

**RÉPONSE DE GAZIFÈRE À LA DEMANDE DE RENSEIGNEMENTS N° 9 DE LA RÉGIE DE L'ÉNERGIE
(LA RÉGIE) RELATIVE À LA FERMETURE RÉGLEMENTAIRE DES LIVRES POUR LA PÉRIODE DU
1^{ER} JANVIER 2016 AU 31 DÉCEMBRE 2016, À L'APPROBATION DU PLAN D'APPROVISIONNEMENT
POUR L'EXERCICE 2018 ET À LA MODIFICATION DES TARIFS DE GAZIFÈRE INC.
À COMPTER DU 1^{ER} JANVIER 2018**

**PHASE 3
PLAN D'APPROVISIONNEMENT, ALLOCATION DES COÛTS
DÉPENSES D'EXPLOITATION ET MODIFICATION DES TARIFS**

MODIFICATION DES TARIFS

- 1. Références :**
- (i) Pièce [B-0302](#), ligne 2, colonne 4;
 - (ii) Pièce [B-0313](#), p. 2, tableau 1, ligne 2, colonne 3;
 - (iii) Pièce [B-0334](#), p. 3;
 - (iv) Pièce [B-0394](#), question 2.6 et réponse 2.6.1.

Préambule :

Gazifère confirme que l'allocation des revenus requis de distribution proposée pour l'année témoin 2018 et le changement de la méthode d'allocation des coûts des conduites principales produiraient une hausse combinée de 820 000 \$ des revenus de distribution à récupérer des clients du tarif 2, excluant les ajustements additionnels liés aux variations du coût du gaz naturel.

Translation :

Gazifere confirms that the proposed revenue requirement allocation on the distribution component for the 2018 test year and the change of cost allocation method for mains would result in a combined \$820,000 increase in distribution revenues to recover rate for customers at rate 2, excluding additional adjustments related to changes in the cost of natural gas.

Demande :

- 1.1 Dans l'éventualité où la Régie approuve la nouvelle méthode d'allocation des coûts des conduites principales proposée et considérant l'importance de la hausse des tarifs qui en résulterait pour les clients au tarif 2, veuillez commenter la possibilité d'étaler, par exemple sur une période de 5 ans, la hausse résultant du changement de la méthode d'allocation, afin d'éviter un choc tarifaire.

Translation :

In the event the Regie approves the proposed new method for allocating mains costs and considering the importance of the rate increase for rate 2 customers, please comment on the possibility of spreading, by example over a period of 5 years, the increase resulting from the change in the allocation method, in order to avoid a rate shock.

Réponse 1.1 :

It is the Company's preference to fully implement the impact of the proposed change in cost allocation for mains through rates in 2018.

As outlined at Exhibit GI-43, Document 1, Page 5, the rate impact to Rate 2 under the existing cost allocation methodology would be 1.6% for Sales service and 2.1% for T-service. For a typical residential customer consuming 2,000 m³ per year, this would be an increase of \$16.25 annually or \$1.35 per month.

Also as outlined at Exhibit GI-43, Document 1, Page 5, the rate impact to Rate 2 under the proposed cost allocation methodology would be 2.5% for Sales service and 3.2% for T-service. For a typical residential customer consuming 2,000 m³ per year this would be an increase of \$24.76 annually or \$2.06 per month. Therefore, the additional impact on a residential customer's bill resulting from the change in cost allocation methodology would be \$8.51 per year (\$24.76 – \$16.25) or about \$0.71 per month (\$2.06-\$1.35).

The rate impact referenced above are lower or the same as rate impacts the Regie approved for the Rate 2 class in recent years. Also, the revenue to cost ratio for each rate class is improved in 2018 versus 2017. The Company does not consider the proposed impacts to constitute a rate shock. As noted, the Regie has approved impacts of this magnitude in recent years under D-2013-191 (2014 Final Rates), D-2012-163 (2013 Final Rates) and D-2011-146 (2012 Final Rates).

Also, please note the Company is proposing to file a two year 2019/2020 cost of service rate case application later this year. From the Company's perspective, it would be more practical, transparent, and easy to administer the full impact of cost allocation and rate design in 2018 as opposed to combining it with a two year cost of service application with 2 sets of cost allocation and rate design exhibits (with and without gas costs) for both 2019 and 2020.

If the Regie's preference is to phase in the impact of the change in cost allocation mains, it would be the Company's preference to fully implement the cost allocation changes in 2018 and phase in the rate impact over the next two years. This method would erode the revenue to cost ratios for each rate classes but give the Company the flexibility to adjustment the rate impacts.