

DECISION ALLOWED REVENUE AND SUFFICIENCY / (DEFICIENCY) 2014 - 2018 FISCAL YEARS					
	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
Line No.	2014 EGD Total	2015 EGD Total	2016 EGD Total	2017 EGD Total	2018 EGD Total
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
Cost of Capital					
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
Cost of Service					
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
Miscellaneous operating and non operating revenue					
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)
Income taxes on earnings					
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
Taxes on sufficiency / (deficiency)					
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. Allowed Revenue	2,436.4	2,634.1	2,774.6	2,829.8	2,890.5
Revenue at existing Rates					
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. Gross revenue sufficiency / (deficiency)	62.1	1.7	(91.2)	(136.3)	(187.2)
Impact on Rates from Decision					
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)
COMPARISON TO 2013-11-22 Updated Filing					
29. Gross revenue sufficiency / (deficiency) from Updated Filing	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. Gross revenue sufficiency / (deficiency) change from Updated Filing to Decision (line 27 minus line 29)	30.9	30.8	28.5	29.8	28.5

1 MR. SHEPHERD: Then storage and transmission lines is
2 panel 3, is that right?

3 MR. MANDYAM: Yes.

4 MR. SHEPHERD: Then I have just -- sorry, I have to
5 find something. I have a question on LPMA 8, attachment 2.
6 It is the Union Gas 2017 annual report.

7 Are you the right people to ask that question?

8 MR. KITCHEN: Sorry, Jay?

9 MR. SHEPHERD: I said you are the right people to ask
10 about this?

11 MR. KITCHEN: Well, if you put it to us and we can't,
12 we'll figure out who can.

13 MR. SHEPHERD: This is on page 6 of the annual report.
14 I've never seen this in any of the Union Gas stuff
15 beforehand, so I'm -- that's why I'm asking. It says there
16 is no audit committee of the board. Do you see that at the
17 top of page 6?

18 And the reason I ask is because the board of directors
19 of Union Gas is -- tell me whether this is true -- one-
20 third Enbridge Inc. management, one-third Union management,
21 and one-third independent; is that right?

22 MR. KITCHEN: That's correct.

23 MR. SHEPHERD: So I'm not sure why you don't have an
24 audit committee. That means management controls their
25 audited statements? I didn't think that was legal, let
26 alone appropriate.

27 [Witness panel confers]

28 MR. KITCHEN: Sorry, Jay, I'm just looking for an IR

1 that we answered on governance. And I just don't recall
2 the number.

3 There we go. So if you look at FRPO 10, on page 3,
4 about halfway down it says:

5 "Enbridge Inc. employs a governance model whereby
6 certain governance functions that are common
7 across the Enbridge Inc. organizations are
8 overseen at the parent company level. The
9 utilities enjoy, as Amalco will, significant
10 benefits by having committees such as audit,
11 finance, and risk committee, human resources, and
12 compensation committee, the corporate social
13 responsibility committee, and the safety and
14 reliability committee operating at the parent
15 level."

16 MR. SHEPHERD: So -- I see. That's good. So this is
17 one of the ways in which you've already made the company
18 more efficient by changing the governance at Union Gas so
19 that some stuff is bumped up to EI; right?

20 MR. KITCHEN: The structure under Spectra was similar,
21 that it was done at a corporate level as well.

22 MR. SHEPHERD: But now it's all done in one place?

23 MR. KITCHEN: With the merger of Spectra and EI there
24 is a single -- there are single audit committees and/or the
25 other committees that I just spoke about.

26 MR. SHEPHERD: All right. I think -- oh, I know, hang
27 on. No. Okay, I think that's all I have right now. Thank
28 you.

Impacts of ICM Proposal for Customers

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Totals
Opening Rate Base	0	315	593	753	943	1,233	1,504	1,616	1,910	1,998	
New ICM Capital	323	294	184	219	326	317	165	354	155	101	2,438
Depreciation	8	17	23	29	36	46	53	60	67	71	
Closing Rate Base	315	593	753	943	1,233	1,504	1,616	1,910	1,998	2,028	
Depreciation	8	17	23	29	36	46	53	60	67	71	410
Cost of Capital	13	35	49	60	73	92	107	120	132	136	816
Tax	-2	-2	-2	-1	-3	-4	-3	0	2	5	-10
Total ICM Revenue	18	49	70	87	107	133	157	180	201	212	1,215
Threshold Capital	832	838	839	848	854	859	865	871	878	885	8,570
Total Capital	1,155	1,132	1,023	1,067	1,180	1,176	1,030	1,225	1,033	986	11,008
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Maintenance	561	556	568	526	501	587	578	597	607	598	5,679
Attachments	336	289	271	323	353	270	287	274	268	286	2,957
Subtotal Non-ICM	897	845	839	849	854	857	865	871	875	884	8,636
ICM Eligible	323	308	186	224	332	317	171	372	155	152	2,540
Subtotal Customers	1220	1153	1025	1073	1186	1174	1036	1243	1030	1036	11,176
Synergy Investments	11	36	53	37	13						150
Total	1231	1189	1078	1110	1199	1174	1036	1243	1030	1036	11,326