

Date: 16/Sept/2011

Pièces n°: B-280

## ENGAGEMENT N° 11

**Référence :** E-11 (GM), Notes sténographiques du 9 septembre 2011, volume 3, page 165

**Demande :** « Fournir la page 3 de 3 de Gaz Métro-6, Document 8.5, mise à jour avec l'information additionnelle quant à la segmentation entre ce qui du plastique et ce qui est de l'acier, pour les compagnies où cette information-là est disponible. » (demandé par la Régie)

**Réponse :** During cross-examination, questions leading to this undertaking were based on the Gaz Metro response to the information request provided in Document 8.5, Information Request 26.2. In preparing this response to the undertaking given by Mr. Kennedy, it was noted that in the circumstances of AltaGas, FortisBCEnergy and ATCO Gas, Gannett Fleming has provided a more up to date depreciation study which have all now been entered into evidence. In order to provide the most current and relevant information the attached spreadsheet provided the information from the new depreciation study and is therefore different, in some circumstances, from the information provided in information request response 26.2.

	Distribution Branch service steel (Z1100)			Distribution Branch service plastic (Z1102)			Distribution Branch service insert plastic (Z1103)			Distribution Main Pipe steel (Z1150)			Distribution Main Pipe plastic (Z1151)			Distribution Main Pipe plastic insert (Z1152)		
	Rate	Average service life	Note	Rate	Average service life	Note	Rate	Average service life	Note	Rate	Average service life	Note	Rate	Average service life	Note	Rate	Average service life	Note
SCGM actuel (Gaz Metro) Study 2004	3.77%	33		3.63%	35		3.87%	37		3.06%	42		2.21%	50		1.97%	50	
SCGM proposé ELG with salvage	2.66%	45		3.19%	50		2.45%	50		2.82%	50		1.98%	60		1.65%	60	
fortisBC, Energy, Inc.*	2.29%	50	1,4							1.48%	64	1,4						
Enbridge Gaz Distribution	1.87%	35	1,2,4							1.27%	57	2,4						
Gazifère, Inc.	4.52%	50	1,4,8							2.22%	75	1,4,9						
Atco Gaz	4.03%	55	1,5,6							2.94%	62	1,5,7						
Altgas Utilities, Inc.	3.98%	48	1,3,5							2.34%	55	1,5						

\* Formerly Terasen Gaz, Inc.

## Notes:

- Account has not been separated into steel versus plastic pipe. Therefore this life and depreciation rate apply to both steel and plastic pipe.
- This depreciation rate has not been updated since 2001
- Depreciation rate includes a -75% net negative salvage provision compared to the -25% Plastic and -40% (Steel) proposed by Gaz Metro
- Average Service Life ("ASL") Depreciation Rate Calculation Procedure was used
- Equal Life Group ("ELG") Depreciation Rate Calculation Procedure was used
- Depreciation rate includes a -100% net negative salvage provision compared to the -25% Plastic and -40% (Steel) proposed by Gaz Metro
- Depreciation rate includes a -75% net negative salvage provision compared to the -25% (Steel) and -10 (Plastic) proposed by Gaz Metro
- Depreciation rate includes a -115% net negative salvage provision compared to the -25% Plastic and -40% (Steel) proposed by Gaz Metro
- Depreciation rate includes a -70% net negative salvage provision compared to the -25%(Steel) and -10 (Plastic) proposed by Gaz Metro