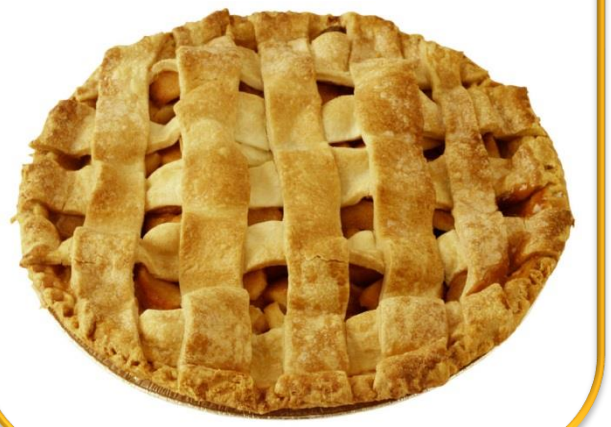
Enbridge
Phase II Technical Conference

June 24, 2025

Key Components of a General Rate Case

Revenue Requirement

- Determines how much money needs to be collected to run the utility and provide a reasonable return
- Total dollar amount



Cost of Service

- Determines how much of the revenue requirement (total pie) should be paid by each class of customers

Rate Design

- Determines how class revenue requirement is collected
- Volumetric, fixed, seasonal, etc.

Revenue Requirement

Costs to run the utility

- Mains
- Service Lines
- Meters
- Depreciation

- Trucks
- Buildings
- Employee salaries
- Billing
- Meter Reading
- Customer Records

- Maintenance
- Production and Gathering
- LNG Storage

- Gate Stations
- Measuring and Regulator Stations

Main Drivers of Revenue Requirement Increase

$115 Million Revenue Requirement Increase

- Rate Base Increase - $51 Million ($487 Million Rate Base Increase)
- ROE 9.6% to 10.6% - $22 Million
- Depreciation Expense - $20 Million
- Equity Thickness 51% to 53% - $6 Million

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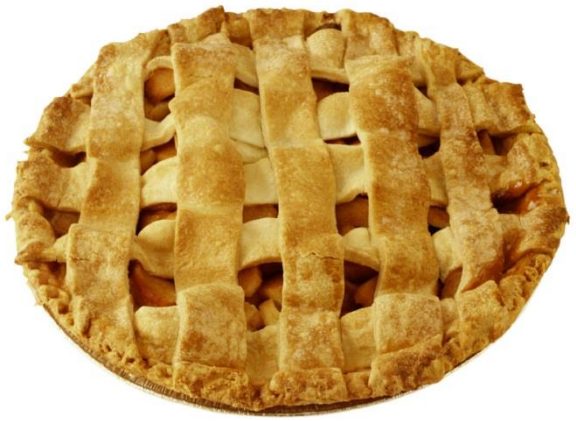

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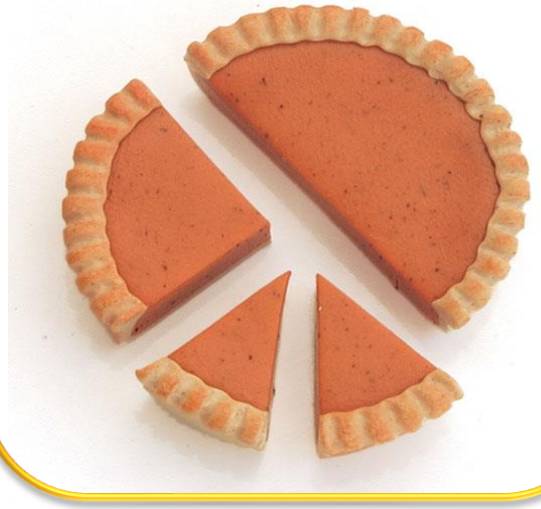


Rate Design

- Determines how class revenue requirement is collected
- Volumetric, fixed, seasonal, etc.

Cost of Service

Cost Causation – customer that causes the cost should pay the cost

Account 376	Cost Allocation
Small Diameter Mains	Small Diameter Mains
Large Diameter Mains	Distribution Throughput
Feeder Lines	60% Design Day 40% Throughput

EGU Exhibit 5.14U, COS Detail Sheet

Line No.	376 Mains	Cost Allocation	GS	FS	IS	TSS	TSM	TSL	TBF	NGV	Total
1033	Dist - Ut - Mains - SD	SD Mains	1,093,326,824	1,445,328	91,410	3,933,307	1,500,752	182,302	48,342	76,796	1,100,605,060
1034	Dist - Ut - Mains - LD	Distribution Throughput	149,610,954	2,812,118	264,707	10,457,856	11,964,023	6,288,733	1,388,746	185,856	182,972,994
1035	Dist - Ut - Mains - Feeders	60% Design Day 40% Throughput	1,244,797,141	15,581,075	797,232	80,159,619	103,007,989	149,155,750	137,071,085	788,836	1,731,358,727

Cost of Service Allocation Factors

Refer to EGU Exhibit 5.02 for the complete list of COS Allocation Factors

Volumetric Factors

- Design Day
- Throughput
- 60% Design Day 40% Throughput
- Firm Sales
- Firm Sales les NGV
- Distribution Throughput

Plant Factors

- Tools, Shop & Garage Equipment
- Rate Base
- Gross Plant
- Distribution Gross Plant
- Direct Distribution Gross Plant
- SD Mains
- Mains
- Service Lines
- Meters & Regulators
- Mains & Service Lines

Revenue Factors

- DNG Revenue
- DNG Revenue Less NGV

Customer Factors

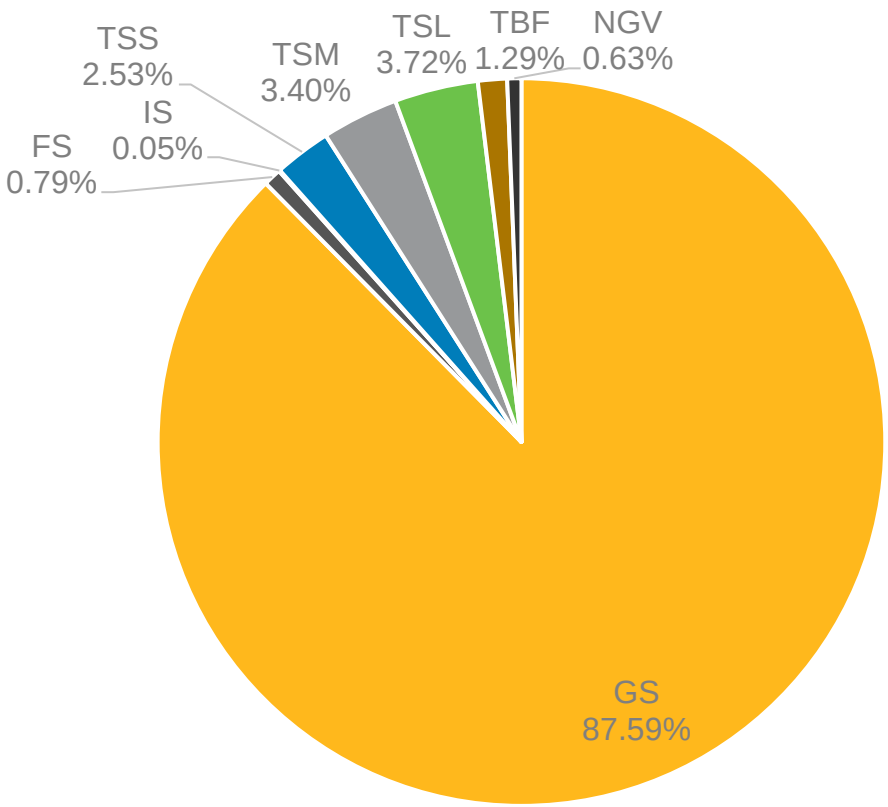
- Customers
- 75% Customers 25% DNG Revenue

Expense Factors

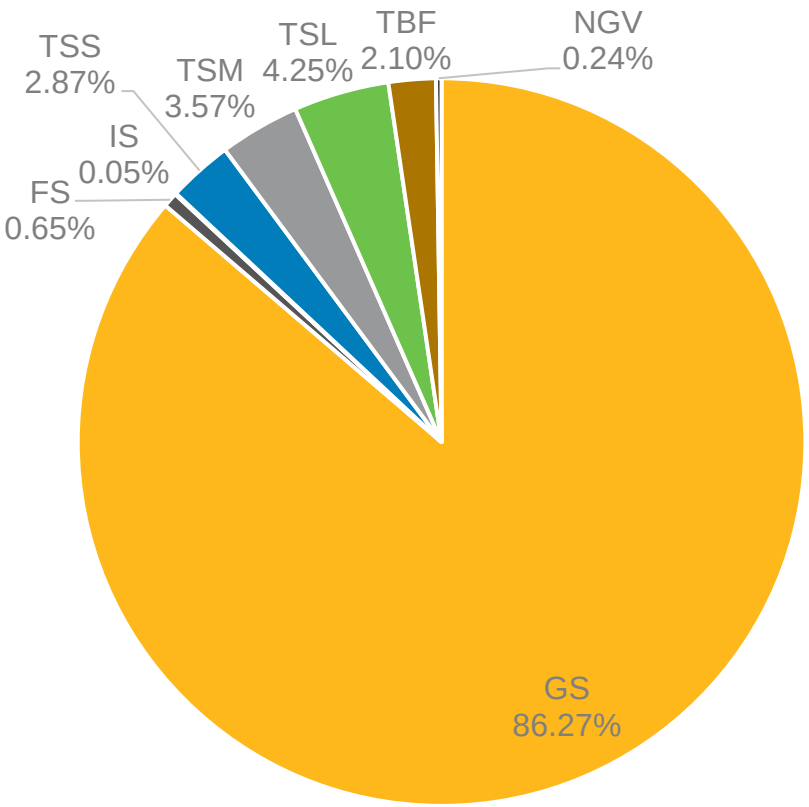
- Customer Assistance Expense
- Distribution O&M Expense

Class Allocation Change

22-057-03



25-057-06



Docket No.	GS	FS	IS	TSS	TSM	TSL	TBF	NGV
22-057-03	87.59%	0.79%	0.05%	2.53%	3.40%	3.72%	1.29%	0.63%
25-057-06	86.27%	0.65%	0.05%	2.87%	3.57%	4.25%	2.10%	0.24%
Difference	-1.32%	-0.14%	0.00%	0.35%	0.16%	0.53%	0.80%	-0.38%

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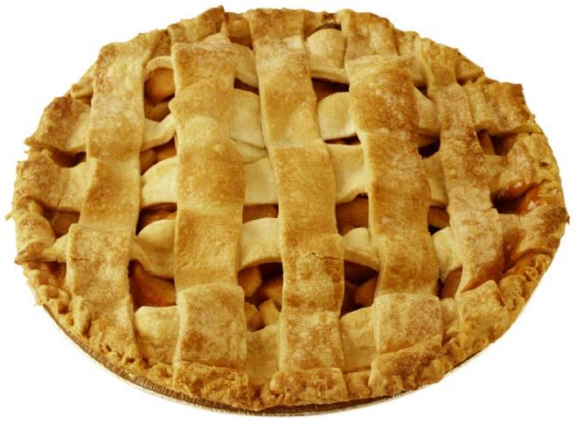

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Rate Design

Utah Service Territory Implementation

Basic Service fee

Fixed fee

Uniform across all rate classes, both sales and transportation

Four levels, increasing with capacity rating of meter

Established with separate study

No proposed change to existing fee in this case

Volumetric Rate (charge per unit of consumption):

Used for all rate classes and special contracts

Unique rate set for each class

Declining Blocks

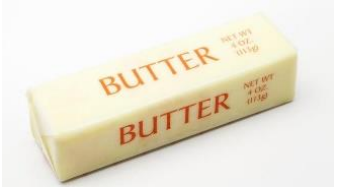
Summer/Winter Differential

Administrative Fee

Fixed fee applied to Transportation classes

Developed in separate study

Proposed increase from $2,400 to $3,000

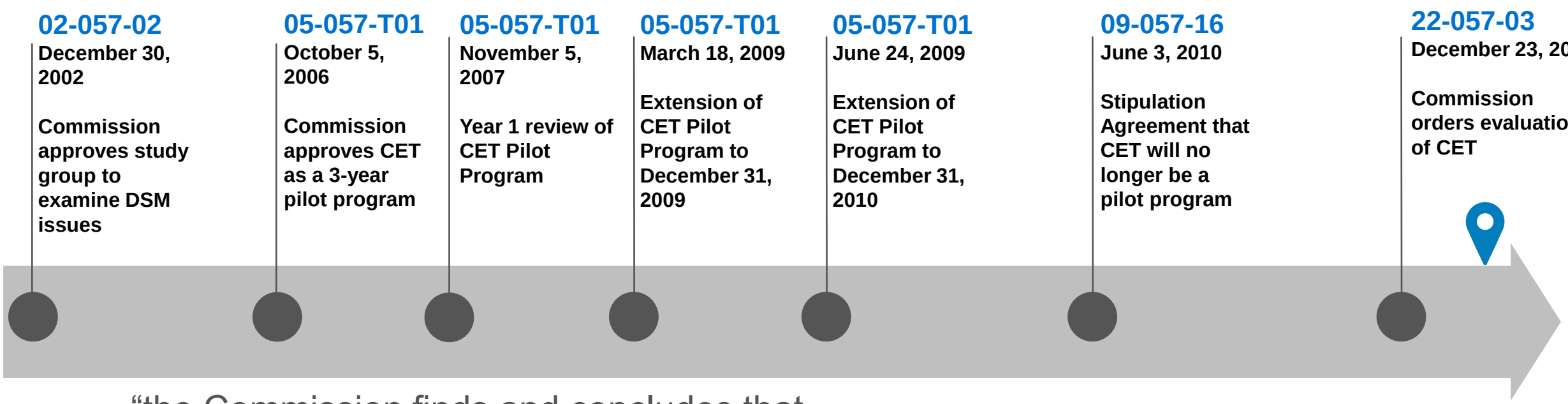


Demand Charge

Applied only to Transportation customers

Per-Dth rate applied to firm demand

Conservation Enabling Tariff History



"the Commission finds and concludes that adoption and approval of the Settlement Stipulation is just and reasonable and in the public interest. It provides a means to implement energy-efficiency programs and measures that all parties agree will be in the public interest." (PSC Oct. 5, 2006)

Energy Efficiency Programs

Years	Total Annual (Gross) Dth Savings	Total Lifetime (Gross) Dth Savings	Number of Rebates Paid
2007-2016	7,137,046	158,524,991	900,222
2017	1,044,307	15,376,023	73,883
2018	998,419	12,734,226	76,690
2019	1,099,047	15,095,194	77,081
2020	1,158,448	19,038,255	86,169
2021	931,950	15,439,817	57,768
2022	949,449	16,018,029	53,429
2023	1,047,764	16,239,031	54,968
2024	927,035	15,423,781	59,500
Total	15,293,465	283,889,347	1,439,710

Explanation of Revenue Decoupling

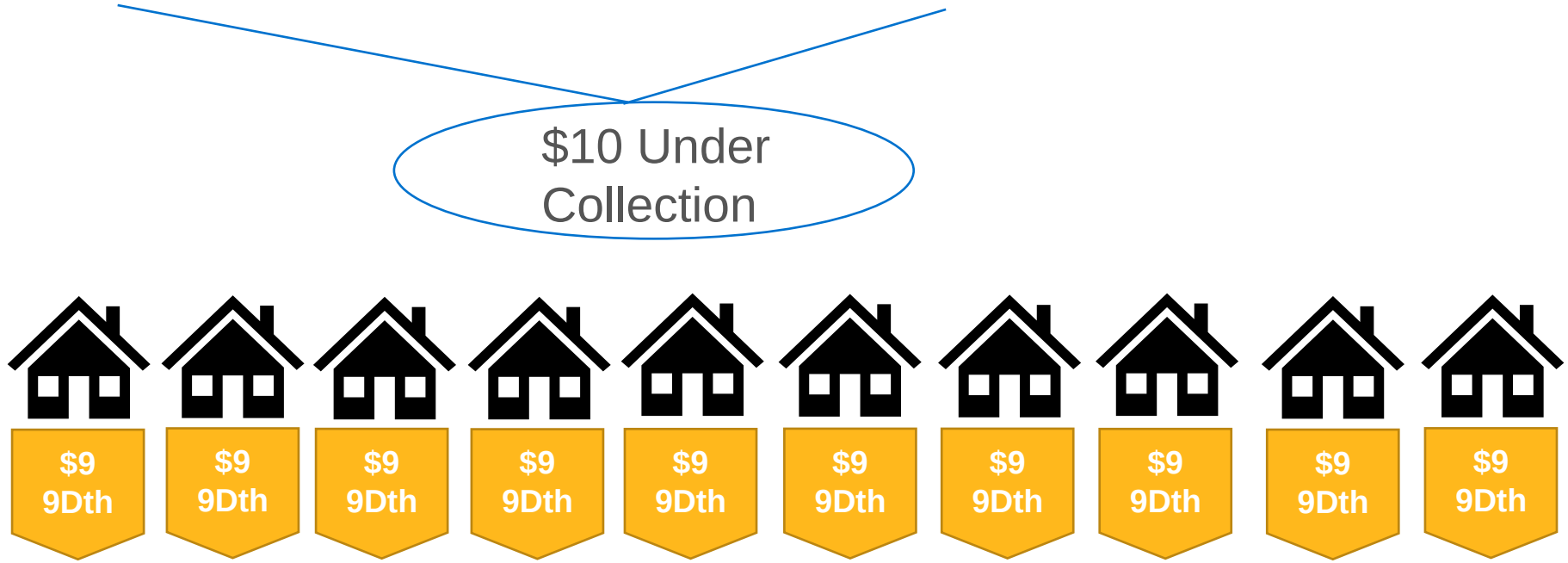
Total Revenue Requirement: $100
Total Customers: 10
Allowed Revenue Per Customer: $10/Customer

Total Revenue Requirement: $100
Usage: 100 Dths
Total Price/Dth: $1/Dth

Declining Usage

Total Revenue Requirement: $100
Total Customers: 10
Allowed Revenue Per Customer: $10/Customer
Total Allowed Revenue: $100

Total Revenue Requirement: $100
Usage: 90 Dths
Total Price/Dth: $1/Dth
Total Volumetric Revenue: $90



Increasing Usage

Total Revenue Requirement: $100
Total Customers: 10
Allowed Revenue Per Customer: $10/Customer
Total Allowed Revenue: $100

Total Revenue Requirement: $100
Usage: 110 Dths
Total Price/Dth: $1/Dth
Total Volumetric Revenue: $110

($10) Over Collection

Historical CET Adjustments

Year	Amount	Under/Over Collected
Jul 06 – Oct 19 (Years 1-13)	($11,444,647)	10 Over Collected/ 3 Under Collected
Nov 19 – Oct 20 (Year 14)	($2,386,792)	Over Collected
Nov 20 – Oct 21 (Year 15)	$5,630,701	Under Collected
Nov 21 – Oct 22 (Year 16)	$5,188,275	Under Collected
Nov 22 – Oct 23 (Year 17)	($21,900,172)	Over Collected
Nov 23- Oct 24 (Year 18)	($6,497,052)	Over Collected
Nov 24- May 25 (Year 19)	($11,133,155)	Over Collected
Total	($42,542,842)	14 Over Collected/ 5 Under Collected

Causes for Changes in Usage

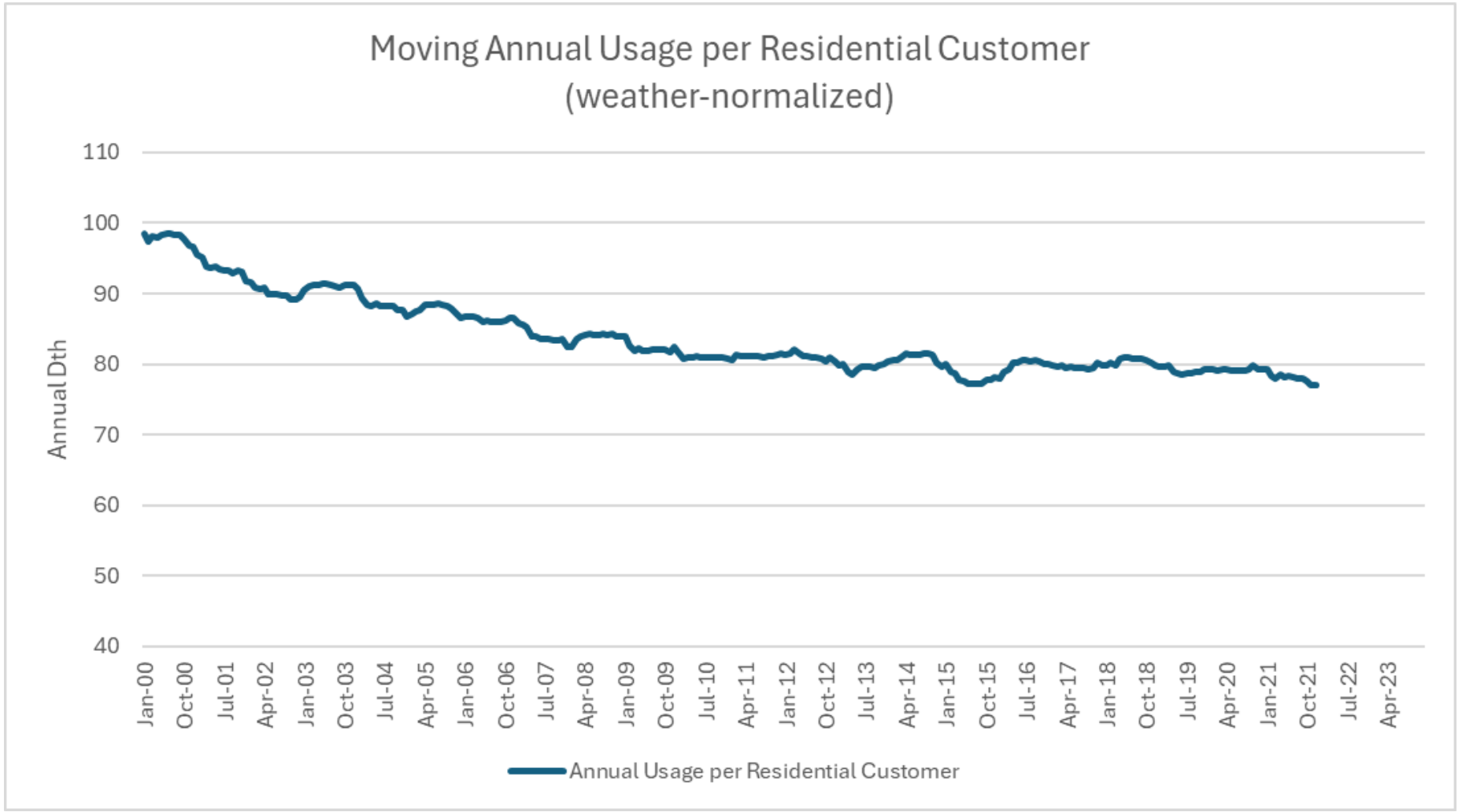
Energy Efficiency

Weather

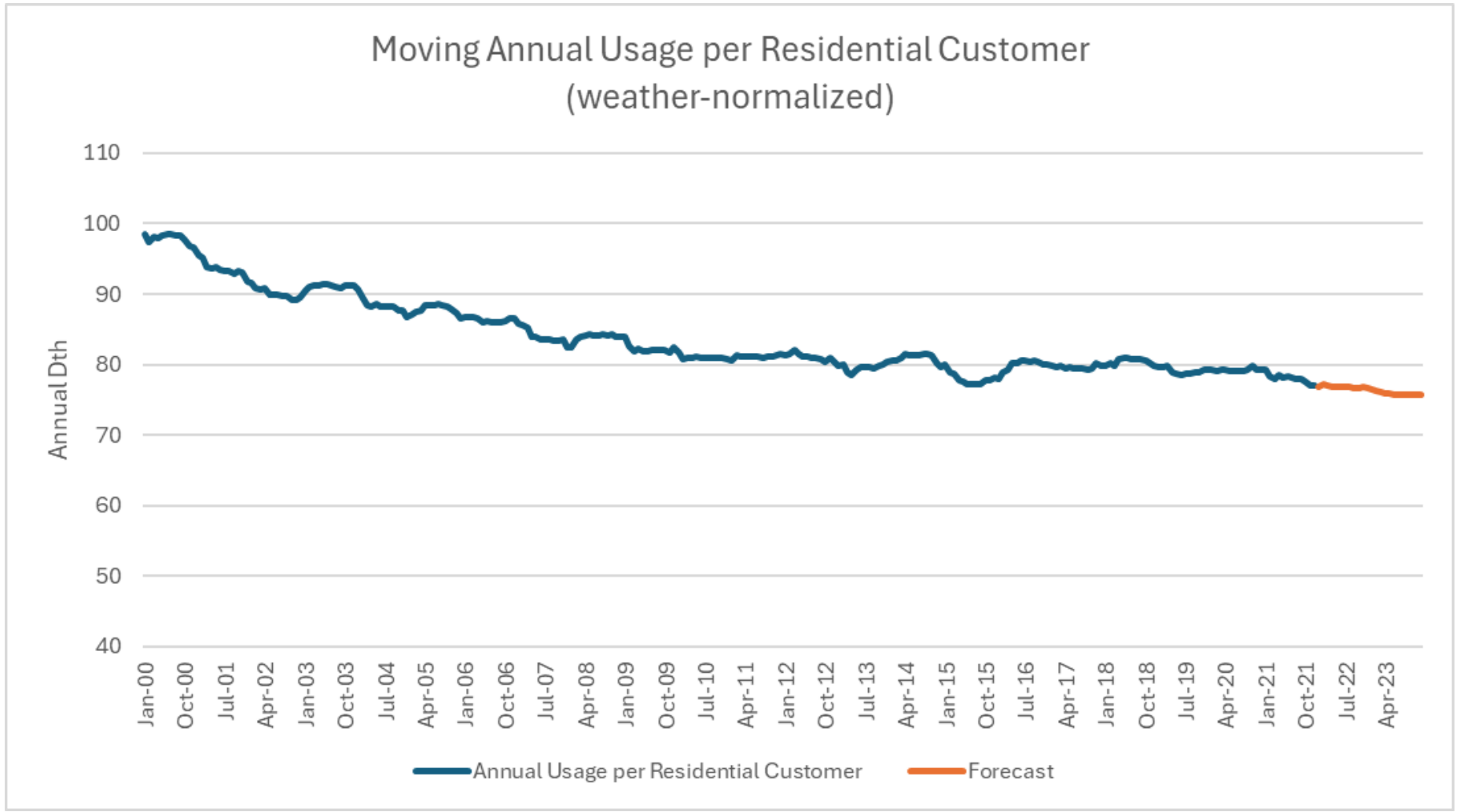
Price

Forecasting Differences

Residential Usage per Customer History



Residential Usage per Customer History



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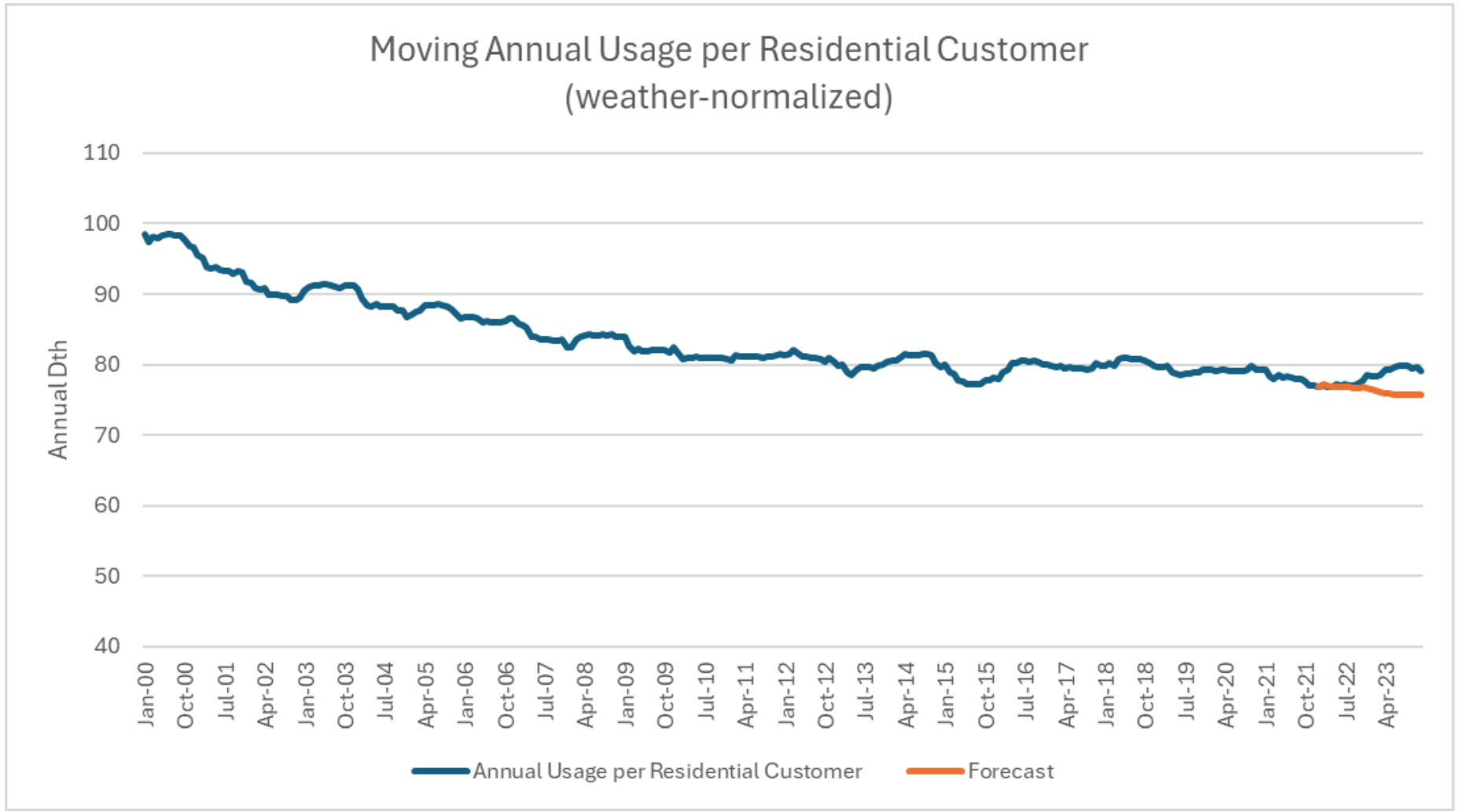
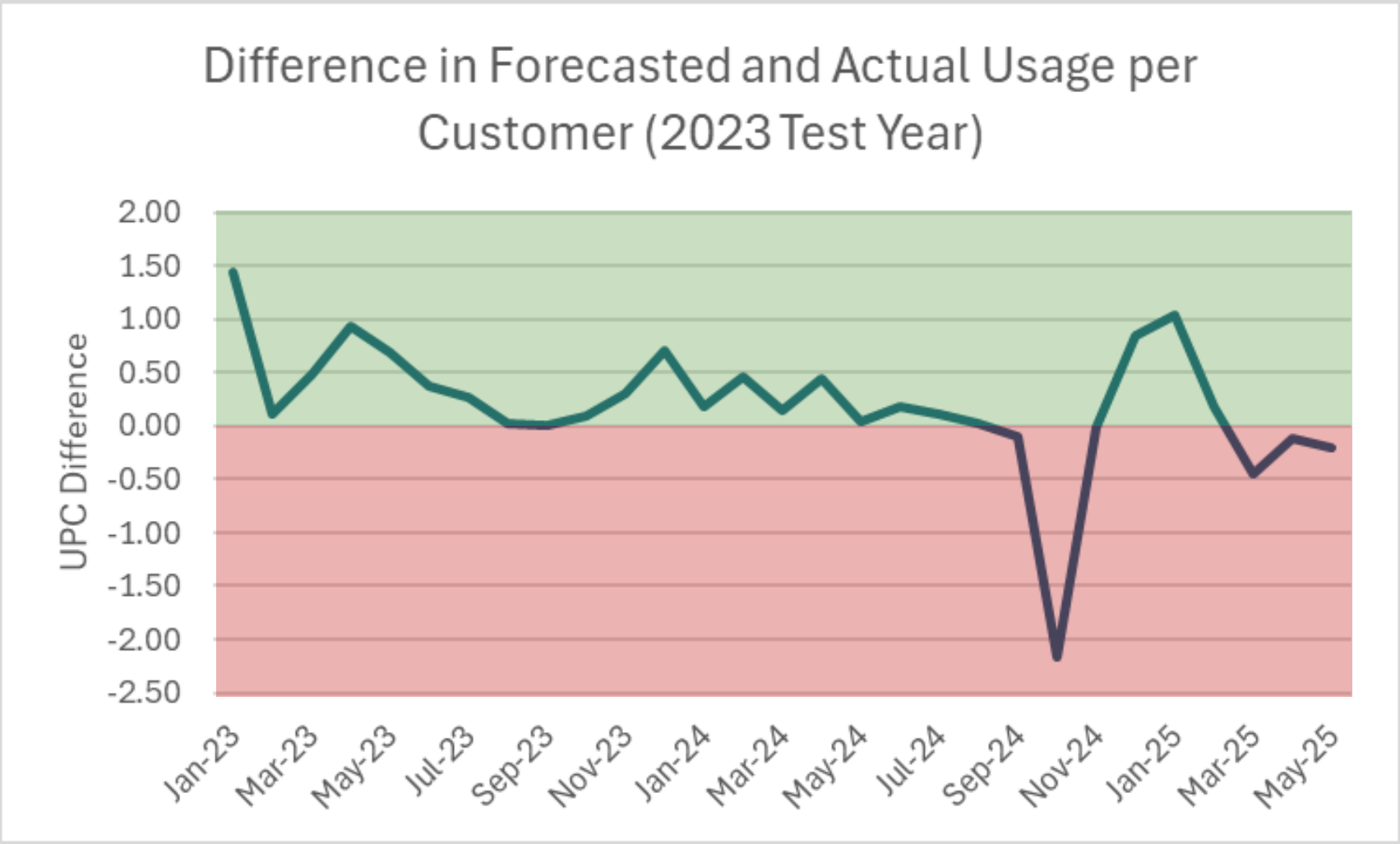
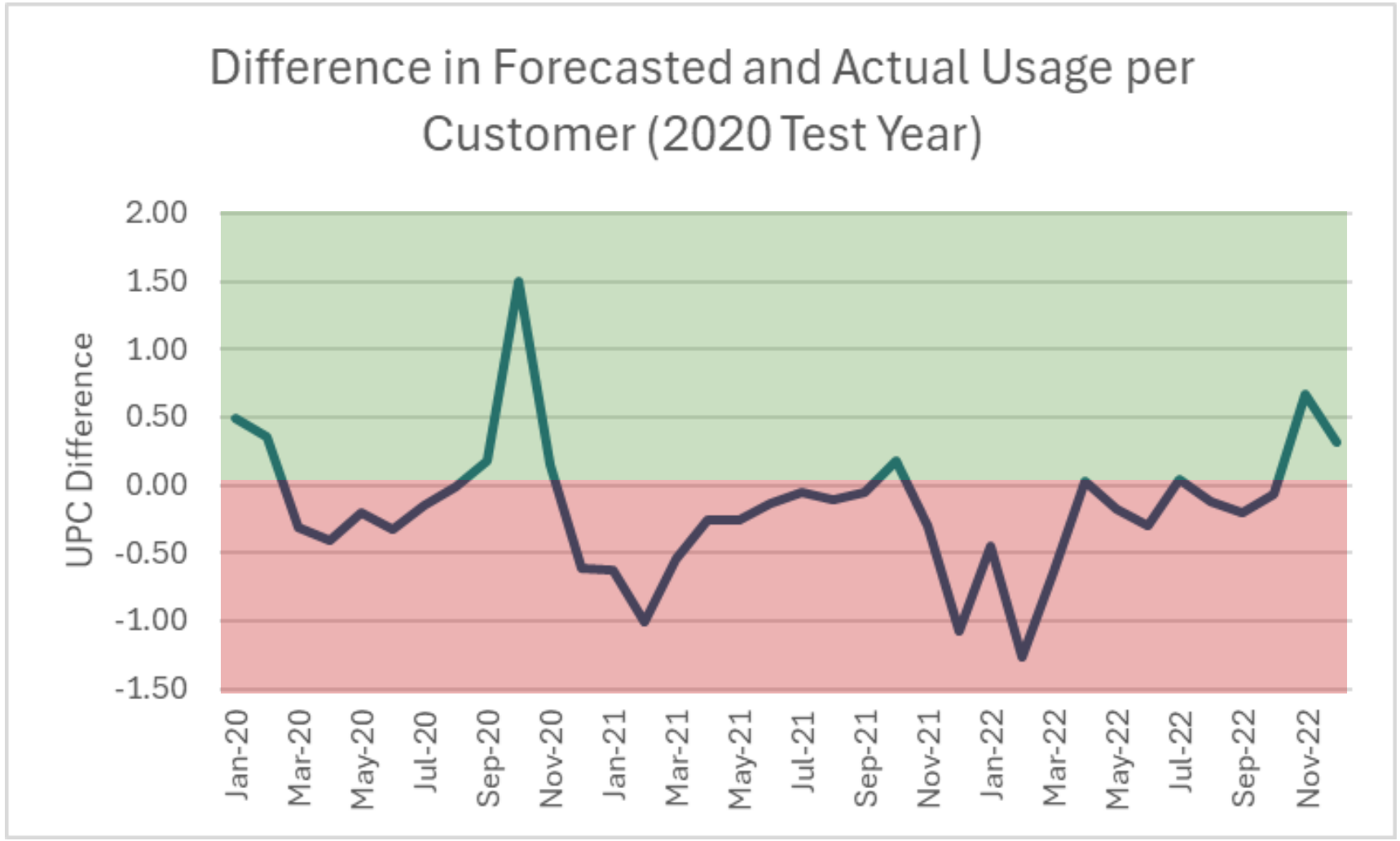


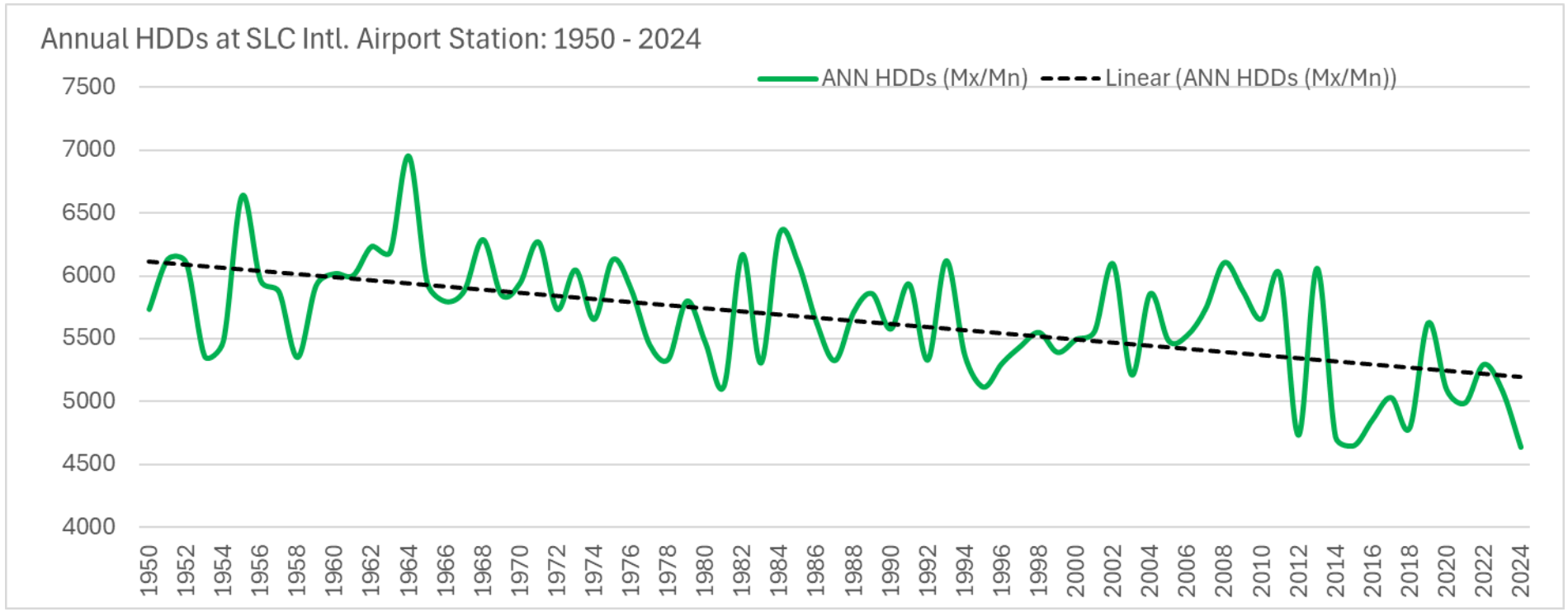
Test Year Usage vs. Actual – 2023 Test Year



Test Year Usage vs. Actual – 2020 Test Year



Heating Degree Days (HDD)



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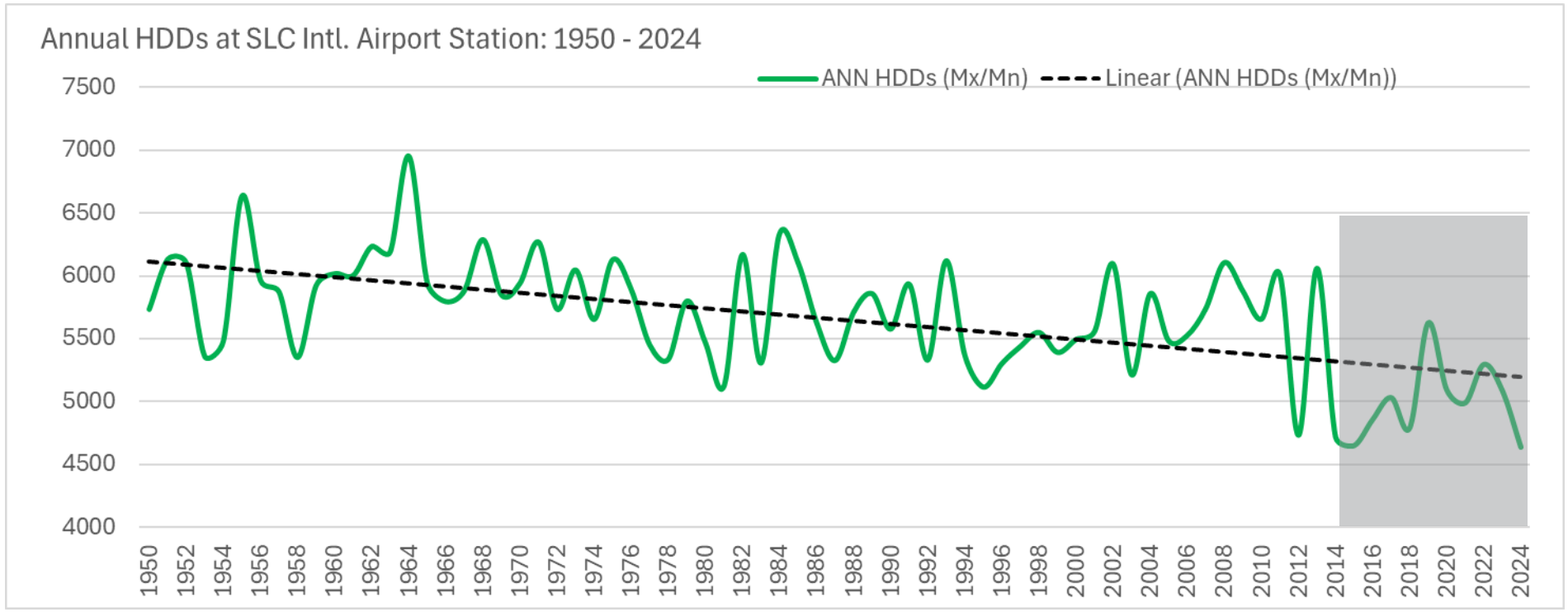

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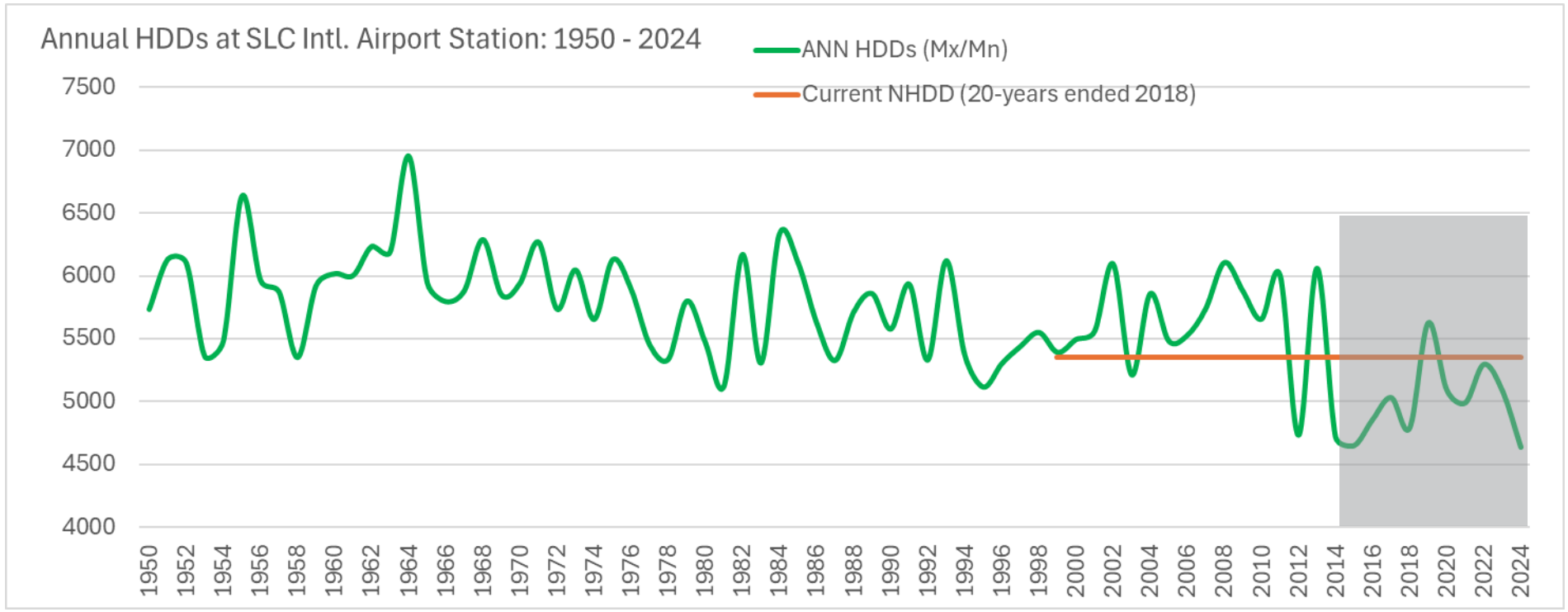

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