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 Gazifere's (the "Company") proposed 2018 distribution rates based on the results of the proposed change in allocation of Capacity costs to customers within the 2018 proposed fully allocated cost study filed at Exhibit GI-42. The proposed change in the allocation of Capacity costs has no impact on the total proposed 2018 distribution revenue deficiency of $746.0 thousand. Please see section GI-42, Document 1 for an explanation of the cost allocation methodology change for Capacity costs. This testimony also addresses the proposed allocation of the 2018 forecast distribution revenue requirement and distribution revenue deficiency to the various customer rate classes.

Q.4 Please provide an overview of the organization of the documents contained under Tab GI-43, documents 1.1 to 1.3. In addition, please provide a summary of the content of these documents.

A.4 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). The associated revenues are in Columns 2 and 4 respectively. The forecast distribution revenue deficiency is in Column 5. The percentage change in the unit rates is shown in Column 6.

Q.5 Please describe if any adjustments were made to the rate class revenue responsibility as a result of the change in the allocation of costs for Capacity costs.

A.5 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 change in the allocation of Capacity costs to the rate classes has the most impact on Rate 2 customers (increasing their costs) and for Rate 5 and 9 customers (decreasing their costs).

The impact of the change in the allocation of costs of Capacity costs reduces the costs allocated to Rate 9 and the corresponding revenues by approximately $157.1 thousand. This results in the Rate 9 revenue to cost ratio of 0.24. This is significantly below the 0.58 revenue to cost ratio approved in 2017 and below the 0.65 revenue to cost ratio proposed under the existing methodology filed at Exhibit GI-40, Document 2.12. In order to bring the revenue to cost ratio to 0.65 as proposed under the existing methodology, the Company has made an upward adjustment of $55.0 thousand to Rate 9 and a corresponding downward adjustment to Rate 2. The downward adjustment to Rate 2 maintains the 0.94 revenue to cost ratio filed under the existing methodology at Exhibit GI-40, Document 2.12.

Table 1 below depicts the revenue adjustments for all rates classes as well as the 2018 and 2017 revenue to cost ratios based on the proposed methodology. 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	(-55.0)	0.0	0.0	0.0	55.0
Proposed 2018 R/C Ratio – Distribution Only	1.00	1.21	0.94	1.47	1.82	1.55	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%	1.3%	3.2%	2.0%	2.0	-11.2%	-8.1%
% increase on total bill of a sales customer	1.2%	0.9%	2.5%	1.1%	1.1%	-4.9%	-3.4%
2018 Delivery Volumes ($10^6 m^3$)	168.9	65.3	67.4	.3	3.9	17.3	14.7
2017 Delivery Volumes ($10^6 m^3$)	169.9	67.7	67.1	.3	n/a	17.3	17.5

Q6. What are the rate impacts filed under the existing cost allocation methodology compared to the proposed cost allocation methodology.

A6. The table below provides a summary of the rate impacts based on the existing (as filed at Exhibit GI-41, Document 1) and the proposed methodology for Sales service and T-Service customers. The rate impacts are relative to the October 1, 2017 Pass-on rates.

Existing Methodology (Exhibit G1-41, Document 1)

Rate Class	Sales Service	T-Service
Rate 1	0.9%	1.4%
Rate 2	1.6%	2.1%
Rate 3	0.4%	0.8%
Rate 4	0.4%	0.7%
Rate 5	0.3%	0.7%
Rate 9	0.2%	0.4%

Proposed Methodology

Rate Class	Sales Service	T-Service
Rate 1	0.9%	1.3%
Rate 2	2.5%	3.2%
Rate 3	1.1%	2.0%
Rate 4	1.1%	2.0%
Rate 5	-4.9%	-11.2%
Rate 9	-3.4%	-8.1%

Q.7 Are you proposing any changes to the monthly fixed charges?

A.7 Yes, the Company is proposing to reduce the level of contract demand charges for Rate 5 and 9. As a result of the proposed cost allocation methodology change, revenues proposed to be recovered from Rates 5 and 9 have decreased materially versus 2017. In order to maintain a fixed and variable rate structure for Rate 5 and 9 while achieving the proposed bill decreases, reductions have been made to their Monthly Contract Demand charges. The reductions can be seen at Exhibit GI-43, Document 1.2.

Q.8 Does this conclude your evidence?

A.8 Yes, it does.