

BOARD STAFF INTERROGATORY #1

Interrogatory

Ref: EB-2016-0028 / Exhibit B / Pages 7-8
EB-2016-0028 / Exhibit B / Attachment I

Preamble:

Enbridge noted that the contract demand charge for firm transportation service on the Albion Pipeline is based on the recovery of 60% of the annual revenue requirement of the pipeline in accordance with the EB-2012-0451 and EB-2012-0459 decisions.

Enbridge also noted that the contract demand charge calculation assumes the costs of the Albion Pipeline as indicated in the EB-2012-0451 and EB-2012-0459 proceedings.

Enbridge calculated the contract demand charge on the basis that the total contracted capacity will be the full 1,200 TJ/day that is available for transportation service on the Albion Pipeline.

Enbridge stated that in the unlikely event that the total contracted capacity on the Albion Pipeline is lower than the 1,200 TJ/day that is available for transportation service it will file a proposal to vary the OEB's order in this proceeding.

Questions:

- a) Please provide the calculation for the contract demand charge set out at Exhibit B / Attachment I. Please include references to previous OEB decisions to support the amounts used in the calculation.
- b) Please confirm that if transportation service for the Albion Pipeline is undersubscribed, Enbridge will file its request for a vary order prior to the customers taking service on the pipeline.

Response

- a) The 2016 daily contract demand charge is based on 60% of the annual revenue requirement for Segment A as determined in Enbridge Gas Distribution's EB-2015-0114 (2016) rate case. As shown at EB-2015-0114, Exhibit G2, Tab 5, Schedule 3, page 2, Line 3, the 2016 annual revenue requirement for Segment A is

Witness: A. Kacicnik

\$29,954,600. The billing determinant is the contract demand of 1,200,000 GJ/day.
Therefore the contract demand charge is determined as follows:

2016 Segment A Total Revenue Requirement:	\$29,954,600	/c
Rate 332 Segment A Revenue Requirement @ 60%	\$17,972,760	/c
2016 Contract Capacity Available for Rate 332 (GJ/day)	1,200,000	
Rate 332 Daily Contract Demand Charge (\$17,972,760/1,200,000)/365	\$0.0410 /GJ/day	/c

- b) Confirmed. Please also see response to CCC Interrogatory #3 at Exhibit I.EGDI.CCC.3