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VIA E-MAIL

March 9, 2009

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. – Phase 2 - Shell Interrogatories for EGD
Board File No. EB-2008-0219**

Please find attached the interrogatories for evidence submitted by Enbridge Gas Distribution of Shell Energy North America (Canada) Inc. ("Shell Energy") in the above noted proceeding.

Yours very truly,

McCarthy Tétrault LLP

Signed in the original

Per: Kristyn Annis

C: Paul Kerr, Shell Energy North America (Canada) Inc.
Enbridge Gas Distribution Inc. (via email only)
Norm Ryckman (EGD)
Fred Cass (Aird & Berlis)
Intervenors (via email only)

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IN THE MATTER OF the *Ontario Energy Board Act*
1998, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an Application by Enbridge
Gas Distribution Inc. for an Order or Orders approving or
fixing just and reasonable rates and other charges for the
sale, distribution, transmission and storage of gas
commencing January 1, 2009.

**INTERROGATORIES OF SHELL ENERGY NORTH AMERICA (CANADA)
INC. ("SHELL ENERGY") TO ENBRIDGE GAS DISTRIBUTION ("EGD")**

No.	Ref.	Interrogatory
1.	C-1-8, par. 6	<p>The evidence states that EGD relies on direct shippers to meet up to 15% of peak day demand requirements.</p> <ul style="list-style-type: none"><li data-bbox="475 1192 1411 1402">i. What are the EGD practices for meeting peak day requirements for the needs of all customers and how does this differ from system gas customers. For each of direct purchase customers and system gas customers, please provide information on the source of gas to meet peak demand, delivery points used on the EGD system to meet peak day demand and type of service contracted for.<li data-bbox="475 1444 1411 1514">ii. Please clarify how EGD practices differ between meeting peak day requirements versus the demand throughout the rest of the year.
2.	C-1-8, par. 7	<p>The evidence states that as of November 1, 2007 daily deliveries from direct shippers to the EGD franchise equalled 520,937 Gj/d. Please provide the total daily deliveries from direct shippers to EGD franchise area up to November 1, 2008 and provide the following breakdown:</p> <ul style="list-style-type: none"><li data-bbox="475 1728 1411 1759">i. What is the total daily capacity of TCPL to the EGD franchise area?<li data-bbox="475 1801 1411 1833">ii. How much TCPL FT (Gj/d) does EGD have under contract?<li data-bbox="475 1875 1411 1934">iii. What supply and transportation arrangements does EGD use to supply the remainder of its demand and specify if at any time over

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		<p>the last five years, EGD was not successful in securing such supply?</p> <p>iv. Please indicate what contractual commitments, or otherwise, EGD requires when it purchases a firm delivery obligation. Does EGD require contracting parties who have firm delivery obligations to back up these obligations with firm transportation?</p>
3.	C-1-8, par. 8	EGD states that it relies on curtailment of its interruptible customers under peak demand conditions. Please indicate, over the last five years, the volumes of gas supply that are subject to curtailment, the corresponding volume of gas supply that has actually been curtailed and the circumstances that caused the curtailment.
4.	C-1-8, par. 7	EGD's analysis of the TCPL Index of Customers indicates that approximately 457,000 Gj/d of gas delivered to the EGD franchise is via IT arrangements or through diversions of gas on firm contracts to other delivery areas. Please clarify what percentage volume of the 457,000 Gj/d of gas delivered under non-firm arrangements should be backed up by TCPL FT if EGD is successful in its current application before the Board with respect to firm upstream transportation.
5.	C-1-8, par. 9	<p>EGD acknowledges that the probability of supply shortfall resulting from curtailment of non firm services by TCPL is "low".</p> <p>i. What is EGD's best estimate of that probability on a percentage basis?</p> <p>ii. Please indicate whether EGD has conducted any research or communicated with TCPL or other parties in an effort to quantify or otherwise measure the probability of supply shortfall and provide evidence of same.</p> <p>iii. Please provide all studies, reports, correspondence and communications that EGD has prepared or participated in that addressed or discussed the issue of the likelihood of a supply shortfall resulting from the lack of FT contracts for direct purchase customers.</p>
6.	C-1-8, par. 9	EGD states that cost consequences related to shortfall of supply would be borne largely by customers who did not cause the supply shortfall. Please indicate why the costs of the shortfall could not be recovered from those shippers that were unable to deliver supply.

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7.	C-1-9, p. 4	The second paragraph of page 4 states that marketers, in the absence of adequate financial incentives, may find it desirable to use FT capacity to deliver gas to other higher priced markets. Please provide evidence of marketers that have used FT capacity to deliver to higher priced markets. Please indicate whether EGD is of the view that current financial incentives are not adequate. Please indicate what financial incentives, in EGD's view, would be adequate to prevent marketers from using FT capacity to service higher priced markets.
8.	C-1-10, par. 3	<p>The evidence states that a failure to deliver adequate supply to the city gate could result in loss of system pressure and system outages could follow.</p> <ul style="list-style-type: none"> <li data-bbox="477 779 1404 877">i. Please provide details (including date, cause, amount of gas shortage and how the issue was resolved) that resulted in a failure to deliver adequate supplies to the city gate over the past five years. <li data-bbox="477 919 1404 1018">ii. Given EGD's evidence that failure to deliver adequate supply to the city gate could result in loss of system pressure and system outages, why, in EGD's view, have system outages not already occurred? <li data-bbox="477 1060 1404 1159">iii. For each event listed above, please indicate how FT arrangements would have prevented the event or mitigated the economic harm to EGD's customer base.
9.	C-1-10, par. 3	The evidence states that gas system outages would expose customers to potential physical harm. Please describe the measures EGD has in place to ensure that its customers are not exposed to potential physical harm when gas shortages occur at the city gate.
10.	C-1-10, par. 4	EGD states that a future change in tariff could include instituting a chargeable standby/back stopping services for large volume customers that may require an increase in EGD's FT capacity. Please elaborate on how a chargeable standby/back stopping service would be implemented for large customers and implications to large volume customers (contracting, financial or otherwise).
11.	C-1-10, par. 6	<p>The evidence states that for the period of January 13th to the 15th, 2009 demand for transportation service on the TCPL mainline exceeded available capacity and that, while all direct shipper gas was ultimately delivered to EGD, a portion of the supplies were only confirmed after the timely nomination window.</p> <ul style="list-style-type: none"> <li data-bbox="477 1843 1404 1911">i. Please provide the circumstances that led to insufficient capacity on the TCPL mainline during this period.

No.	Ref.	Interrogatory
		<p>ii. Please define the time period for the “timely nomination window”.</p> <p>iii. Please list, in the past five years, all other instances in which demand for transportation service on the TCPL mainline exceeded available capacity, by what amount, the duration of the capacity shortage, the cause, and the effect (from an economic and reliability standpoint) on the EGD franchise area and how each situation was resolved.</p>
12.	C-1-10, par. 14	In examining how to meet firm delivery obligations, EGD rejects implementing mandatory assignment of LDC held transport to their agents/marketers on the basis that such a solution would not be implementable by November 1, 2009. Please explain the urgency of having FT delivery obligations in place by November 1, 2009.
13.	C-1-10, par. 27	<p>EGD states that, if their application is approved by the Board, the agent/marketer will have the following options to comply with the requirement to demonstrate firm upstream transportation arrangements:</p> <p>i. Contract for firm transport independently and provide proof of transport with upstream pipeline; or</p> <p>ii. Request an assignment of EGD long haul TCPL capacity, at which point EGD will acquire transport on their behalf.</p> <p>Given that customers who have turned back TCPL FT contracts have taken on other supply arrangements, please advise of the transition period proposed by EGD to unwind these arrangements. Please provide EGD’s estimate of the cost of unwinding these arrangements and whether this cost will (ultimately) be borne by the consumer.</p>

With respect to the Exhibit C-1-8 generally, please provide the information requested below.

Year	Total EGD gas delivered (Gj)	Total EGD gas delivered under FT arrangements (Gj)	Total annual cost of FT on TCPL pipeline (\$CDN)	Total annual cost of IT on TCPL pipeline (\$CDN)	Cost of Union M12 plus gas at Dawn (\$CDN)
2003					
2004					
2005					
2006					
2007					
2008					