

GAZIFÈRE INC.
PRE-FILED EVIDENCE OF BRANDON SO
2017 RATE CASE

Q.1 Please state your full name and your current position.

A.1 My name is Brandon So. I am the Cost Allocation Manager 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 my Curriculum Vitae filed at Exhibit GI-31, document 3.

Q.3 What is the purpose of this testimony?

A.3 I am presenting the results of the fully allocated cost study for the 2017 test year. The study allocates the test year distribution revenue requirement (DRR) to the customer rate classes which is then used as a guide to rate design.

Q.4 Is Gazifère proposing any cost allocation methodology changes as part of this filing?

A.4 Gazifère is not proposing any changes to the cost allocation methodology with the exception of the following two changes as directed by the Régie in its D-2016-092, R-3924-2015 Phase 4 decision:

Sales Stations Allocation Factor:

Sales station allocation factor has been changed/revised for 2017 to reflect the fact that sales stations costs are not incurred to supply rate 2 customers. The sales station allocation factor is filed at Exhibit GI-31, Document 2.11, Item 4.2.

General Promotion Expenditures:

General Promotion Expenditures have two objectives: to increase the utilization of the gas distribution network and to help with the network's safety. Thus, the expenditures are classified equally between annual delivered

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natural gas volumes and the number of customers to reflect the two objectives. The classification of general promotion expenditures between annual delivered natural gas volume and the number of customers is shown at Exhibit GI-31 Document 2.7, Item 4.4, Column 5 and Column 19.

The cost allocation methodology is filed at Exhibit GI-31, document 2.

Q.5 Could you please outline the derivation of the study?

A.5 The details of Gazifère's 2017 budget, which determines its 2017 distribution revenue requirement, are filed in GI-19, document 1.

The proposed revenue requirement is allocated to the various rate classes in accordance with principles laid out in the Fully Allocated Cost Study, filed at Exhibit GI-32 document 1 to GI-32 document 1.3.

The allocation of the total distribution revenue requirement at a rate class level is filed at exhibit GI-32, document 2 to GI-32 document 2.4.

Using the study as a guide to rate design ensures that cost causality is maintained for the 2017 test year.

Q.6 Does this conclude your evidence?

A.6 Yes it does.