	1.9	1.9
8.	Municipal and other taxes	41.2	43.1	45.5	47.9	50.4
9.		2,173.2	2,340.8	2,399.9	2,416.9	2,433.1
	<b>Miscellaneous operating and non operating revenue</b>					
10.	Other operating revenue	(42.7)	(42.7)	(42.7)	(42.7)	(42.7)
11.	Other income	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
12.		(42.8)	(42.8)	(42.8)	(42.8)	(42.8)
	<b>Income taxes on earnings</b>					
13.	Excluding tax shield	65.9	48.9	47.1	54.8	68.3
14.	Tax shield provided by interest expense	(39.5)	(42.8)	(49.6)	(52.0)	(54.6)
15.		26.4	6.1	(2.5)	2.8	13.7
	<b>Taxes on sufficiency / (deficiency)</b>					
16.	Gross sufficiency / (deficiency) - with CIS/CC	66.0	10.2	(77.9)	(117.9)	(163.6)
17.	Net sufficiency / (deficiency) - with CIS/CC	48.5	7.5	(57.3)	(86.7)	(120.3)
18.		(17.5)	(2.7)	20.6	31.3	43.4
19.	Sub-total Allowed Revenue	2,439.3	2,635.2	2,773.8	2,826.9	2,885.5
20.	Customer Care Rate Smoothing Var. Adj.	(2.9)	(1.1)	0.8	2.9	5.0
21.	<b>Allowed Revenue</b>	2,436.4	2,634.1	2,774.6	2,829.8	2,890.5
	<b>Revenue at existing Rates</b>					
22.	Gas sales	2,254.0	2,404.3	2,464.5	2,480.3	2,496.2
23.	Transportation service	242.8	229.6	217.1	211.1	205.0
24.	Transmission, compression and storage	1.8	1.8	1.8	1.8	1.8
25.	Rounding adjustment	(0.1)	0.1	-	0.3	0.3
26.	Total	2,498.5	2,635.8	2,683.4	2,693.5	2,703.3
27.	<b>Gross revenue sufficiency / (deficiency)</b>	62.1	1.7	(91.2)	(136.3)	(187.2)
	<b>Impact on Rates from Decision</b>					
28.	Year over Year change in Rates from Decision (Current Year Sufficiency/Deficiency minus previous year Sufficiency/Deficiency)	62.1	(60.4)	(92.9)	(45.0)	(50.9)
	<b>COMPARISON TO 2013-11-22 Updated Filing</b>					
29.	<b>Gross revenue sufficiency / (deficiency) from Updated Filing</b>	31.2	(29.1)	(119.7)	(166.1)	(215.7)
30.	Year over Year change in Rates from Updated Filing (Current Year Sufficiency/Deficiency minus previous year Sufficiency/Deficiency)	31.2	(60.3)	(90.6)	(46.4)	(49.6)
31.	<b>Gross revenue sufficiency / (deficiency) change from Updated Filing to Decision (line 27 minus line 29)</b>	30.9	30.8	28.5	29.8	28.5