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 Rates 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-48, documents 4 and 5.

Q.3 What is the purpose of this testimony?

A.3 This testimony addresses Gazifère's (the "Company") proposed allocation of the 2019 forecast distribution revenue requirement and distribution revenue deficiency to the various customer rate classes and the development of the 2019 distribution rates. These 2019 distribution rates are derived using the results of the 2018 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 2019 cost of service budget and the revenues derived by applying the current distribution rates from the Régie's Decision D-2018-060 (2018 rates) to the 2019 test year number of customers and volumes. It is $340.3 thousand for 2019. In other words, revenues at current rates are $340.3 thousand lower than the 2019 revenue requirement.

Q.5 Please provide an overview of the organization of the documents contained under Tab GI-48, document 1.1, pages 1 to 3. In addition, please provide a summary of the content of these documents.

A.5 Certainly. Document 1.1, page 1 (Revenue Comparison – Current Distribution Revenue vs. Proposed Distribution Revenue), contains by rate class a summary of test year 2019 volumes (Col. 2), associated distribution revenues under the current 2018 distribution rates (Col.3), associated revenues under the proposed 2019 rates (Col. 5), and the corresponding 2019 revenue deficiency of $340.3 thousand (Col. 4).

Document 1.1, page 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 1.1, page 3, provides the current and proposed average unit rates for the commodity, load balancing, transportation, Dawn transportation and distribution for each rate class in Columns 1 and 3 respectively. The commodity, load balancing, transportation and Dawn transportation revenues are based on the October 1, 2018 Pass-on rates. The gas cost related revenues at existing rates and proposed rates in Document 1.1, page 3 do not include the forecast change in gas costs for 2019 as outlined at Exhibit GI-39. The impact from the change in 2019 gas costs are discussed and filed in Exhibit GI-48, document 2.1. 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.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-48, document 1.1, page 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 2019 distribution revenue to costs ratios for each rate class as well as the 2018 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 not made adjustments to the 2019 revenues derived in Stage 1 given that the resulting T-service rate impacts are small (less than 1 percent) for all customer classes and that the revenue to cost ratios are similar to the revenue to cost ratios from last year. In order to improve any of the rate class's revenue to cost ratios, specifically Rate 2, the necessary adjustments would result in a larger rate increase for Rate 2 and significant rate decreases for all other rate classes. In the Company's view, the most appropriate outcome is to achieve rate impacts that are directionally aligned for all rate classes as can be seen in Table 1 below.

Since the Company did not make any adjustments, -Table 1 below depicts the revenue adjustments of zero for all rates classes as well as the 2019 and 2018 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 2019 and 2018.

The rate impacts depicted in the chart below are relative to the October 1, 2018 Pass-On rates which are based on the 2018 final distribution rates and October 1, 2018 gas costs.

Table 1: 2019 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	0.0	0.0	0.0	0.0	0.0
Proposed 2019 R/C Ratio – Distribution Only	1.00	1.24	0.93	1.25	2.29	1.22	0.62
Fiscal 2018 R/C Ratio – Distribution Only	1.00	1.21	0.94	1.49	1.89	1.24	0.65
% increase on total bill of a T-service customer	0.8%	0.6%	0.9%	0.4%	0.3%	0.4%	0.5%
% increase on total bill of a	0.5%	0.4%	0.7%	0.2%	0.2%	0.2%	0.2%

sales customer							
2019 Delivery Volumes ($10^6 m^3$)	177.8	72.9	67.4	.2	3.6	17.3	16.3
2018 Delivery Volumes ($10^6 m^3$)	168.9	65.3	67.4	.3	3.9	17.3	14.7

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 2019. The overall level of the 2019 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.