

Workshop with the Regie



**Anton Kacicnik
Brandon So**

April 3, 2017

Agenda:



- **Rate 200 approval process**
- **Rate 200 history**
- **EGD's gas supply plan**
- **EGD's Purchased Gas Variance Account (PGVA) and Rider C**
- **Rate 200 cap & trade charge**
- **Gazifere's closing of the books**

Safety 24/7



Hiking Safety:

Check the weather conditions

Wear good, comfortable boots

Dress in layers, apply sunscreen

Bring enough water

Be respectful to the environment, wildlife, and other hikers



Rate Regulation: Rate Change Process



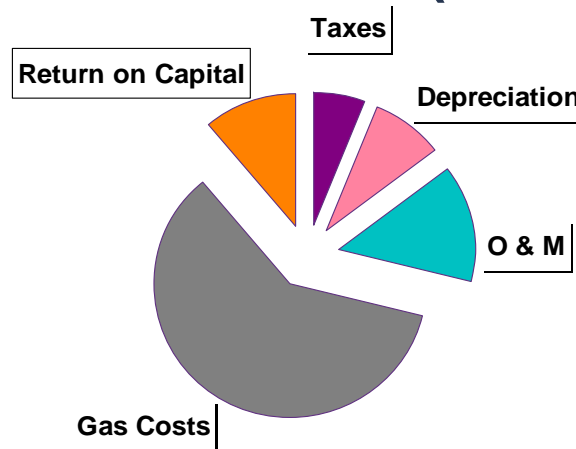
- **Utilities cannot set its own prices (i.e. rates and tolls)**
- **To establish or change rates / tolls utilities must file a rate change application with their regulators**
- **Regulators must set rates that are just and reasonable**

The OEB Act defines a rate as: “a rate, charge or other consideration and includes a penalty for late payment.”

Rate Regulation: Rate Change Process



- **Quarterly Rate Adjustment**
 - Addresses gas cost
- **Annual Rate Adjustment**
 - Addresses distribution cost (monopoly business)



EGD Current Rates



- **Rate 1: General Service rate (residential)**
- **Rate 6: General Service rate (commercial)**
- **Rate 9: Container Service rate (NGV)**
- **Rates 100, 110, 115: Large volume firm rates**
- **Rate 135: Large volume firm seasonal rate**
- **Rates 145, 170: Large volume interruptible rates**
- **Rates 125, 300, 315, 316: Unbundled rates**
- **Rates 200: Wholesale rate**
- **Rates 325, 330, 331: Ex-franchise rates**

APPLICABILITY:

To any Distributor who enters into a Service Contract with the Company to use the Company's natural gas distribution network for the transportation of an annual supply of natural gas to customers outside of the Company's franchise area.

CHARACTER OF SERVICE:

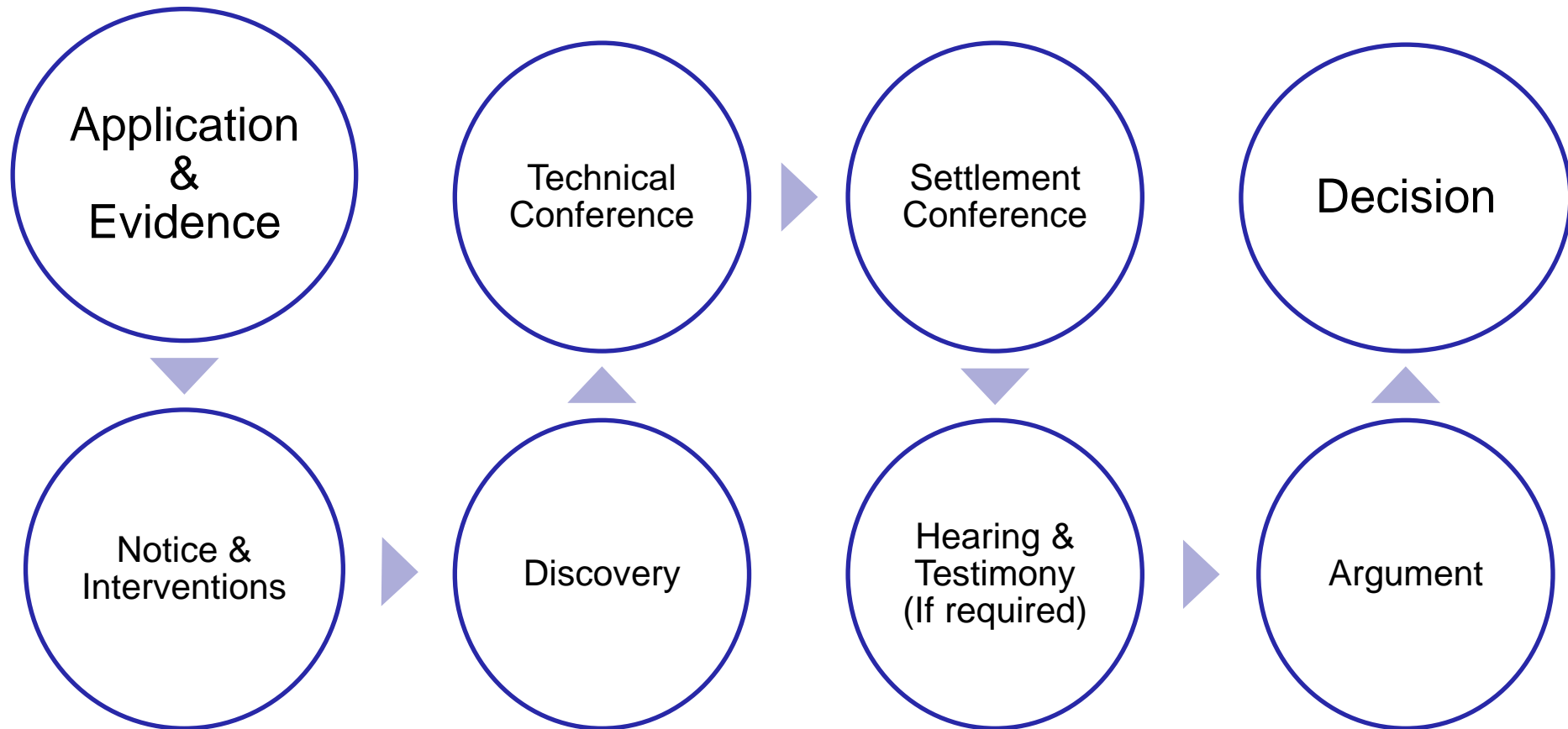
Service shall be continuous (firm), except for events as specified in the Service Contract including force majeure, up to the contracted firm daily demand and subject to curtailment or discontinuance, of demand in excess of the firm contract demand, upon the Company issuing a notice not less than 4 hours prior to the time at which such curtailment or discontinuance is to commence.

RATE:

Rates per cubic metre assume an energy content of 37.69 MJ/m³.

	Billing Month
	January
	to
	December
Monthly Customer Charge	
The monthly customer charge shall be negotiated with the applicant and shall not exceed:	\$2,000.00
Delivery Charge	
Per cubic metre of Firm Contract Demand	14.7000 ¢/m³
Per cubic metre of gas delivered	1.1542 ¢/m³
Gas Supply Load Balancing Charge	1.3247 ¢/m³
Transportation Charge per cubic metre (If applicable)	5.4313 ¢/m³
Transportation Dawn Charge per cubic metre (If applicable)	1.1404 ¢/m³
System Sales Gas Supply Charge per cubic metre (If applicable)	11.3419 ¢/m³
Buy/Sell Sales Gas Supply Charge per cubic metre (If applicable)	11.3222 ¢/m³
Cap and Trade Customer Related Charge (If applicable)	0.0000 ¢/m³
Cap and Trade Facility Related Charge	0.0337 ¢/m³

Annual Rate Adjustment Process



Rate 200: 2007 - 2017



<u>Rate 200 OEB Approved - 2008 to 2017</u>						
<u>Year</u>	<u>Tot Volume</u>	<u>Rev Details</u>				
		<u>Dist \$</u>	<u>Transp \$</u>	<u>LB \$</u>	<u>Comm \$</u>	<u>Total \$</u>
2017	170,843	4,144	9,275	2,120	12,296	27,834
2016	170,837	4,165	10,328	1,766	15,609	31,868
2015	169,087	4,029	6,338	778	18,565	29,710
2014	164,887	3,986	5,739	381	15,118	25,223
2013	163,080	3,937	7,211	806	11,592	23,547
2012	162,216	3,988	7,014	726	16,725	28,453
2011	157,393	3,737	5,965	746	18,982	29,430
2010	156,140	3,746	4,703	666	23,668	32,784
2009	151,354	3,341	7,397	990	39,937	51,666
2008	149,994	3,117	5,383	704	33,704	42,908
2007	150,658	3,060	5,505	944	40,376	49,885

Rate 200: 2007 - 2017



Rate 200 OEB Approved - 2007 to 2017

<u>Year</u>	<u>Rate 200 TS Impact</u>	<u>Rate 200 Sales Impact</u>
2017	0.8%	0.2%
2016	3.3%	2.9%
2015	0.9%	1.0%
2014	-3.0%	-1.1%
2013	0.0%	0.0%
2012	-0.6%	-0.3%
2011	-3.2%	-0.8%
2010	0.1%	0.0%
2009	0.0%	0.0%
2008	0.4%	0.1%
2007	3.0%	1.0%

History of Rate Changes for EGD's Large Volume Customers



- **Annual Rate Case determines distribution rate and service changes**
 - 2007 Cost of Service (COS)
 - 2008-2012 Formula Incentive Regulation (IR)
 - 2013 Cost of Service (COS)
 - 2014 – 2018 Custom IR
- **2016 impact mostly a function of the GTA project and an increased DSM budget**

Year	Average Impacts
2007	~3.0%
2008-12	~0.5%
2013	~0%
2014	~ (1.0)%
2015	~ 1.0%
2016	~ 5.0%
2017	~ 1.0%

Rate 200: 2007 - 2017



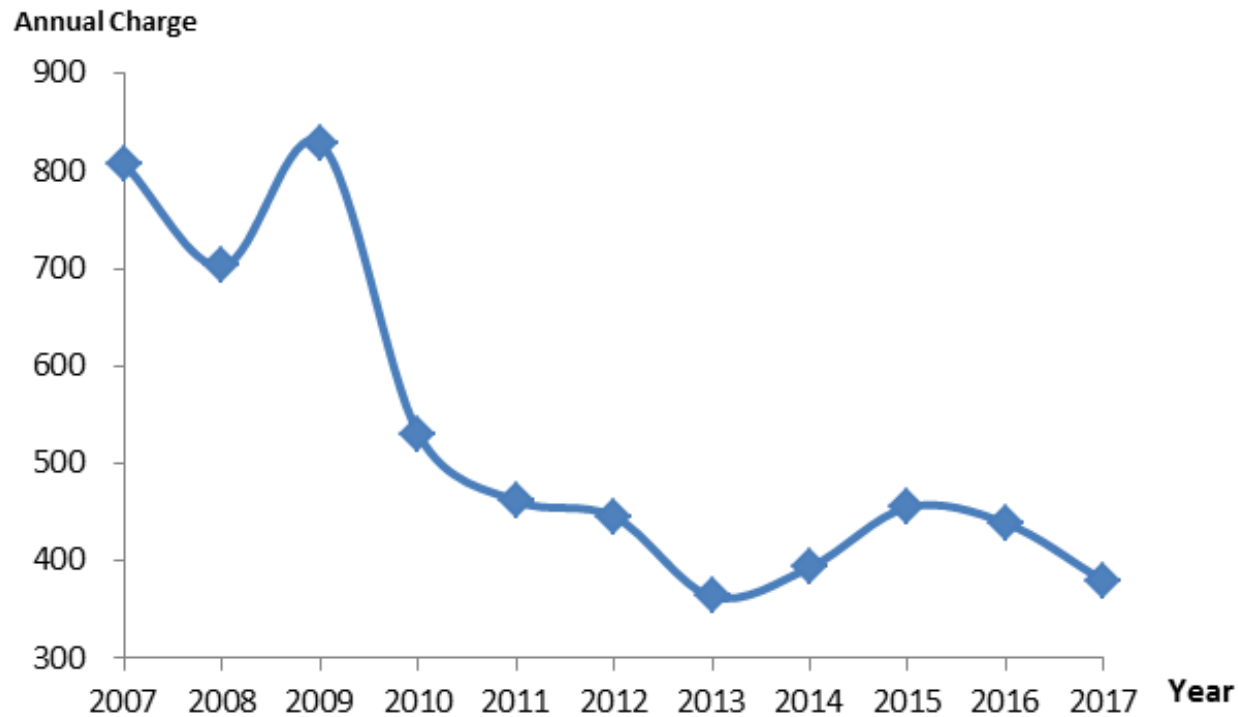
Rate 200 OEB Approved - 2008 to 2017

<u>Year</u>	<u>Tot Volume</u>	<u>Total \$</u>	<u>c/m3</u>
2017	170,843	27,834	16.29
2016	170,837	31,868	18.65
2015	169,087	29,710	17.57
2014	164,887	25,223	15.30
2013	163,080	23,547	14.44
2012	162,216	28,453	17.54
2011	157,393	29,430	18.70
2010	156,140	32,784	21.00
2009	151,354	51,666	34.14
2008	149,994	42,908	28.61
2007	150,658	49,885	33.11

Rate 200: 2007 - 2017



Illustration of Rate 200 Charges:
Gazifere Customer with Annual Volume = 2000 m3



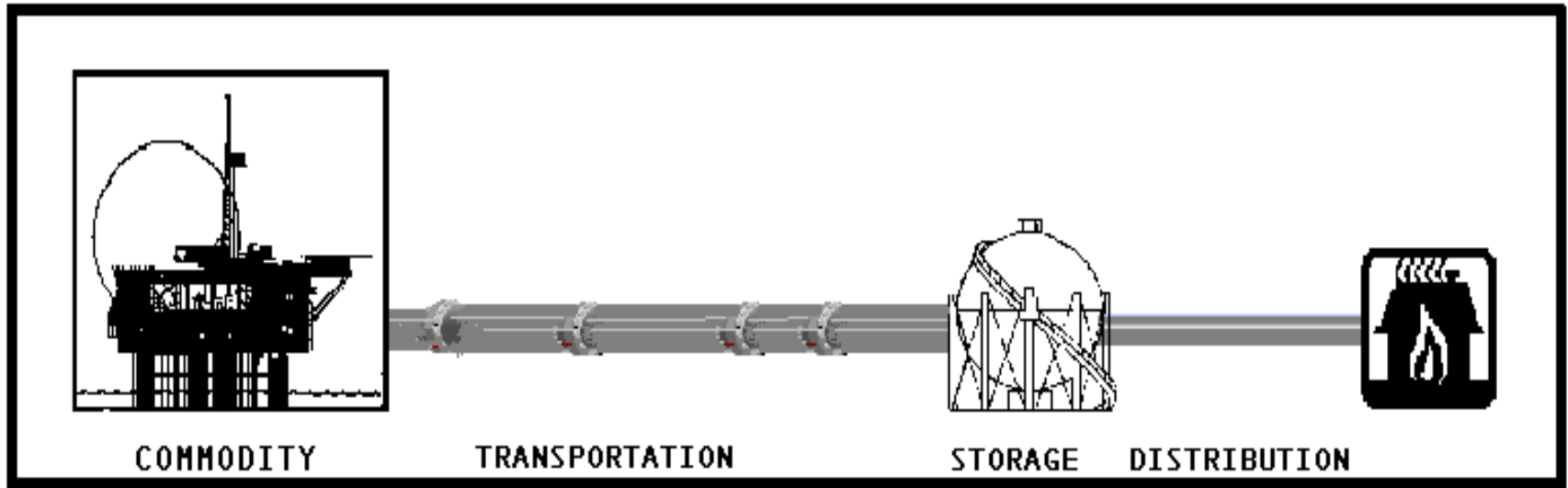
Rate 200: 2007 - 2017



Rate 200 OEB Approved - 2008 to 2017

<u>Year</u>	<u>Tot Volume</u>	<u>Dist \$</u>	<u>c/m3</u>
2017	170,843	4,144	2.43
2016	170,837	4,165	2.44
2015	169,087	4,029	2.38
2014	164,887	3,986	2.42
2013	163,080	3,937	2.41
2012	162,216	3,988	2.46
2011	157,393	3,737	2.37
2010	156,140	3,746	2.40
2009	151,354	3,341	2.21
2008	149,994	3,117	2.08
2007	150,658	3,060	2.03

Rate Regulation: Service Provided to Customers



UNBUNDLED

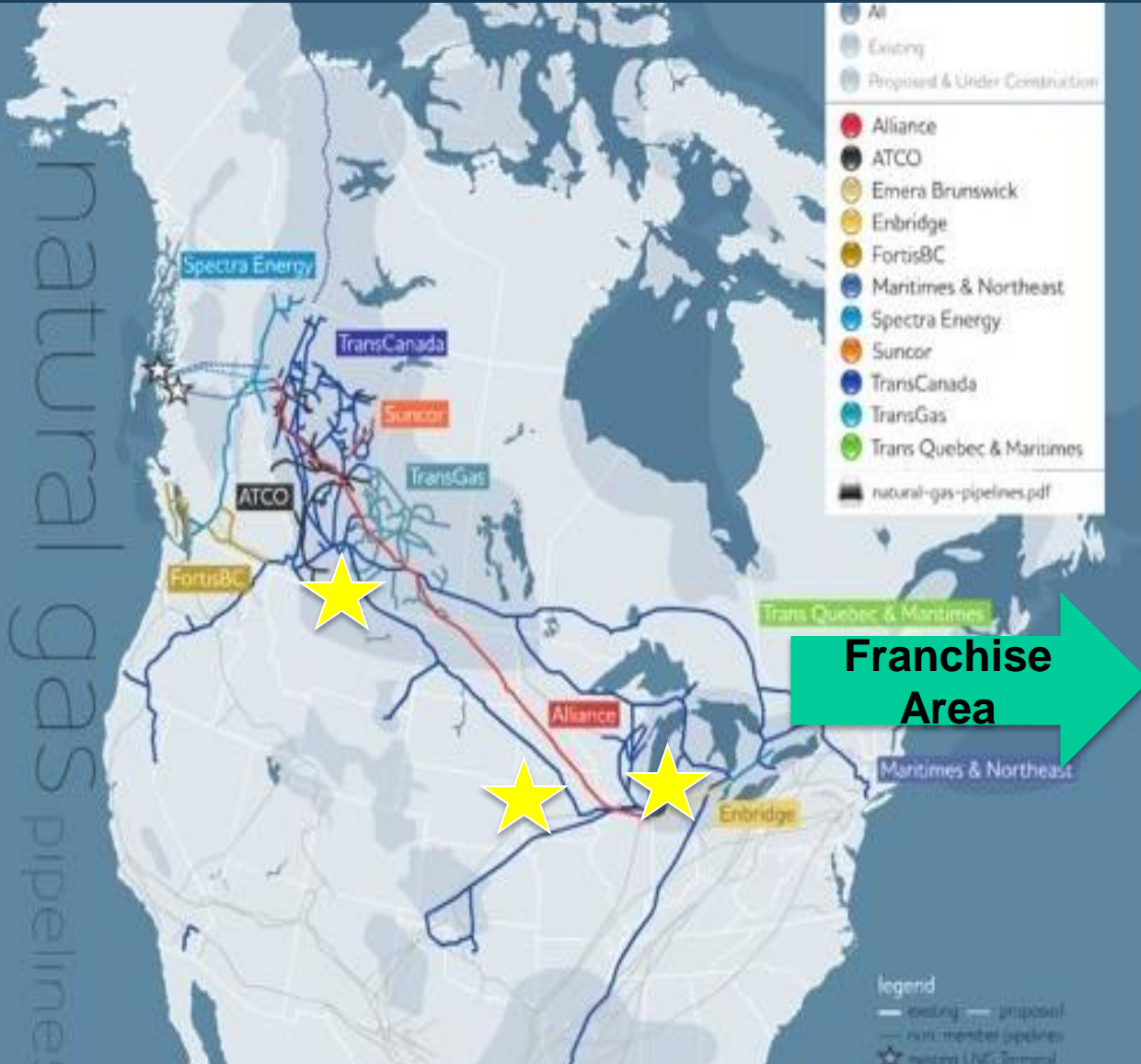
SERVICE TYPES:

ONTARIO BUNDLED T

WESTERN BUNDLED T

SALES

Gas Supply Plan



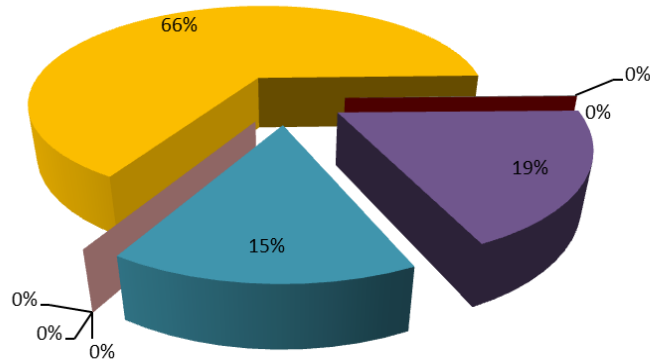
Determines how natural gas will be supplied to customers and associated costs.



Gas Supply Plan

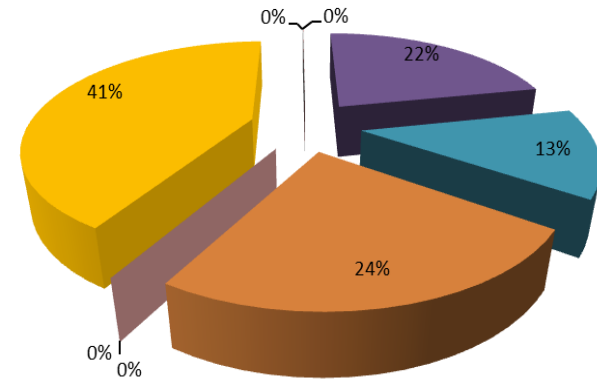


2015 Supply Portfolio Diversity



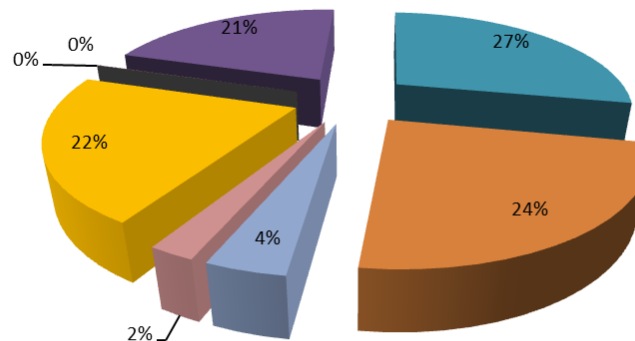
- Western Canadian Supplies
- Chicago Supplies
- Link Supplies
- Peaking/Seasonal
- Dawn Supplies
- Dominion Supplies
- Ontario Production
- Niagara Supplies

2016 Supply Portfolio Diversity



- Western Canadian Supplies
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2017 Supply Portfolio Diversity

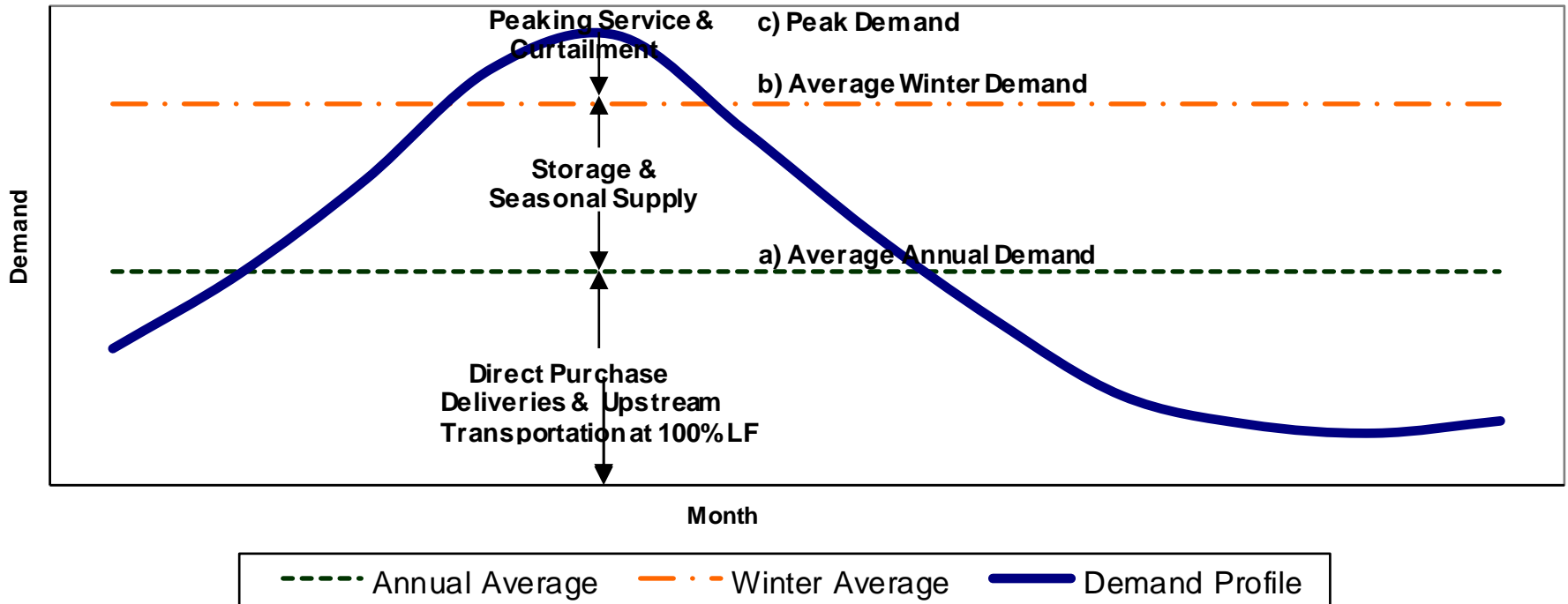


- Western Canadian Supplies
- Chicago Supplies
- Link Supplies
- Peaking/Seasonal
- Dawn Supplies
- Dominion Supplies
- Ontario Production
- Niagara Supplies

Supply and Demand



Sources of Supply and Annual Demand Profile





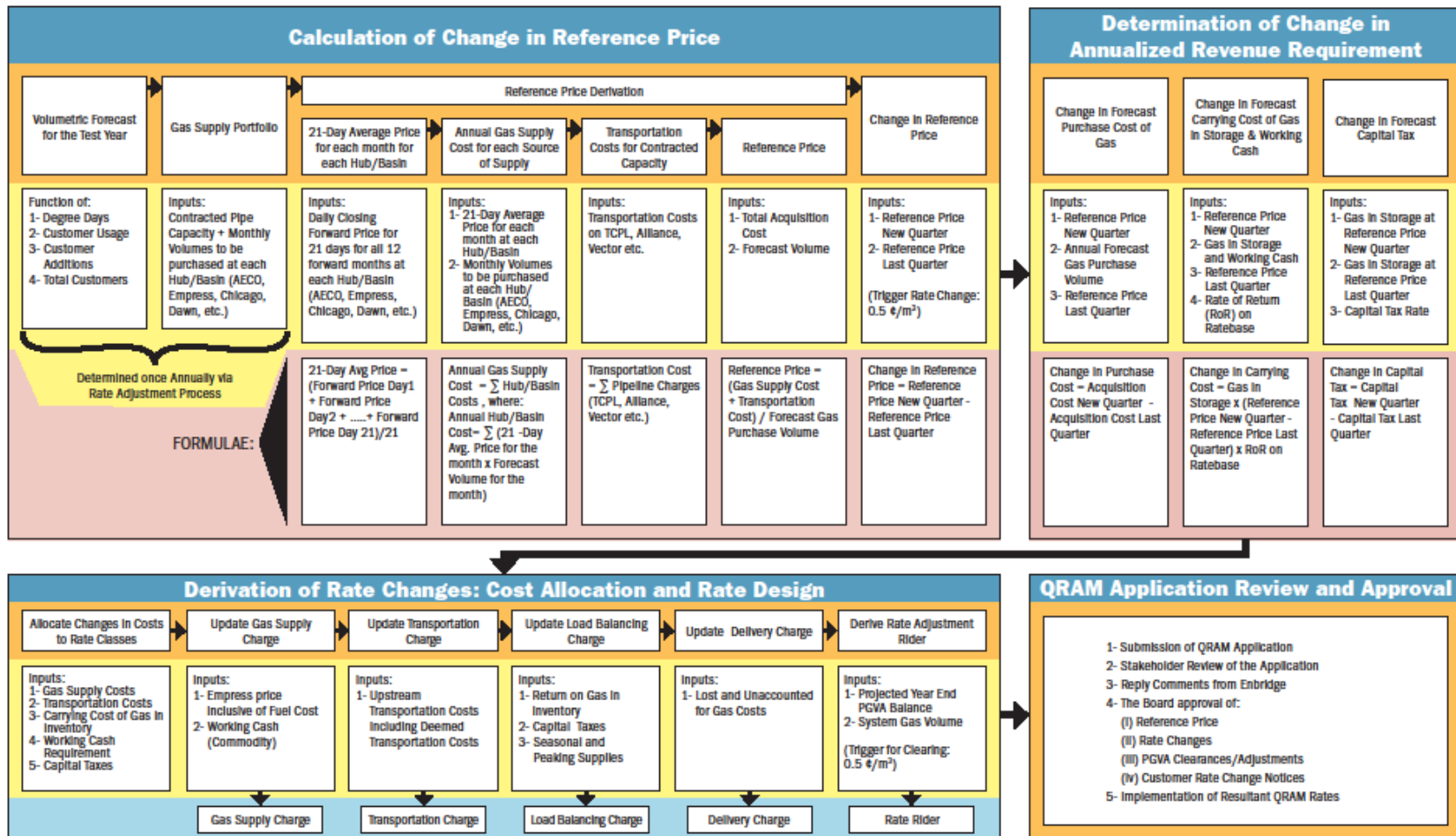
Summary of Gas Cost to Operations
 Year ended March 31, 2018

Item #	Col. 1 10 ³ m ³	Col. 2 \$(000)	Col. 3 \$/10 ³ m ³ (Col.2 / Col.1)	Col. 4 \$/GJ (Col.3 / 37.69)	Col. 5 % Change from Previous QRAM
<u>Western Canadian Supplies</u>					
1.1 Alberta Production	0.0	0.0	0.000	0.000	0.0%
1.2 Western - @ Empress - TCPL	859,509.9	89,365.8	103.973	2.759	-2.8%
1.3 Western - @ Nova - TCPL	960,657.6	97,064.7	101.040	2.681	0.5%
1.4 Western Buy/Sell - with Fuel	387.4	43.0	110.884	2.942	-1.1%
1.5 Western - @ Alliance	-	-	0.000	-	0.0%
1.6 Less TCPL Fuel Requirement	(73,778.8)	0.0			
1. Total Western Canadian Supplies	1,746,776.0	186,473.5	106.753	2.832	-1.1%
2. <u>Peaking Supplies</u>	4,192.1	1,467.9	350.154	9.290	n/a
3. <u>Ontario Production</u>	365.0	66.8	183.050	4.857	n/a
4. <u>Chicago Supplies</u>	1,682,897.7	254,658.8	151.322	4.015	1.1%
5. <u>Delivered Supplies</u>	2,229,769.2	358,261.9	160.672	4.263	-1.0%
6. <u>Niagara Supplies</u>	1,936,853.3	268,270.0	138.508	3.675	-2.4%
7. <u>Link Supplies</u>	322,632.0	48,597.6	150.628	3.997	n/a
8. <u>Dominion Supplies</u>	187,833.0	22,476.3	119.661	3.175	n/a
9. <u>Total Supply Costs</u>	8,111,318.2	1,140,272.6	140.578	3.730	0.4%
<u>Transportation Costs</u>					
10.1 TCPL - FT - Demand		137,974.4			
10.2 - FT - Commodity		0.0			
10.3 - Parkway to CDA		6,426.5			
10.4 - STS - CDA		21,371.4			
10.5 - STS - EDA		15,607.1			
10.6 - Dawn to CDA		7,636.9			
10.7 - Dawn to EDA		78,366.5			
10.8 - Dawn to Iroquois		10,233.9			
10.9 Other Charges		0.0			
10.10 Nova Transmission		7,464.6			
10.11 Alliance Pipeline		0.0			
10.12 Vector Pipeline		20,567.4			
10.13 Nexus Pipeline		6,118.7			
10.14 Niagara Link Pipeline		2,321.5			
10.15 Niagara Falls to Enbridge Parkway CDA		18,221.4			
10. Total Transportation Costs		332,310.3			
11. Total Before PGVA Adjustment	8,111,318.2	1,472,582.9	181.547	4.817	0.2%
12. PGVA Adjustment		0.0			
13. <u>Total Purchases & Receipt</u>	8,111,318.2	1,472,582.9	181.547	4.817	
14. January 1, 2017 PGVA Reference Price			181.199	4.808	
15. Upstream Increase/Decrease on 2017 PGVA Reference Price			0.348	0.009	
16. Updated T-Service Transportation Costs	1,365,529.8	104,072.1	76.214	2.022	
17. T-Service Transportation Costs - 2017 forecasted volumes at January 1, 2017 QRAM TCPL tolls	1,365,529.8	104,072.1	76.214	2.022	
18. Upstream Increase on T-Service Costs			(0.000)	(0.000)	

QRAM Process and Derivation of QRAM Rates

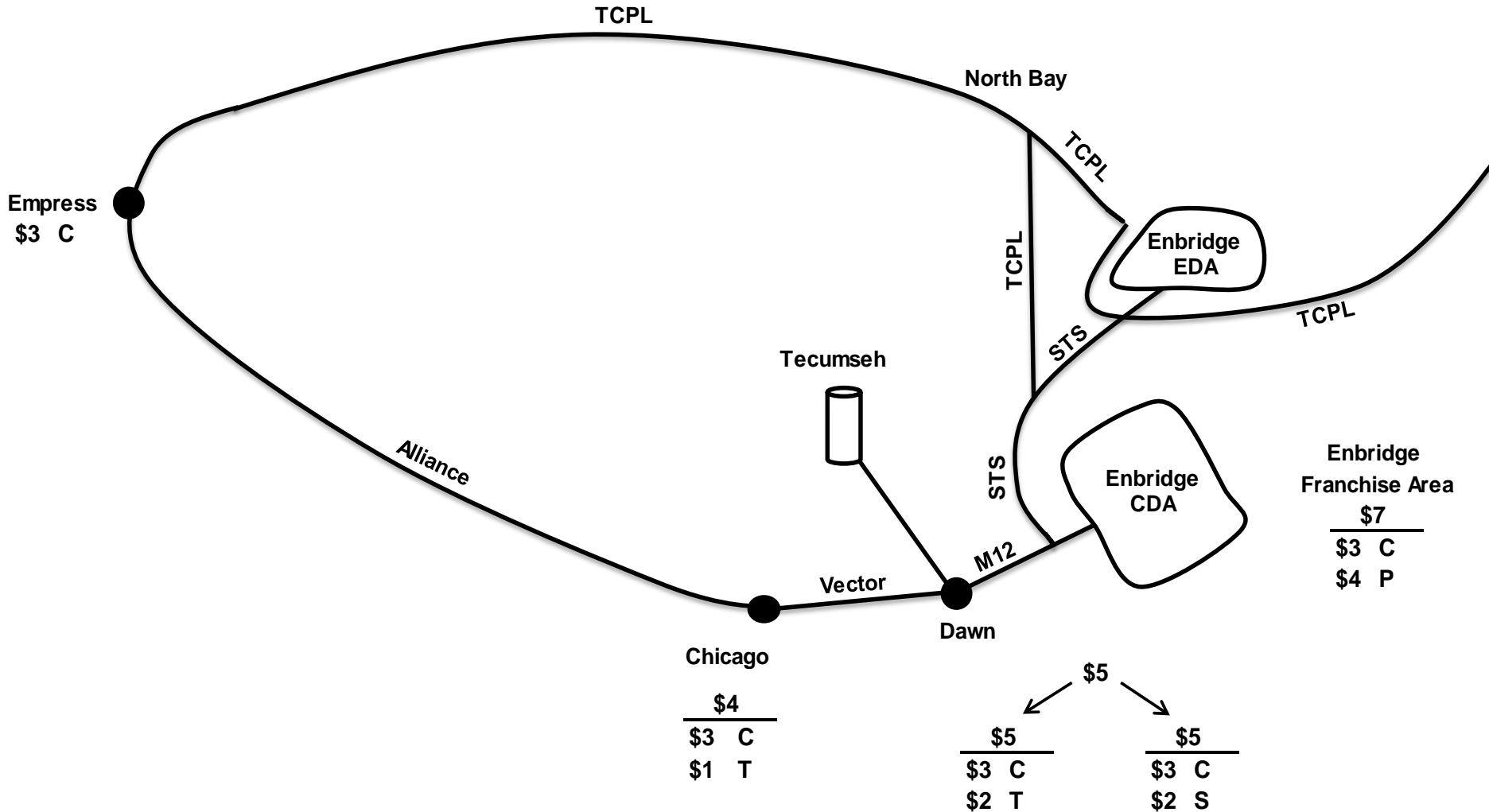


Enbridge Gas Distribution QRAM Process



Note: Monthly Customer Charge and Contract Demand Charge do not change with QRAMs.

Gas Supply Plan: Cost Allocation & Rate Design



Example: Residential Rates



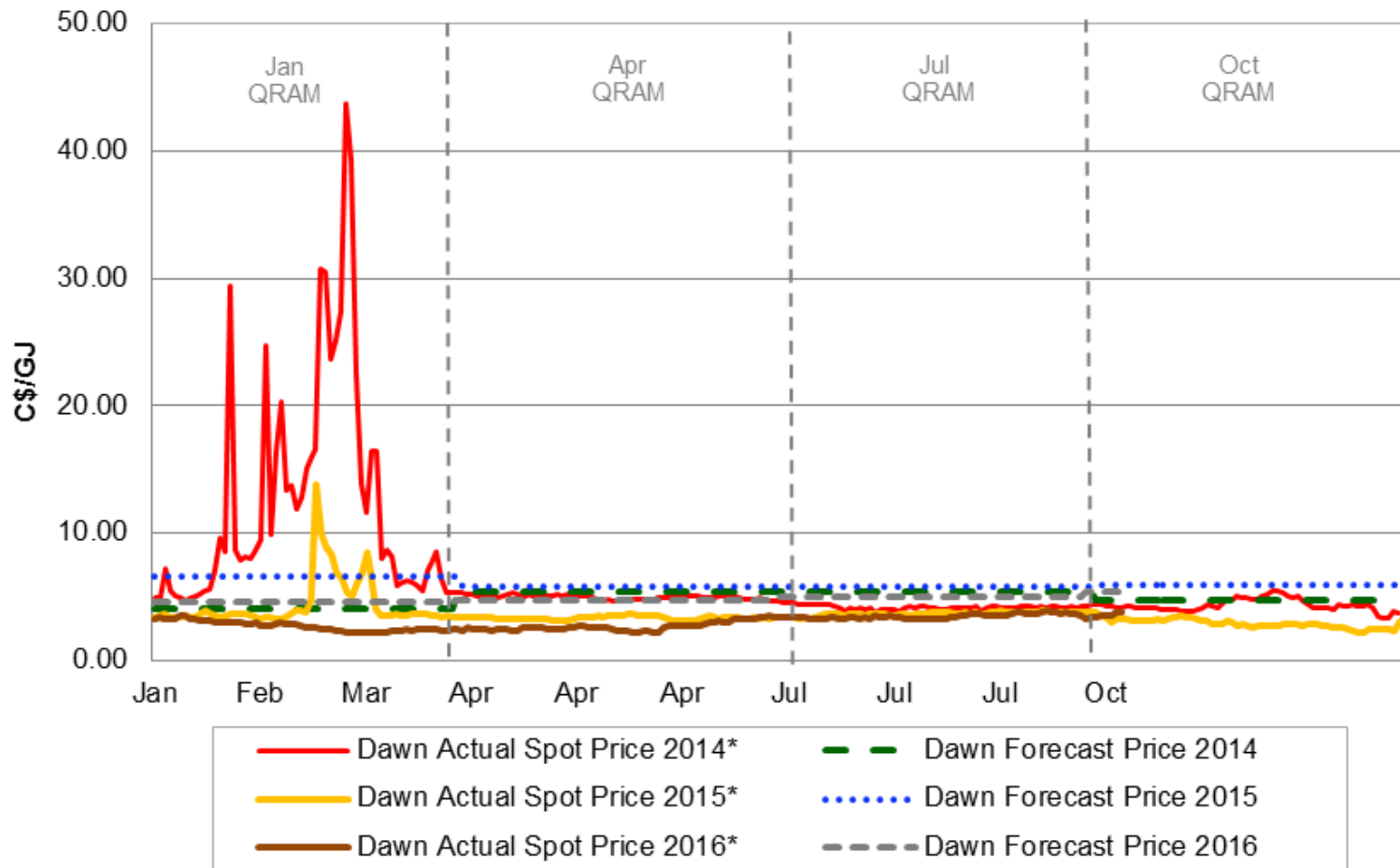
Monthly Charges	Monthly Rates January 1, 2015	Annualized Change Increase/(Decrease)
Customer Charge	\$20.00 Monthly fee	No Change
Delivery to You Amount of gas used per month in cubic metres (m ³)		\$12
First 30 m ³	8.0509 ¢/m ³	
Next 55 m ³	7.6024 ¢/m ³	
Next 85 m ³	7.2510 ¢/m ³	
Over 170 m ³	6.9892 ¢/m ³	
Transportation to Enbridge	6.0577 ¢/m ³	\$25
Gas Supply Charge	14.7363 ¢/m ³	\$3
Cost Adjustment	6.3467 ¢/m ³	\$19
Components		
Gas Supply	3.5797 ¢/m ³	
Transportation	0.0543 ¢/m ³	
Delivery	2.7127 ¢/m ³	
Site Restoration Clearance	(1.4058) ¢/m ³	\$4
Total Annual Change		\$63
Additional Items		Charge/(Refund)
Rate Adjustment	(0.8644) ¢/m ³	(\$16)

The Company's rates are determined based on forecast

Natural Gas Prices: Last 3 Winters



Natural Gas Prices - Dawn



Note: *Daily Dawn spot price at midpoint from Gas Daily
 Daily exchange rate (U.S. Dollar Noon) conversion from the Bank of Canada

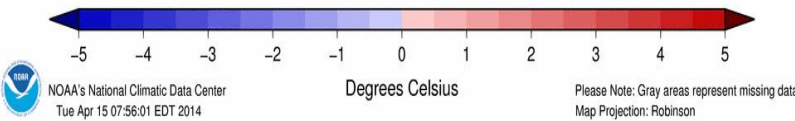
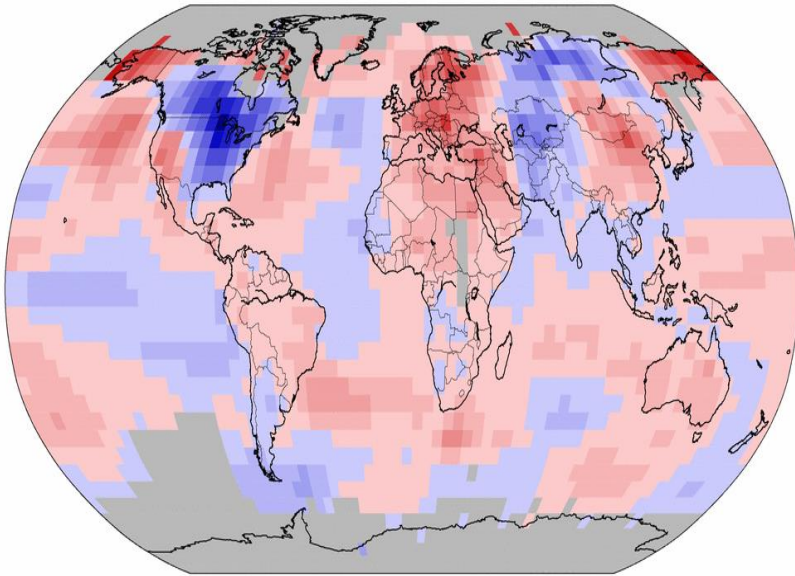
Weather: Winters of 2014 and 2015



Winter 2015 as cold as Winter 2014 for Eastern Canada/US Northeast; Milder everywhere else

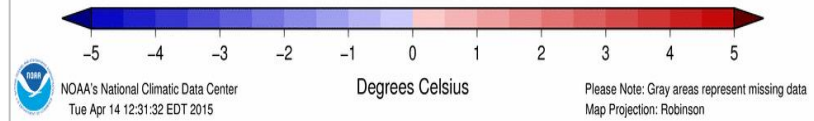
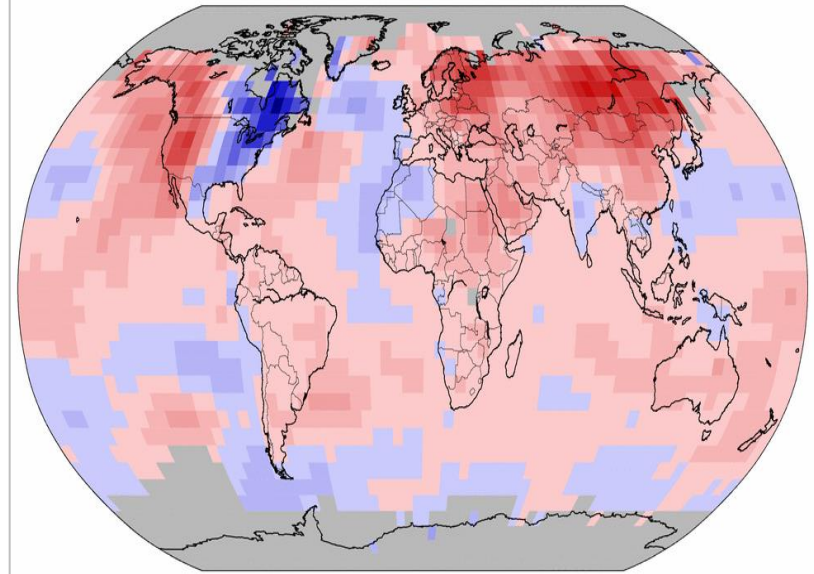
2014Q1

Land & Ocean Temperature Departure from Average Jan–Mar 2014
(with respect to a 1981–2010 base period)
Data Source: GHCN–M version 3.2.2 & ERSST version 3b



2015Q1

Land & Ocean Temperature Departure from Average Jan–Mar 2015
(with respect to a 1981–2010 base period)
Data Source: GHCN–M version 3.2.2 & ERSST version 3b



Source: NOAA

Weather: Winters of 2016 and 2017

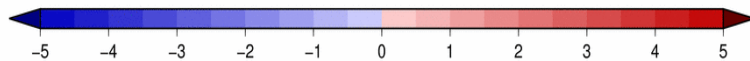
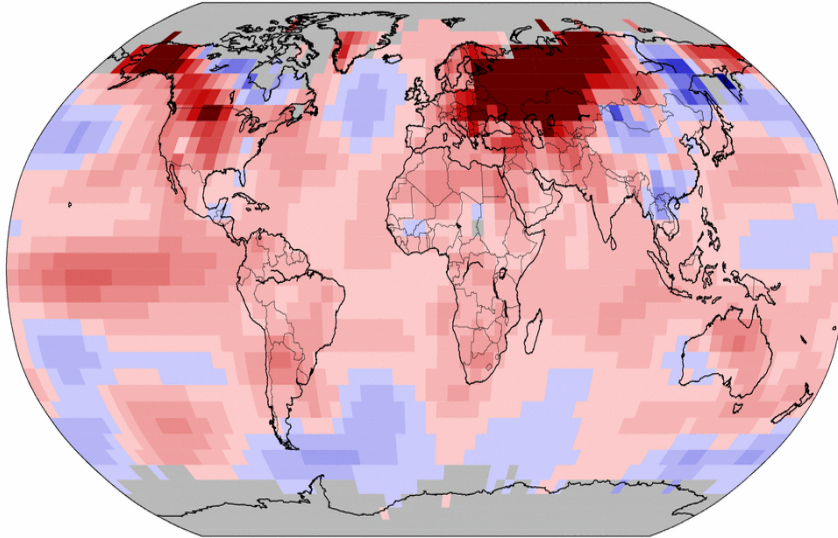


Mild winters in 2016 and 2017

2016Q1

Land & Ocean Temperature Departure from Average Feb 2016
(with respect to a 1981–2010 base period)

Data Source: GHCN–M version 3.3.0 & ERSST version 4.0.0



National Centers for Environmental Information
Mon Mar 14 07:22:03 EDT 2016

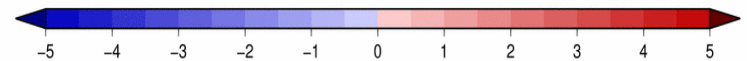
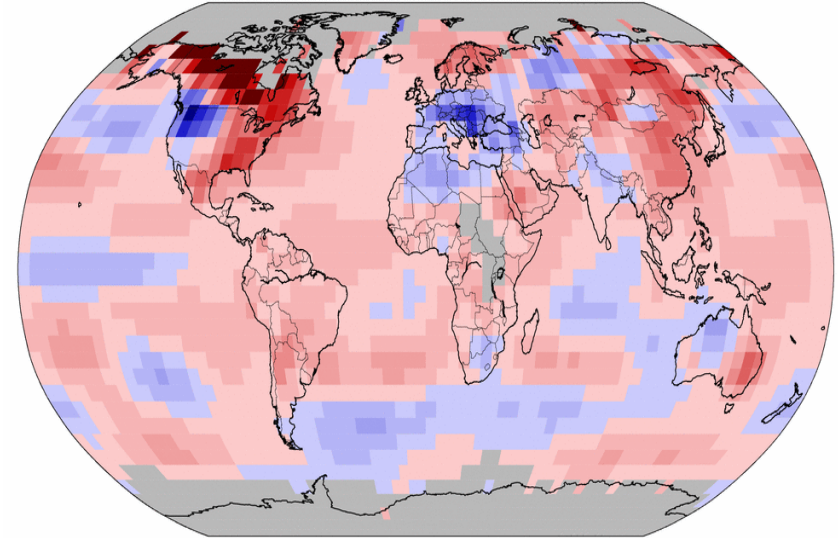
Degrees Celsius

Please Note: Gray areas represent missing data
Map Projection: Robinson

2017Q1

Land & Ocean Temperature Departure from Average Jan 2017
(with respect to a 1981–2010 base period)

Data Source: GHCN–M version 3.3.0 & ERSST version 4.0.0



National Centers for Environmental Information
Wed Feb 15 10:02:38 EST 2017

Degrees Celsius

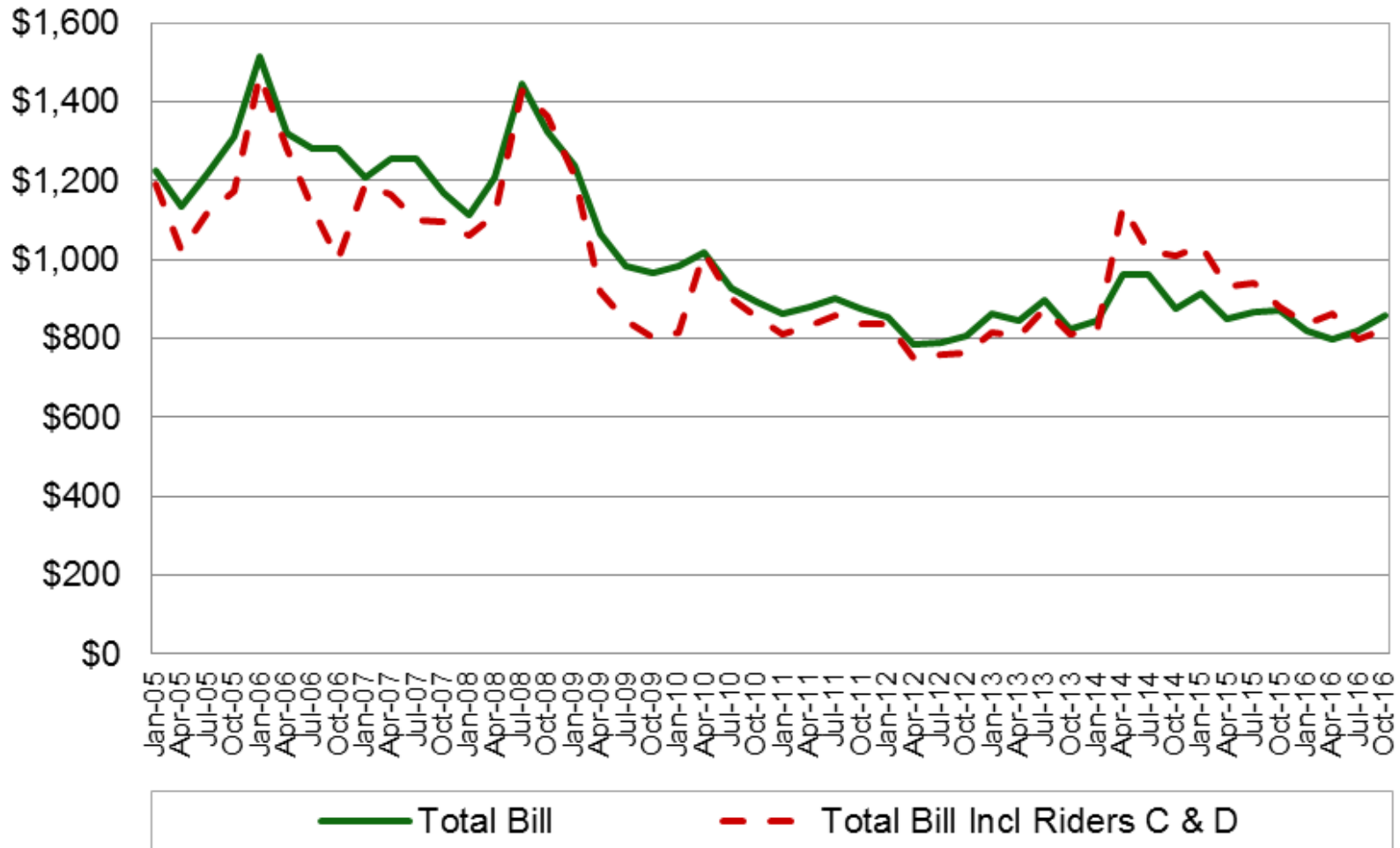
Please Note: Gray areas represent missing data
Map Projection: Robinson

Source: NOAA

QRAM Annual Bill with Rider C



Rate 1 Annual Bill



Gas Costs Charges and Purchased Gas Variance Account (PGVA)



Forecast

Forecast Price = \$3 / Unit of Volume

Rate Design:

\$300 / 100 = \$3 / Unit of Volume

Forecast Volume & Cost:

Volume x Price = Cost:

$$100 \times \$3 = \$300$$

Forecast Revenue:

$$100 \times \$3 = \$300$$

Actual

$$\begin{array}{l} \text{(1) Supply Cost: } 150 \times \$3 = \$450 \\ \text{Revenue: } 150 \times \$3 = \$450 \end{array} \left. \vphantom{\begin{array}{l} \text{(1) Supply Cost: } 150 \times \$3 = \$450 \\ \text{Revenue: } 150 \times \$3 = \$450 \end{array}} \right\} \text{PGVA} = \$0$$

$$\begin{array}{l} \text{(2) Supply Cost: } 100 \times \$4 = \$400 \\ \text{Revenue: } 100 \times \$3 = \$300 \end{array} \left. \vphantom{\begin{array}{l} \text{(2) Supply Cost: } 100 \times \$4 = \$400 \\ \text{Revenue: } 100 \times \$3 = \$300 \end{array}} \right\} \text{PGVA} = \$100 = 100 \times \$1$$

Price Variance = \$1

$$\begin{array}{l} \text{(3) Supply Cost: } 50 \times \$4 = \$200 \\ \text{Revenue: } 50 \times \$3 = \$150 \end{array} \left. \vphantom{\begin{array}{l} \text{(3) Supply Cost: } 50 \times \$4 = \$200 \\ \text{Revenue: } 50 \times \$3 = \$150 \end{array}} \right\} \text{PGVA} = \$50 = 50 \times \$1$$

Price Variance = \$1

Gas Costs Charges and Purchased Gas Variance Account (PGVA)



Forecast

Multiple Supply Sources:

Supply A = Forecast Price = \$2 / Unit of Volume

Supply B = Forecast Price = \$3 / Unit of Volume

Forecast Volume and Cost:

$$\left. \begin{array}{l} \text{Supply A} = 100 \times \$2 = \$200 \\ \text{Supply B} = 100 \times \$3 = \$300 \end{array} \right\} = \$500$$

PGVA Reference Price = $\$500 / 200 = \2.5

Rate Design:

$$\$500 / 200 = \$2.5 / \text{Unit of Volume}$$

Forecast Volume & Cost:

Volume x Price = Cost:

$$200 \times \$2.5 = \$500$$



Forecast Revenue:

$$200 \times \$2.5 = \$500$$

Actual

Actual Supply Cost:

$$\left. \begin{array}{l} \text{Supply A} = 50 \times \$2 = \$100 \\ \text{Supply B} = 150 \times \$3 = \$450 \end{array} \right\} = \$550$$

Actual Revenue:

$$200 \times \$2.5 = \$500$$

Actual PGVA Reference Price = $\$550 / 200 = \2.75

$$\text{PGVA} = \$50 = 200 \times \$0.25$$

Price Variance = \$0.25

Gas Costs Charges and Purchased Gas Variance Account (PGVA)



Forecast

Multiple Supply Sources:

Supply A = Forecast Price = \$2 / Unit of Volume

Supply B = Forecast Price = \$3 / Unit of Volume

Forecast Volume and Cost:

$$\left. \begin{array}{l} \text{Supply A} = 100 \times \$3 = \$300 \\ \text{Supply B} = 100 \times \$5 = \$500 \end{array} \right\} = \$800$$

Basis Differential = \$2.0

PGVA Reference Price = \$800 / 200 = **\$4.0**

Forecast Volume & Cost:

Volume x Price = Cost:

$$200 \times \$4.0 = \$800$$



Cost Allocation & Rate Design:

$$200 \times \$3 = \$600 \text{ or } \$600 / 200 = \$3 / \text{unit Commodity}$$

$$100 \times \$2 = \$200 \text{ or } \$200 / 200 = \$1 / \text{unit LB}$$

Forecast Revenue:

$$200 \times \$3 = \$600 \text{ Commodity}$$

$$200 \times \$1 = \$200 \text{ Load Balancing}$$

Actual

Actual Supply Cost:

Price Variance = \$1.0

$$\left. \begin{array}{l} \text{Supply A} = 100 \times \$4 = \$400 \\ \text{Supply B} = 100 \times \$7 = \$700 \end{array} \right\} = \$1,100$$

Basis Differential = \$3.0

Actual Revenue:

$$200 \times \$3 = \$600 \text{ Commodity}$$

$$200 \times \$1 = \$200 \text{ LB}$$

Price Variance = \$1.5

$$\text{Actual PGVA Reference Price} = \$1,100 / 200 = \$5.5$$

$$\text{PGVA} = \$300 = 200 \times \$1.5$$

PGVA by component:

$$200 \times \$1.0 = \$200 \text{ or } \$200 / 200 = \$1 / \text{unit Commodity}$$

$$100 \times \$1.0 = \$100 \text{ or } \$100 / 200 = \$0.5 / \text{unit LB}$$

Gas Costs Charges and Purchased Gas Variance Account (PGVA)



ENBRIDGE GAS DISTRIBUTION INC.
Component of the Purchased Gas Variance Account
Gas Acquisition Costs

Item #	Particulars	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12
		Purchase Cost \$(000)	10 ³ m ³	Unit Cost \$/10 ³ m ³	Reference Price \$/10 ³ m ³	Unit Rate Difference \$/10 ³ m ³	Monthly Variance \$(000)	Forecast Clearance October 1, 2016 QRAM \$(000)	Col. 6 minus Col. 7 \$(000)	Commodity Component \$(000)	Transportation Component \$(000)	Load Balancing Component Delivered Supplies \$(000)	Component Peaking Supplies \$(000)
1	Apr-16	73,231.6	540,345.6	135.527	157.800	(22.273)	(12,035.1)	12,035.1	-	-	-	-	-
2	May-16	72,846.9	590,443.9	123.377	157.800	(34.423)	(20,324.8)	20,324.8	-	-	-	-	-
3	Jun-16	80,721.7	568,139.9	142.081	157.800	(15.719)	(8,930.6)	8,930.6	-	-	-	-	-
4	Jul-16	95,770.1	594,184.5	161.179	166.527	(5.348)	(3,177.7)	3,177.7	-	-	-	-	-
5	Aug-16	88,287.0	554,548.7	159.205	166.527	(7.322)	(4,060.4)	4,060.4	-	-	-	-	-
6	Sep-16	92,815.9	521,205.7	178.079	166.527	11.552	6,021.0	(6,021.0)	-	-	-	-	-
7	Oct-16	92,225.8	480,217.4	192.050	181.866	10.184	4,890.5	(4,890.5)	-	-	-	-	-
8	Nov-16	112,309.6	616,950.1	182.040	181.866	0.174	107.3	78.1	185.4	(473.5)	(18.0)	677.1	-
9	Dec-16	186,110.7	946,934.1	196.540	181.866	14.674	13,895.3	(1,319.3)	12,576.0	18,305.8	1,390.9	(7,120.1)	-
10	Jan-17	199,966.2	914,019.5	218.777	181.199	37.578	34,347.0	-	34,347.0	24,673.8	(826.9)	10,749.4	(249.6)
11	Feb-17	133,361.5	681,431.6	195.708	181.199	14.509	9,886.9	-	9,886.9	4,634.0	(814.7)	6,386.7	(319.1)
12	Mar-17	100,600.7	562,559.0	178.827	181.199	(2.372)	(1,334.4)	-	(1,334.4)	(412.2)	(611.1)	(298.9)	(12.1)
13	Total (Lines 1 to 12)	<u>1,328,247.8</u>	<u>7,570,979.8</u>	<u>175.439</u>			<u>19,285.0</u>	<u>36,375.9</u>	<u>55,660.9</u>	<u>46,727.9</u>	<u>(879.8)</u>	<u>10,394.3</u>	<u>(580.8)</u>

Example: Residential Rates



Monthly Charges	Monthly Rates January 1, 2015	Annualized Change Increase/(Decrease)
Customer Charge	\$20.00 Monthly fee	No Change
Delivery to You Amount of gas used per month in cubic metres (m ³)		\$12
First 30 m ³	8.0509 ¢/m ³	
Next 55 m ³	7.6024 ¢/m ³	
Next 85 m ³	7.2510 ¢/m ³	
Over 170 m ³	6.9892 ¢/m ³	
Transportation to Enbridge	6.0577 ¢/m ³	\$25
Gas Supply Charge	14.7363 ¢/m ³	\$3
Cost Adjustment	6.3467 ¢/m ³	\$19
Components		
Gas Supply	3.5797 ¢/m ³	
Transportation	0.0543 ¢/m ³	
Delivery	2.7127 ¢/m ³	
Site Restoration Clearance	(1.4058) ¢/m ³	\$4
Total Annual Change		\$63
Additional Items		Charge/(Refund)
Rate Adjustment	(0.8644) ¢/m ³	(\$16)

The \$ balance in the PGVA account is cleared to customers through Cost Adjustment

Climate Change Mitigation and Low-Carbon Economy Act

- received Royal Assent in Legislature on May 18, 2016
- sets out a framework for Ontario's cap and trade program
- cap and trade proceeds will be deposited into a GHG Reduction Account and then invested into projects that reduce GHG and help save energy, such as:
 - ✓ public transit,
 - ✓ clean technology innovation for industry,
 - ✓ electric vehicle incentives,
 - ✓ and incentives to retrofit buildings.

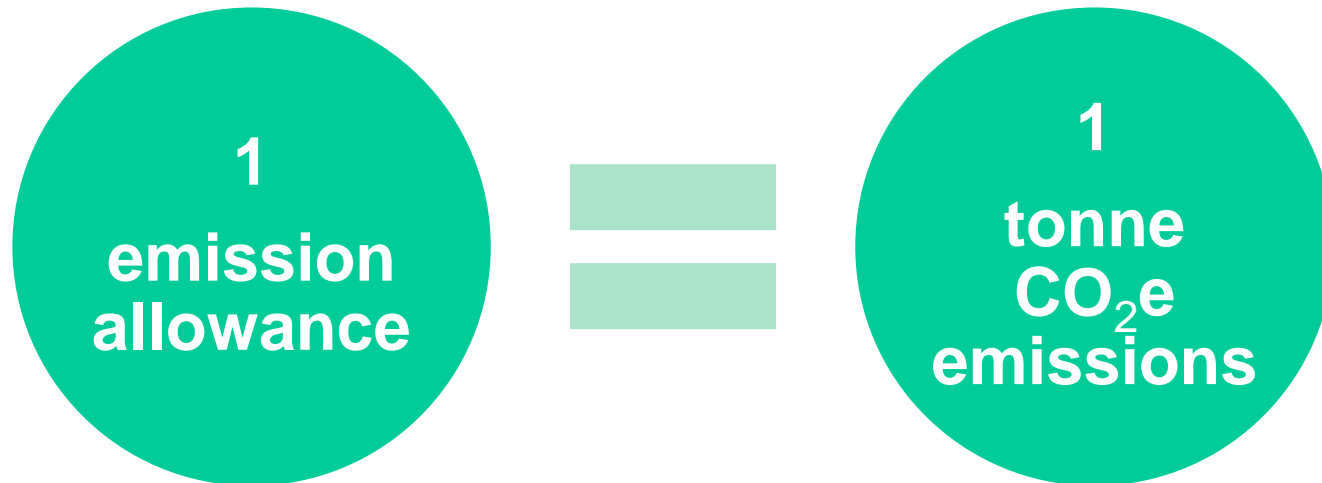
“This legislation is about enshrining in law our resolve and action to protect and strengthen our environment for generations to come.”

Glen R. Murray – Minister of Environment and Climate Change

Cap & Trade Legislation



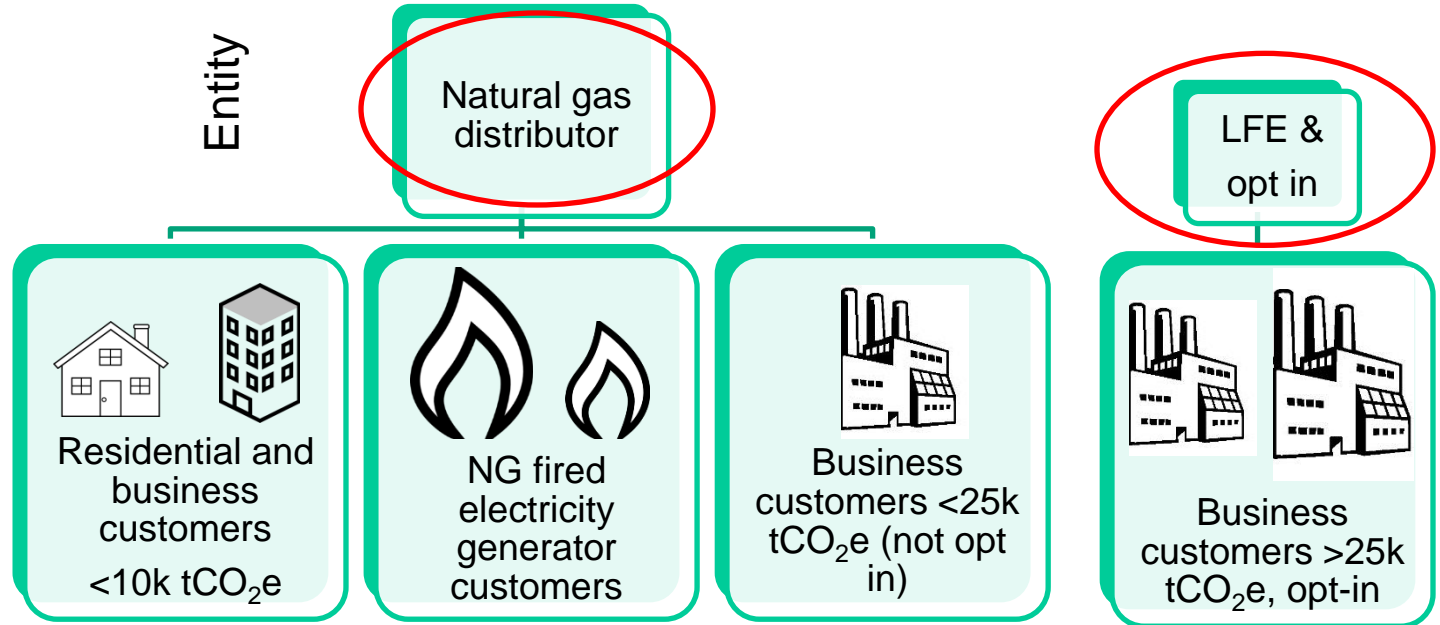
- “Capped participants” must acquire permits, called emission allowances, to match their greenhouse gas (GHG) emissions



Cap & Trade Compliance Obligation for Natural Gas Distributors



Customer Type
& Level of Emissions



Cap & Trade



Cap & Trade Charges

Cap & Trade charges will recover the costs of:

- **Customer-related emission obligations:**
 - Emissions related to the customers' natural gas usage

- **Facility-related emission obligations:**
 - Emissions related to the distribution of natural gas such as emissions from fugitive and leaked gas and emissions from the utility's facilities and operations

- **Administrative:**
 - The cost of compliance obligations, such as monitoring, reporting and verification of emissions, purchasing/trading functions, changes to the billing or IT systems

Cap & Trade



Cap & Trade Charges

Customer	Costs for Customer-related Obligations	Costs for Facility-related Obligations	Administrative Costs
Residential	✓	✓	✓
Commercial	✓	✓	✓
Industrial	✓	✓	✓
Large Final Emitter		✓	✓
Approx. Charges	~3.3 c/m³	~0.04 c/m³	? c/m³

Gazifere: 2015 Closing of the Books



Description	Total
Solde du compte ajustement du coût du gaz au 31 décembre 2014 Gas Cost Adjustment as at Dec	423,184
Comptes différés 2013 d'EGD facturés à Gazifère en avril 2015	(418,700)
Comptes différés 2014 d'EGD facturés à Gazifère en octobre 2015	(301,000)
	(296,516)
Montant effectivement remboursé (récupéré) aux clients dans la facturation des mois d'avril 2015 associé à l'année 2013 et d'octobre 2015 associé à l'année 2014.	285,060
Solde non remboursé de 2013 et 2014	(11,456)
Écart provenant du Rider C, composante "fourniture du gaz"	(120,827)
Écart provenant du Rider C, composante "transport"	(8,374)
Écart provenant du Rider C, composante "équilibre"	(121,324)
Écart provenant du Rider E, rider d'ajustement du tarif 200, tarifs définitifs versus tarifs provisoires (EGD Revenue Adjustment Rider)	(124,685)
Montant dû à la liquidation du solde du compte cumulatif de gaz selon les dispositions générales - ententes de service de transport article 11 a) et b)	(1,913)
Impact sur le coût du gaz dû à la valeur calorifique réelle par rapport à la valeur calorifique budgétisée	(518,246)
Ajustement au coût de Niagara Gas pour 2015	(110,067)
Impact de la variation du prix durant l'année sur le compte cumulatif de gaz	57,464
Solde du compte ajustement du coût du gaz au 31 décembre 2015	(959,428)
EGD Rate 200 clearing	549,600
Total	(409,828)

Gazifere: 2015 Closing of the Books



Rate	True-Up Unit Rates			Total True-Up Amounts			
	Sales Service	Western T-Service	Ontario T-Service	Sales Service	Western T-Service	Ontario T-Service	Total True-Up
	Unit Rate (1)	Unit Rate (2)	Unit Rate (3)				
	(¢/m ³)	(¢/m ³)	(¢/m ³)	(\$)	(\$)	(\$)	(\$)
Rate 1	(0.36)	0.07	0.08	(213,857.78)	7,013.47	690.42	(206,153.90)
Rate 2	(0.38)	0.05	0.06	(260,140.52)	1.63	0.00	(260,138.89)
Rate 3	(0.25)	0.18	0.19	(792.25)	0.00	0.00	(792.25)
Rate 4 ⁽⁴⁾	(0.25)	0.18	0.19	0.00	0.00	0.00	0.00
Rate 5	0.21	0.21	0.21	0.00	37,253.95	0.00	37,253.95
Rate 9	(0.20)	0.23	0.24	(14,033.35)	23,979.52	10,056.91	20,003.08
				(488,823.89)	68,248.57	10,747.33	(409,828.00)

Gazifere: 2015 Closing of the Books



GAZIFÈRE INC.								
Commodity Rider C True-Up by Rate Class								
2015 CLOSING OF THE BOOKS								
			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
Item No.	Description		Total	Rate 1	Rate 2	Rate 3	Rate 5	Rate 9
1	Commodity Rider C True-Up (\$)	(1)	(120,827.0)	-	-	-	-	-
2	Total 2015 Actual Sales Volumes (10 ³ m ³)	(2)	134,770.7	59,368.5	68,079.7	313.5	0.0	7,008.9
3	\$ Allocated	(3)	(120,827.0)	(53,226.1)	(61,036.0)	(281.1)	0.0	(6,283.8)
4	Commodity Rider by Rate Class (¢/m ³)	(4)	-	(0.09)	(0.09)	(0.09)	0.00	(0.09)

Gazifere: 2015 Closing of the Books



GAZIFÈRE INC.								
Load Balancing Rider C True-Up by Rate Class								
2015 CLOSING OF THE BOOKS								
Item No.	Description		Col. 1 Total	Col. 2 Rate 1	Col. 3 Rate 2	Col. 4 Rate 3	Col. 5 Rate 5	Col. 6 Rate 9
1	Total Load Balancing Rider C True-Up (\$)	(1)	(121,324.0)	-	-	-	-	-
<i>Load Balancing:</i>								
2	Peak (35%) (\$)	(2)	(42,463.4)	-	-	-	-	-
3	Seasonal (65%) (\$)	(3)	(78,860.6)	-	-	-	-	-
4	Total (\$)	(4)	(121,324.0)	-	-	-	-	-
5	Total 2015 Actual Delivery Volumes (10 ³ m ³)	(5)	177,921.2	69,898.3	68,082.9	313.5	18,082.2	21,544.2
<i>Gazifère Load Balancing Factors:</i>								
6	Peak		1,313.9	601.6	661.5	1.0	49.7	0.0
7	Seasonal		45,206.8	20,832.8	22,800.0	36.1	45.2	1,492.7
8	Peak % Allocation		100.0%	45.8%	50.3%	0.1%	3.8%	0.0%
9	Seasonal % Allocation		100.0%	46.1%	50.4%	0.1%	0.1%	3.3%
<i>\$ Allocated:</i>								
10	Load Balancing - Peak (\$)	(6)	(42,463.4)	(19,444.9)	(21,378.7)	(32.3)	(1,607.5)	0.0
11	Load Balancing - Seasonal (\$)	(7)	(78,860.6)	(36,341.6)	(39,773.3)	(62.9)	(78.9)	(2,604.0)
12	Total \$ Allocated	(8)	(121,324.0)	(55,786.5)	(61,152.0)	(95.2)	(1,686.4)	(2,604.0)
4.1								
13	Load Balancing Rider by Rate Class (¢/m ³)	(9)	-	(0.08)	(0.09)	(0.03)	(0.01)	(0.01)

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