

## RATE BASE EVIDENCE AND SUMMARIES

1. This evidence deals with information with respect to Enbridge's utility rate base for ratemaking purposes and the levels of gross plant, accumulated depreciation and working capital elements within that rate base.
2. The following table is a summary showing the values on an average of monthly averages basis for each of these rate base components, for the 2015 Board Approved rate base (EB-2014-0276), the 2016 rate base placeholder (EB-2012-0459), and the 2016 Updated Forecast rate base presented within this proceeding.

TABLE 1  
UTILITY RATE BASE (INCLUDING CIS & CUSTOMER CARE)  
YEAR TO YEAR SUMMARY

	Col. 1	Col. 2	Col. 3
Line No.	EB-2014-0276 2015 Total Approved Rate Base (\$Millions)	EB-2012-0459 2016 Total Rate Base Placeholder (\$Millions)	2016 Total Updated Forecast Utility Rate Base (\$Millions)
<u>Property, Plant, and Equipment</u>			
1.	Cost or redetermined value	7,590.0	8,554.6
2.	Accumulated depreciation	(3,016.2)	(3,105.8)
3.	Net property, plant, and equipment	4,573.8	5,448.8
<u>Allowance for Working Capital</u>			
4.	Accounts receivable rebillable projects	1.3	1.4
5.	Materials and supplies	33.7	34.6
6.	Mortgages receivable	0.1	-
7.	Customer security deposits	(65.1)	(64.6)
8.	Prepaid expenses	0.9	1.0
9.	Gas in storage	403.6	276.3
10.	Working cash allowance	8.2	(1.5)
11.	Total Working Capital	382.7	247.2
12.	Utility Rate Base	4,956.5	5,696.0
			5,812.3

Witness: R. Small

3. Within EB-2012-0459, the Board approved forecasts of the net property, plant, and equipment component, and most working capital components of rate base, for the purpose of setting Allowed Revenue amounts and rates in each of 2014 through 2018. However, as identified in Appendix E of the EB-2012-0459 Decision and Rate Order, dated August 22, 2014, the forecast gas in storage and working cash allowance components of working capital, for each of 2015 through 2018, are subject to update in the respective rate adjustment applications for each of those years. In accordance with the EB-2012-0459 Decision and Rate Order, and as seen in Exhibit B1, Tab 1, Schedule 2, the gas in storage and working cash allowance components of the 2016 Updated Forecast rate base have been updated, as compared to the 2016 placeholder rate base values.
4. The 2016 forecast gas in storage value has been updated to reflect changes resulting from the 2016 volumes re-forecast, and re-determined 2016 gas supply plan. The updated gas in storage value also reflects July 1, 2015 QRAM prices, whereas the 2016 placeholder gas in storage value reflected April 1, 2013 QRAM prices. These updates have resulted in an increase to gas in storage of \$114.8 million.
5. The 2016 forecast working cash allowance has been updated, as compared to the 2016 placeholder working cash allowance, to reflect impacts resulting from the 2016 volumes re-forecast, the re-determined 2016 gas supply plan, gas purchase and storage and transportation costs valued at July 1, 2015 QRAM prices versus April 1, 2013 QRAM prices, and 2016 operation and maintenance cost updates. The net impact is a \$1.5 million increase to the 2016 forecast working cash allowance. Details of the 2016 updated working capital components average of monthly averages values are shown in Exhibit B1, Tab 1, Schedule 3.

UTILITY RATE BASE  
2016 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 2016 Utility Rate Base Placeholder (\$Millions)	EB-2012-0459 CIS 2016 Utility Rate Base Placeholder (\$Millions)	EB-2012-0459 2016 Total Rate Base Placeholder (\$Millions)	2016 CIR Updates Excl. CIS (\$Millions)	2016 CIR Updates for CIS (\$Millions)	2016 Updated Utility Rate Base Excl. CIS (\$Millions)	2016 Utility CIS Rate Base (\$Millions)	2016 Total Updated Forecast Utility Rate Base (\$Millions)
1. Cost or redetermined value	8,427.5	127.1	8,554.6	-	-	8,427.5	127.1	8,554.6
2. Accumulated depreciation	(3,011.1)	(94.7)	(3,105.8)	-	-	(3,011.1)	(94.7)	(3,105.8)
3. Net property, plant, and equipment	5,416.4	32.4	5,448.8	-	-	5,416.4	32.4	5,448.8
<u>Allowance for Working Capital</u>								
4. Accounts receivable billable projects	1.4	-	1.4	-	-	1.4	-	1.4
5. Materials and supplies	34.6	-	34.6	-	-	34.6	-	34.6
6. Mortgages receivable	-	-	-	-	-	-	-	-
7. Customer security deposits	(64.6)	-	(64.6)	-	-	(64.6)	-	(64.6)
8. Prepaid expenses	1.0	-	1.0	-	-	1.0	-	1.0
9. Gas in storage	276.3	-	276.3	114.8	-	391.1	-	391.1
10. Working cash allowance	(1.5)	-	(1.5)	1.5	-	-	-	-
11. Total Working Capital	247.2	-	247.2	116.3	-	363.5	-	363.5
12. Utility Rate Base	5,663.6	32.4	5,696.0	116.3	-	5,779.9	32.4	5,812.3

Witness: R.Small

WORKING CAPITAL COMPONENTS  
MONTH END BALANCES AND AVERAGE OF MONTHLY AVERAGES  
2016 UPDATED FORECAST

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
Line No.	Account Receivable Projects	Materials and Supplies	Mortgages Receivable	Customer Security Deposits	Prepaid Expenses	Gas in Storage	Working Cash Allowance	Total
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
1. January 1	1.4	34.1	-	(65.6)	0.6	458.3	-	428.8
2. January 31	1.4	34.2	-	(65.1)	0.7	357.4	-	328.6
3. February	1.4	34.3	-	(64.3)	0.4	266.0	-	237.8
4. March	1.4	34.4	-	(64.3)	0.5	164.1	-	136.1
5. April	1.4	34.5	-	(64.2)	1.0	171.8	-	144.5
6. May	1.4	34.5	-	(64.2)	0.9	242.8	-	215.4
7. June	1.4	34.6	-	(64.1)	0.9	324.0	-	296.8
8. July	1.3	34.7	-	(64.1)	0.8	411.4	-	384.1
9. August	1.3	34.8	-	(64.1)	2.2	499.7	-	473.9
10. September	1.3	34.9	-	(64.8)	1.7	580.4	-	553.5
11. October	1.3	34.9	-	(65.2)	1.1	632.9	-	605.0
12. November	1.3	35.0	-	(65.9)	0.7	574.8	-	545.9
13. December	1.3	35.1	-	(65.1)	0.6	478.5	-	450.4
14. Avg. of monthly avgs.	1.4	34.6	-	(64.6)	1.0	391.1	-	363.5

Witness: R. Small

WORKING CAPITAL COMPONENTS - WORKING CASH ALLOWANCE  
2016 UPDATED FORECAST

Line No.	Col. 1 Disbursements (\$Millions)	Col. 2 Net Lag-Days (Days)	Col. 3 Allowance (\$Millions)
1. Gas purchase and storage and transportation charges	1,808.5	2.1	10.4
2. Items not subject to working cash allowance (Note 1)	<u>(41.1)</u>		
3. Gas costs charged to operations	<u>1,767.3</u>		
4. Operation and Maintenance	364.4		
5. Less: Storage costs	<u>(8.4)</u>		
6. Operation and maintenance costs subject to working cash	356.0		
7. Ancillary customer services	<u>-</u>		
8.	<u>356.0</u>	(10.9)	<u>(10.6)</u>
9. Sub-total			<u>(0.2)</u>
10. Storage costs	8.4	58.4	1.3
11. Storage municipal and capital taxes	1.4	22.9	<u>0.1</u>
12. Sub-total			<u>1.4</u>
13. Harmonized Sales Tax			<u>(1.2)</u>
14. Total working cash allowance			<u>-</u>

Note 1: Represents non cash items such as amortization of deferred charges,  
accounting adjustments and the T-service capacity credit.

Witness: R. Small