

GAZIFÈRE INC.
PRE-FILED EVIDENCE OF JACKIE COLLIER
2006 RATE CASE

- Q.1 Please state your full name, and your current position with the Company.
- A.1 My name is Jackie Collier, and I am Manager Rate Design, at Enbridge Gas Distribution.
- Q.2 What are your professional qualifications, experience, and previous appearances before this or other regulatory tribunals?
- A.2 Please refer to our Curriculum Vitae filed at Exhibit GI-3, Document 5.
- Q.3 What is the purpose of this testimony?
- A.3 This testimony addresses the Company's proposed recovery in rates of the 2006 proposed distribution revenues. As discussed at Exhibit GI-1, the Company is proposing to set its 2006 distribution rates by applying a factor of 4.7% to its October 1, 2005 distribution rates.
- Q.4 How were the proposed 2006 distribution rates developed?
- A.4 The starting point for the proposed rate design were the October 1, 2005 rates which can be seen at Exhibit GI-3, Document 3, Column 1. These rates were adjusted to reflect the proposed cost allocation methodology changes for upstream transportation and storage costs as discussed in Exhibit GI-2. As discussed in Exhibit GI-2, the proposed cost allocation changes are revenue neutral and result in a re-allocation of costs amongst the rate classes. The change in rates stemming from the proposed cost allocation changes can be seen at Exhibit GI-3, Document 3, Column 2. Column 3 are the Adjusted October 1, 2005 rates and are the base to which the proposed 2006 adjustments are made.

As discussed at Exhibit GI-1, the Company is proposing to adjust its October 1, 2005 distribution rates by a rate index of 4.7 % at a rate class level. The October 1, 2005 distribution revenue is \$15,828,050. This includes revenue from the monthly fixed charges and variable delivery

charges. In order to apply the 4.7% rate index to the distribution costs only, the Unaccounted for Gas costs which are currently recovered in the distribution rates need to be excluded. The Unaccounted for Gas costs embedded in rates is a credit amount of \$326,800 therefore, this has been added back to the 2005 distribution revenues. This results in a base distribution revenue of \$16,154,850. This can be seen at Exhibit GI-3, Document 2, Column 3. From this base, the 4.7% rate index is applied at a rate class level, and the proposed rate class distribution revenue is determined. This can be seen at Exhibit GI-3, Document 2, Column 5.

The Company proposes that the change in distribution costs at the rate class level be effected through changes in the variable Delivery Charge. The monthly fixed charges will not be increased. The per unit adjustment to rates is determined by taking the rate class revenue increase as seen at Exhibit GI-3, Document 2, Column 4 of \$759,280 and dividing by the 2005 volumes. This can be seen at Column 7 of this Exhibit. These per unit adjustments are added to the Adjusted October 1, 2005 delivery rates (including the cost allocation changes) to develop the proposed 2006 rates as seen as Exhibit GI-3, Document 3, Column 5.

Exhibit G1-3, Document 4, Page 1 compares the Approved October 1, 2005 units rates and revenue to the Adjusted October 1, 2005 unit rates and revenues which includes the proposed cost allocation changes. This document illustrates the change in revenue amongst the rate classes from the proposed cost allocation changes and confirms that the changes are revenue neutral as seen at Line 7, Column 5.

Exhibit G1-3, Document 4, Page 2 compares the Adjusted October 1, 2005 unit rates (including the cost allocation changes) and revenues to the proposed 2006 unit rates and revenues. This document illustrates that the proposed increase in total Company distribution revenue is \$759,280 as seen at Line 7, Col. 5. The percentage increase to each rate class and the total Company is seen in Column 6 of this exhibit. The distribution revenues

stated in this exhibit include the Unaccounted For Gas amounts, therefore the percentage increases are slightly higher than the overall increase of 4.7% which was determined on a base which excluded the Unaccounted for Gas amount.

Q.5 Are you proposing any new rates or service offerings?

A.5 Yes, the Company is proposing to introduce a Curtailment Credit which will be applicable to interruptible customers taking service under Rate 9. As discussed in Exhibit GI-2, Enbridge Gas Distribution credits interruptible customers on their system to compensate them for their value of interruption. Rate 200 is forecast to receive a credit of approximately \$252,000 which recognizes the curtailment capacity of Gazifère's Rate 9 customers. Gazifère is proposing to credit their Rate 9 interruptible customers in the same manner in which Enbridge Gas Distribution has implemented this credit. The curtailment credit is \$1.10 per m³ and is applied to the customers mean daily volume (MDV) for the months of December to March. The credit is applied to the customers' bills in the months of January to April to allow for actual billing data to become available.

Q.6 Does this conclude your evidence?

A.6 Yes, it does.