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

A.1 My name is Jackie Collier, I am Rate Design Specialist, at Enbridge Gas Distribution Inc ("EGD"). I am Anton Kacicnik, I am Manager Rate Design at EGD.

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-41 documents 3 and 4.

Q.3 What is the purpose of this testimony?

A.3 This testimony addresses Gazifère's (the "Company") proposed allocation of the 2018 forecast distribution revenue requirement and distribution revenue deficiency to the various customer rate classes and the development of the 2018 distribution rates. These 2018 distribution rates are derived using the results of the 2018 existing Regie approved methodologies of the fully allocated cost study as a guide. This evidence does not address the derivation of the gas supply, load balancing and transportation charges. These charges will continue to be determined within Gazifère's quarterly rate change mechanism.

Q.4 What is the distribution revenue deficiency and how much is it for the test year?

A.4 The distribution revenue deficiency is the difference between the distribution revenue requirement for the test year determined by the 2018 cost of service budget and the revenues derived by applying the current distribution rates from the Régie's Decision D-2017-028 (2017 rates) to the 2018 test year number of customers and volumes. It is $746.0 thousand for 2018. In other words, revenues at current rates are $746.0 thousand lower than the 2018 revenue requirement.

Q.5 Please provide an overview of the organization of the documents contained under Tab GI-41, documents 1.1 to 1.3. In addition, please provide a summary of the content of these documents.

A.5 Certainly. Document 1.1 (Revenue Comparison –

Current Distribution Revenue vs. Proposed Distribution Revenue), contains by rate class a summary of test year 2018 volumes (Col. 2), associated distribution revenues under the current 2017 distribution rates (Col.3), associated revenues under the proposed 2018 rates (Col. 5), and the corresponding 2018 revenue deficiency of $746.0 thousand (Col. 4).

Document 1.2 provides a summary of the proposed unit rate changes by rate class. The unit rates currently in effect, the unit rate changes, and the proposed unit rates are provided in this document on a rate class basis.

Document 1.3, page 1, provides the current and proposed average unit rates for the commodity, load balancing, transportation and distribution for each rate class in Columns 1 and 3 respectively. The commodity, load balancing and transportation revenues are based on the October 1, 2017 Pass-on rates, the Dawn Transportation Revenue (at existing rates) is based on the Rate 200 Dawn Transportation rate from Enbridge Gas Distributions October 1, 2017 QRAM rates (EB-2017-0281). Using Rate 200 Dawn Transportation rate as a proxy is needed as Gazifere does not currently have a Dawn Transportation rate. The derviation of the proposed 2018 Dawn Transportation Rate is addressed in Exhibit GI-41, Document 2 written direct evidence and exhibits. The gas cost related revenues at existing rates and proposed rates in Document 1.3 do not include the forecast change in gas costs for 2018 as outlined at Exhibit GI-38. The impact from the change in 2018 gas costs are discussed and filed in Exhibit G1-41, Document 2. The associated revenues are in Columns 2 and 4 respectively. The forecast distribution revenue sufficiency is in Column 5. The percentage change in the unit rates is shown in Column 6.

Q.6 Please explain how the deficiency is allocated to the rate classes and how the proposed rates are derived.

A.6 The proposed rates are determined in two stages. In stage 1, the distribution deficiency is allocated to the rate classes pro rata to their rate base allocations on a preliminary basis.

In the stage 2, the distribution deficiency allocation is reviewed and further adjustments may be performed to the distribution revenue component of the various rate classes. The final distribution deficiency by rate class and proposed revenues are shown in Columns 4 and 5 of GI-41, document 1.1.

Q.7 Please describe the adjustments made to the distribution deficiency at the rate class level in stage 2.

A.7 Adjustments are made to the revenue responsibilities of each rate class if the initial allocation of deficiency in stage 1 does not achieve important rate design objectives. These objectives include avoidance of rate shock, market acceptance, competitive position, appropriate relationships between rates, and acceptable revenue to cost "(R/C)" ratios. Table 1 below depicts the proposed 2018 distribution revenue to costs ratios for each rate class as well as the 2017 distribution revenue to cost ratios. Typically, the Company quotes a revenue to cost ratio including commodity and load balancing costs and revenues. As this filing only isolates the distribution revenue requirement, the revenue to cost ratios have been stated on a distribution only basis.

The Company has been making small improvements in the revenue to cost ratios for all rate classes over the past number of years to reduce the level of subsidy between Rate 2 customers and other rate classes. As can be seen in Table 1, the 2018 revenue to cost ratios have improved for all rate classes (except Rate 5) relative to the 2017 ratios. The Company has not made adjustments to the 2018 revenues to further improve the 2018 revenue to cost ratios versus 2017. However, the Company is proposing to make a small downward adjustment of 1K and 6K for Rates 5 and 9 to keep their distribution related increase to within 3% which represents the Company's total average percent increase from 2017 to 2018. An offsetting upward adjustment of 7K has been made to Rate 2.

Table 1 below depicts the revenue adjustments for all rates classes as well as the 2018 and 2017 revenue to cost ratios. Also shown below is a summary of the proposed rate impacts for all rate classes for customer under Sales service and T-service (excludes commodity). Finally, the table below shows the change in volumes by rate class for 2018 and 2017.

The rate impacts depicted in the chart below are relative to the October 1, 2017 Pass-On rates which are based on the 2017 final distribution rates and October 1, 2017 gas costs.

Table 1: 2018 Proposed Revenue Adjustments and Bill Impacts

	Total	Rate 1	Rate 2	Rate 3	Rate 4	Rate 5	Rate 9
Adjustments ($'000)	0.0	0.0	7.0	0.0	0.0	(1.0)	(6.0)
Proposed 2018 R/C Ratio – Distribution Only	1.00	1.21	0.94	1.49	1.88	1.23	0.65
Fiscal 2017 R/C Ratio – Distribution Only	1.00	1.35	0.92	1.59	n/a	1.18	0.58
% increase on total bill of a T-service customer	1.8%	1.4%	2.1%	0.8%	n/a	0.7%	0.4%
% increase on total bill of a sales customer	1.2%	0.9%	1.6%	0.4%	0.4%	0.3%	0.2%
2018 Delivery Volumes (10^6m^3)	168.9	65.3	67.4	.3	3.9	17.3	14.7
2017 Delivery Volumes (10^6m^3)	169.9	67.7	67.1	.3	n/a	17.3	17.5

Q.8 Are you proposing any changes to the monthly fixed charges?

A.8 No, the Company is proposing to maintain the level of monthly fixed charges for 2018. The overall level of the 2018 fixed cost recovery from the monthly fixed charges is approximately the same as in the prior years.

Q.9 Does this conclude your evidence?

A.9 Yes, it does.