

**Enbridge Gas Distribution Inc.
2007 Rate Case EB-2006-0034**

PROPOSED ISSUES LIST

1 RATE BASE (Exhibit B)

- 1.1 Are the amounts proposed for the 2007 Rate Base appropriate?
- 1.2 Are the amounts proposed for Capital Expenditures in 2007 appropriate?
(B1/T2/S1)
- 1.3 Is the budget amount proposed in 2007 for Safety & Integrity projects appropriate? (B1/T3/S1)
- 1.4 How should the Board deal with the Leave to Construct ("LTC") projects included in the 2007 capital budget given that there will be separate Board proceedings for the LTC projects? (B1/T3/S2)
- 1.5 Has the Company met the requirements of the Board's directive from the 2006 rate case to file an independent cost benchmark study for the EnVision project? (B1/T6/S1)
- 1.6 What are the appropriate EnVision cost and benefits and how should they be reflected in 2007 rates?
- 1.7 Is the business case, including the total project amount of \$133 million, proposed for the Automatic Meter Reading project ("AMR") justified?
(B1/T7/S1)
- 1.8 Is the proposed recovery of AMR costs in 2007 rates appropriate?

2 OPERATING REVENUE (Exhibit C)

- 2.1 Is the proposed amount for 2007 Transactional Services revenue appropriate, and is the associated sharing mechanism in accordance with the 2006 decision? (C1/T4/S1)
- 2.2 Is the proposed total 2007 Other Revenue Forecast appropriate? (C1-T5-S1)
- 2.3 Is the forecast of degree days appropriate? (C2/T4/S1)
- 2.4 Are the average use-per-customer forecasts for rate class 1 and rate class 6 appropriate? (C1/T3/S1 and C2/T3/S1)

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- 2.5 Is the proposed 2007 contract gas volume and revenue forecast appropriate? (C1/T3/S1)
- 2.6 Is the proposed 2007 General Service gas volume and revenue forecast appropriate? (C1/T3/S1)

3 OPERATING COST (Exhibit D)

- 3.1 Is the proposed 2007 gas cost forecast including the calculation of the PGVA Reference Price appropriate? (D1/T4/S1, D1/T4/S2)
- 3.2 Is the overall level of the 2007 Operation and Maintenance Budget appropriate? (D1-T2-S1)?
- 3.3 Is the Company's proposed fuel switching program appropriate?
- 3.4 Is the Company's proposed Energy Link program appropriate?
- 3.5 Is the budget for Human Resources related costs appropriate? (D1-T4-S1)
- 3.6 Do the revisions to the Regulatory Cost Allocation Methodology (RCAM) meet the Board's directives in the 2006 decision?
- 3.7 Is the proposed level of corporate cost allocation for 2007 appropriate?
- 3.8 Is the Company's forecast level of Regulatory and OEB related costs for 2007 appropriate?
- 3.9 Is Enbridge's decision to change to a December 31 taxation year-end, in 2007) appropriate? (D1-T5-S1)
- 3.10 Is the continuation of the Risk Management Program appropriate in the context of the Board's 2006 Decision directives? (D1/T4/S3)
- 3.11 Is the proposal to change depreciation rates for 2007, as proposed in the depreciation study, and the impact on 2007 customer rates, appropriate? (D1/T13/S1, D2/T2/S1)
- 3.12 Is the proposal for the establishment of 2007 Deferral and Variance Accounts appropriate? (D1T7/S1)
- 3.13 Is the proposal for the disposition of existing Deferral and Variance Accounts appropriate? (D1T7/S2)

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- 3.14 Are the amounts proposed to be included in rates for capital and property taxes appropriate?
- 3.15 Is the amount proposed to be included in rates for income taxes, including the methodology, appropriate?

4 COST OF CAPITAL (Exhibit E)

- 4.1 (To be spoken to)What is the appropriate Return on Equity (ROE) for EGD for the 2007 test year?
- 4.2 Are Enbridge's proposed costs for its debt and preference share components of its capital structure appropriate? (E1-T2-S1)
- 4.3 Is the proposal to change the equity component of the deemed capital structure from 35% to 38% appropriate? (E2-T2-S1)

5 COST ALLOCATION (Exhibit G)

- 5.1 Is the Applicant's cost allocation appropriate and is it based on its 2006 Board approved methodology? (G2-T1-S1)
- 5.2 Is the proposal to recover Demand Side Management costs in delivery charges, as opposed to load balancing charges, appropriate? (from G2/T3/S1 to G2/T3/S4)

6 RATE DESIGN (Exhibit H)

- 6.1 Is the proposal to introduce delivery demand charges for Rates 100 and 145 reasonable? (H1/T1/S1)
- 6.2 Is the proposal to allocate revenue requirement between the customer classes and annually adjust the monthly customer charges and variable charges to recover the revenue deficiency reasonable? (H1/T1/S1, H2, G2/T2/S1)
- 6.3 Should the Board approve the contents of the Applicant's Rate Handbook? (H1/T1/S1, H2/T6/S1, A1/T14/S2)

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- 6.4 Is the proposed treatment of bundled transportation charges and T-service credit appropriate in light of the Board's Decision in RP-2003-0203 and the settlement agreement? (H1/T1/S1)
- 6.5 (CONTESTED) Should the residential rate schedules for EGD include a rate affordability assistance program for low-income consumers? If so, how should such a program be funded? How should eligibility criteria be determined? How should levels of assistance be determined?

7 CUSTOMER CARE SUPPORT, CUSTOMER CARE SYSTEM, AND OPEN BILL ACCESS

- 7.1 Has Enbridge complied with the direction, in the EB-2005-0001 Decision, to file in evidence the following Customer Care Support Cost information: all agreements between Enbridge and CWLP, ECSI or any other EI-related entity related to the provision of customer care or CIS; the Program Agreement between CWLP and Accenture, including any amendments or revisions; financial statements for ECSI and CWLP (historical, bridge and test year); the return analyses described in the decision? (D1/T12/S3)
- 7.2 What actions or decisions are required by the Board regarding items in the 2006 and 2007 capital budgets which might be duplicated in the upcoming application for a Regulatory Asset Account? (D1/T10/S1/p2/AppA)
- 7.3 Are the forecast costs of the new CIS system appropriate? (B1/T5/S1/p3)
- 7.4 What are the appropriate costs for CIS and Customer Care for 2007, including internal and transition costs? (D1/T12/S1/p2 and D3/T2/Sched1/P1)
- 7.5 (To be spoken to) Is the Applicant's proposal of open bill access appropriate and consistent with the Board's direction in RP-2005-0001? (D1/T11/S1 to S5)

8 OTHER ISSUES

- 8.1 What are the actions or decisions necessary for the Board to be assured that the Board's decisions, including settlements, in the NGEIR (EB-2005-0551) proceeding will be appropriately captured and reflected in this proceeding?

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- 8.2 What are the actions or decisions necessary for the Board to be assured that the Board's decisions, including settlements, in the DSM (EB-2006-0021) proceeding will be appropriately captured and reflected in this proceeding?

9 RATE IMPLEMENTATION

- 9.1 How should the Board deal with any revenue deficiency applicable from January 1, 2007 to the date that the Board's decision is implemented?
- 9.2 Should the Board set interim rates, effective January 1, 2007, to allow Enbridge to begin to recover its prospective revenue deficiency?