CCC INTERROGATORY #1

Interrogatory

Reference: Ex. B/p. 2

Through this application Enbridge is seeking approval of its Tariff for Parkway to Albion King's North gas transportation service that it will provide under Rate 332. That Tariff is based on the fact that 1,200 TJ/day of capacity of the Albion Pipeline will be used for transportation services. 800/TJ/day will be used to serve Enbridge's in-franchise distribution customers. This allocation was approved by the Board in its EB-2012-0451 Decision.

a) If the pipeline is undersubscribed will this impact how much of the pipeline is paid for by Enbridge's in-franchise distribution customers? If, so please explain how.

Response

a) No, in-franchise customers will not pay for the cost of Rate 332 (i.e., 60% of the annual revenue requirement for Segment A) if the pipeline is undersubscribed. The cost of Rate 332 will be paid for by Rate 332 customers via a higher unit rate (i.e., the same level of cost/revenue requirement would be divided over a smaller denominator/contract demand). Please also see response to CCC Interrogatory #3at Exhibit I.EGDI.CCC.3.

Witnesses: J. LeBlanc
A. Kacicnik

CCC INTERROGATORY #2

Interrogatory

Reference: Ex. B/p. 5

In the leave to construct proceeding Enbridge had proposed that 800 TJ/day would be used for the distribution of gas to its in-franchise customers. Does Enbridge still require 800 TJ/day for its in-franchise customers? If not, could Enbridge make more capacity on the Albion Pipeline available for transportation purposes? If Enbridge does not require 800 TJ/day of capacity for its in-franchise customers what happens to the excess capacity?

Response

Enbridge requires the 800 TJ/day to meet the needs of in-franchise customers.

Witness: J. LeBlanc

CCC INTERROGATORY #3

Interrogatory

Reference: Ex. B/p. 8

The evidence states that in the event that the total contracted capacity on the Albion Pipeline is anything other that the 1,200 TJ/day, Enbridge will file a proposal to vary the Board's order in this case. Please explain what, specifically, Enbridge would be seeking to vary. Could this impact the allocation of the pipeline costs to in-franchise customers?

Response

If the1,200 TJ/day of available capacity is undersubscribed, Enbridge would seek to vary the unit rate as outlined in Exhibit B, Attachment A, page 1. As outlined in response to Board Staff Interrogatory #1 at Exhibit 1.EGDI.STAFF.1, the unit rate is derived by taking the total cost for Rate 332 divided by the total capacity of 1,200 TJ/day. The revised unit rate would be derived by taking the total cost for Rate 332 divided by the subscribed capacity (which would be lower than 1,200 TJ/day). This would not impact the allocation of costs to in-franchise customers.

Witness: A. Kacicnik

CCC INTERROGATORY #4

Interrogatory

Reference: Ex. B/p. 8

The evidence states that the Contract Demand Charge calculation assumes the costs as indicated in the EB-2012-0451 and EB-2012-0459 proceedings. Please provide the project costs presented in those cases and the current projected costs. What is the current balance in the Greater Toronto Area Incremental Transmission Capital Revenue Requirement Deferral Account? What is the revenue requirement that will be allocated to in-franchise customers?

Response

The total GTA project capital costs examined and approved in EB-2012-0451 and EB-2012-0459 were $686.5 million, of which $336.7 million was forecast in relation to the Albion Pipeline (shared Segment A of the GTA project). The current forecast of total GTA project capital costs is $922 million[1], of which $413.3 million relates to the Albion Pipeline.

The balance recorded in the 2016 GTAITCRRDA, as at April 30, 2016, is $0.5 million. As was approved in EB-2015-0114, the forecast balance to be recorded in the 2016 GTAITCRRDA by December 31, 2016, assuming Rate 332 transportation service is not able to be provided during the entire 2016, is $4.9 million. The latter represents the 2016 revenue requirement associated with the incremental $55 million in forecast capital costs resulting from the upsizing of the Albion Pipeline from a 36" to 42" diameter pipeline.

Once Rate 332 transportation service commences, bundled customers will be allocated 40% of the revenue requirement associated with the Albion Pipeline, while 60% will be allocated to Rate 332 transportation customers. During Enbridge Gas Distribution's customized incentive regulation ("CIR") term (2014 – 2018), the revenue requirement is to be derived utilizing the approved forecast of capital costs. Commencing in 2019, following the conclusion of the CIR term, the annual revenue requirement will be derived utilizing the current actual net book value, or then current forecast capital costs. The allocation between bundled customers and Rate 332 customers will remain the same, at 40% and 60% respectively.

[1] http://www.rds.ontarioenergyboard.ca/webdrawer/webdrawer.dll/webdrawer/search/rec?sm_udf10=EB-2016-0142&sortd1=rs_dateregistered&rows=200 Exhibit D Schedule 3 Tab 1 (Adobe page 210)

Witnesses: J. Collier
A. Kacicnik
R. Small

CCC INTERROGATORY #5

Interrogatory

Reference: Ex. B/p.4

If, in the future, Enbridge determines that it needs less than 800 TJ/day for it infranchise customers, will Enbridge propose a change to the allocation of the Albion Pipeline costs between in-franchise and ex-franchise customers upon rebasing? If not, why not?

Response

Enbridge requires the 800 TJ/day to meet the needs of its in-franchise customers. If hypothetically in the future, Enbridge does not require the full 800 TJ/day for its in-franchise customers, it would make this additional capacity available for ex-franchise customers. Enbridge would hold an open season offering the additional available capacity, and if it is subscribed, propose a change in the cost allocation between in-franchise and ex-franchise customers upon rebasing.

Witnesses: A. Kacicnik
J. LeBlanc