

REVENUE (DEFICIENCY) / SUFFICIENCY SUMMARY

1. This evidence, including Table 1 on the following page, presents a summary of Enbridge Gas Distribution Inc.'s ("Enbridge") delivery related (deficiency) / sufficiency for the 2014 Board Approved (EB-2012-0459) results, the 2015 placeholder results (EB-2012-0459), and the 2015 Test Year results calculated within this proceeding.
2. The (deficiency)/sufficiency calculation is completed using the information set out in evidence within this proceeding. The revenue at existing rates is explained within the C-series of exhibits. The components of Allowed Revenue are explained within the D-series of exhibits (operating costs and income taxes), and within the B and E series of exhibits (cost of capital, including updated rate base).
3. The deficiency amount calculated for the 2015 Test Year represents the annual increase in rates that is required relative to existing October 1, 2014 Board Approved rates. Conversely, the sufficiency calculated for the EB-2012-0459, 2015 placeholder was determined on a cumulative basis in comparison to April 1, 2013 Board Approved rates and did not reflect the decrease in rates (sufficiency) approved by the Board for 2014.
4. A summary of the components of Enbridge's allowed revenues and corresponding revenue (deficiency) / sufficiency for the 2014 Board Approved results, the 2015 placeholder results, and the 2015 Test Year forecast results is shown in Table 1 on the following page.
5. Exhibit F1, Tabs 2 to 4 provide details of the (deficiency)/sufficiency calculation, as well as utility income and utility rate base (both of which support the calculations

made within Exhibit F1, Tab 2, Schedule 1 as well as certain of the E series of exhibits).

TABLE 1  
UTILITY REVENUE (DEFICIENCY) / SUFFICIENCY (INCLUDING CIS & CUSTOMER CARE)

Line No.		Col. 1	Col. 2	Col. 3
		EB-2012-0459 Board Approved 2014 (\$Millions)	EB-2012-0459 Placeholder 2015 (\$Millions)	Test Year 2015 (\$Millions)
1.	Revenue at existing rates	(1) 2,436.4	2,635.8	2,676.0
2.	Allowed revenue:			
3.	Other operating revenue	(2) (42.8)	(42.8)	(42.8)
4.	Operating costs	(3) 2,173.2	2,340.8	2,426.1
5.	Cost of capital	(4) 300.0	333.8	326.1
6.	Income taxes	(5) 26.4	6.1	3.9
7.	Taxes on (deficiency) / sufficiency	(6) (17.5)	(2.7)	11.7
8.	Customer care smoothing adjustment	(7) (2.9)	(1.1)	(1.1)
9.	Total allowed revenue	2,436.4	2,634.1	2,723.9
10.	Revenue (deficiency) / sufficiency	(8) -	1.7	(47.9)

Notes:

- (1) 2014 Board Approved revenue includes a \$62.1 million gross sufficiency.
- (2) Provided at Exhibit C1, Tab 1, Schedule 1, Table 1, Lines 4 & 5.
- (3) Provided at Exhibit D1, Tab 1, Schedule 1, Table 1, Line 6.
- (4) 2015 amounts provided at Exhibit F1, Tab 2, Schedule 1, Page 1, Columns 3 & 8, Line 3.
- (5) 2015 amounts provided at Exhibit F1, Tab 2, Schedule 1, Page 1, Columns 3 & 8, Line 16.
- (6) 2015 amounts provided at Exhibit F1, Tab 2, Schedule 1, Page 1, Columns 3 & 8, Line 19.
- (7) 2015 amounts provided at Exhibit F1, Tab 2, Schedule 1, Page 1, Columns 3 & 8, Line 21.
- (8) 2015 amounts provided at Exhibit F1, Tab 2, Schedule 1, Page 1, Columns 3 & 8, Line 28.

Witness: R. Small

ALLOWED REVENUE AND SUFFICIENCY/(DEFICIENCY)  
2015 UPDATED FORECAST

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	
	EB-2012-0459 Excl. CIS 2015 Allowed Revenue Placeholder (\$Millions)	EB-2012-0459 CIS 2015 Allowed Revenue Placeholder (\$Millions)	EB-2012-0459 Total 2015 Allowed Revenue Placeholder (\$Millions)	2015 Test Year Updates Excl. CIS (\$Millions)	2015 Test Year Updates for CIS (\$Millions)	2015 Updated Forecast Allowed Revenue Excl. CIS (\$Millions)	2015 Approved CIS Allowed Revenue (\$Millions)	Total 2015 Updated Forecast Allowed Revenue (\$Millions)	
<b>Cost of capital</b>									
1.	Rate base	4,801.9	45.1	4,847.0	109.5	-	4,911.4	45.1	4,956.5
2.	Required rate of return	6.89	6.44	6.89	(0.31)	-	6.58	6.44	6.58
3.		330.9	2.9	333.8	(7.7)	-	323.2	2.9	326.1
<b>Cost of service</b>									
4.	Gas costs	1,606.8	-	1,606.8	80.3	-	1,687.1	-	1,687.1
5.	Operation and maintenance	330.8	96.5	427.3	5.7	(0.7)	336.5	95.8	432.3
6.	Depreciation and amortization	249.0	12.7	261.7	-	-	249.0	12.7	261.7
7.	Fixed financing costs	1.9	-	1.9	-	-	1.9	-	1.9
8.	Municipal and other taxes	43.1	-	43.1	-	-	43.1	-	43.1
9.		2,231.6	109.2	2,340.8	86.0	(0.7)	2,317.6	108.5	2,426.1
<b>Miscellaneous operating and non-operating revenue</b>									
10.	Other operating revenue	(42.7)	-	(42.7)	-	-	(42.7)	-	(42.7)
11.	Interest and property rental	-	-	-	-	-	-	-	-
12.	Other income	(0.1)	-	(0.1)	-	-	(0.1)	-	(0.1)
13.		(42.8)	-	(42.8)	-	-	(42.8)	-	(42.8)
<b>Income taxes on earnings</b>									
14.	Excluding tax shield	40.6	8.3	48.9	(3.0)	-	37.6	8.3	45.9
15.	Tax shield provided by interest expense	(42.2)	(0.6)	(42.8)	0.8	-	(41.4)	(0.6)	(42.0)
16.		(1.6)	7.7	6.1	(2.2)	-	(3.8)	7.7	3.9
<b>Taxes on sufficiency / (deficiency)</b>									
17.	Gross sufficiency / (deficiency)	10.2	-	10.2	(54.2)	-	(44.0)	-	(44.0)
18.	Net sufficiency / (deficiency)	7.5	-	7.5	(39.9)	-	(32.4)	-	(32.4)
19.		(2.7)	-	(2.7)	14.4	-	11.7	-	11.7
20.	<b>Sub-total revenue requirement</b>	2,515.4	119.8	2,635.2	90.5	(0.7)	2,605.9	119.1	2,725.0
21.	Customer Care Rate Smoothing V/A Adjustment	-	(1.1)	(1.1)	-	-	-	(1.1)	(1.1)
22.	<b>Allowed revenue</b>	2,515.4	118.7	2,634.1	90.5	(0.7)	2,605.9	118.0	2,723.9
<b>Revenue at existing Rates</b>									
23.	Gas sales	2,312.5	91.8	2,404.3	2.7	8.0	2,315.2	99.8	2,415.0
24.	Transportation service	211.2	18.4	229.6	33.7	(4.1)	244.9	14.3	259.2
25.	Transmission, compression and storage	1.8	-	1.8	-	-	1.8	-	1.8
26.	Rounding adjustment	0.1	-	0.1	(0.1)	-	-	-	-
27.	Revenue at existing rates	2,525.6	110.2	2,635.8	36.3	3.9	2,561.9	114.1	2,676.0
28.	<b>Gross revenue sufficiency / (deficiency)</b>	10.2	(8.5)	1.7	(54.2)	4.6	(44.0)	(3.9)	(47.9)

UTILITY INCOME  
2015 UPDATED FORECAST

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
	EB-2012-0459 Excl. CIS 2015 Utility Income Placeholder (\$Millions)	EB-2012-0459 CIS 2015 Utility Income Placeholder (\$Millions)	EB-2012-0459 Total 2015 Utility Income Placeholder (\$Millions)	2015 Test Year Updates Excl. CIS (\$Millions)	2015 Test Year Updates for CIS (\$Millions)	2015 Updated Forecast Utility Income Excl. CIS (\$Millions)	2015 Approved CIS Utility Income (\$Millions)	Total 2015 Updated Forecast Utility Income (\$Millions)
1. Gas sales	2,312.5	91.8	2,404.3	2.7	8.0	2,315.2	99.8	2,415.0
2. Transportation of gas	211.2	18.4	229.6	33.7	(4.1)	244.9	14.3	259.2
3. Transmission, compression and storage revenue	1.8	-	1.8	-	-	1.8	-	1.8
4. Other operating revenue	42.7	-	42.7	-	-	42.7	-	42.7
5. Interest and property rental	-	-	-	-	-	-	-	-
6. Other income	0.1	-	0.1	-	-	0.1	-	0.1
7. Total operating revenue	2,568.3	110.2	2,678.5	36.4	3.9	2,604.7	114.1	2,718.8
8. Gas costs	1,606.8	-	1,606.8	80.3	-	1,687.1	-	1,687.1
9. Operation and maintenance	330.8	96.5	427.3	5.7	(0.7)	336.5	95.8	432.3
10. Depreciation and amortization expense	249.0	12.7	261.7	-	-	249.0	12.7	261.7
11. Fixed financing costs	1.9	-	1.9	-	-	1.9	-	1.9
12. Municipal and other taxes	43.1	-	43.1	-	-	43.1	-	43.1
13. Interest and financing amortization expense	-	-	-	-	-	-	-	-
14. Other interest expense	-	-	-	-	-	-	-	-
15. Total costs and expenses	2,231.6	109.2	2,340.8	86.0	(0.7)	2,317.6	108.5	2,426.1
16. Ontario utility income before income taxes	336.7	1.0	337.7	(49.6)	4.6	287.1	5.6	292.7
17. Income tax expense	(1.6)	7.7	6.1	(2.2)	-	(3.8)	7.7	3.9
18. Utility net income	338.3	(6.7)	331.6	(47.4)	4.6	290.9	(2.1)	288.8

Witness: R. Small

UTILITY RATE BASE  
 2015 UPDATED FORECAST

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Line No.	EB-2012-0459 Excl. CIS 2015 Utility Rate Base Placeholder (\$Millions)	EB-2012-0459 CIS 2015 Utility Rate Base Placeholder (\$Millions)	EB-2012-0459 Total Rate Base Placeholder (\$Millions)	2015 Test Year Updates Excl. CIS (\$Millions)	2015 Test Year Updates for CIS (\$Millions)	2015 Updated Forecast Rate Base Excl. CIS (\$Millions)	2015 Approved CIS Rate Base (\$Millions)	Total 2015 Updated Forecast Rate Base (\$Millions)
<u>Property, Plant, and Equipment</u>								
1.	7,462.9	127.1	7,590.0	-	-	7,462.9	127.1	7,590.0
2.	(2,934.2)	(82.0)	(3,016.2)	-	-	(2,934.2)	(82.0)	(3,016.2)
3.	4,528.7	45.1	4,573.8	-	-	4,528.7	45.1	4,573.8
<u>Allowance for Working Capital</u>								
4.	1.3	-	1.3	-	-	1.3	-	1.3
5.	33.7	-	33.7	-	-	33.7	-	33.7
6.	0.1	-	0.1	-	-	0.1	-	0.1
7.	(65.1)	-	(65.1)	-	-	(65.1)	-	(65.1)
8.	0.9	-	0.9	-	-	0.9	-	0.9
9.	291.2	-	291.2	112.4	-	403.6	-	403.6
10.	11.1	-	11.1	(2.9)	-	8.2	-	8.2
11.	273.2	-	273.2	109.5	-	382.7	-	382.7
12.	4,801.9	45.1	4,847.0	109.5	-	4,911.4	45.1	4,956.5

Witness: R. Small