

**ONTARIO ENERGY BOARD**

**ONTARIO ENERGY BOARD FILE NO. EB-2008-0219  
ENBRIDGE GAS DISTRIBUTION INC.  
APPLICATION FOR ORDER APPROVING OR FIXING 2009 RATES**

**INFORMATION REQUESTS OF BP CANADA ENERGY COMPANY (“BP”)  
TO ENBRIDGE GAS DISTRIBUTION INC. (“EGD”)**

**BP-EGD-1:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8, and EGD Supplemental Evidence, Exhibit C, Tab 1, Schedule 10, at paragraph 2.

**Preamble:** EGD has proposed the following wording for its Rate Handbook: “Unless otherwise authorized by the Company in writing, each Applicant taking service pursuant to an agent type Gas Delivery Agreement must meet its obligations to deliver gas to the Company on any given day by Firm Transportation for at least 90% of the Applicant’s MDV.” BP wants to confirm what EGD means by “Firm Transportation” service and what effects its proposal will have on direct purchase customers and their associated customers.

**Request:** Assume that firm transportation means FT on TransCanada Pipelines (“TCPL”) Mainline system. Please confirm that forcing suppliers of Direct Purchase customers to hold firm transportation service that delivers to the franchise area every day of the year would result in higher costs for the Direct Purchasers and their associated customers compared with customers that are served with a portfolio of supply arrangements, some of which are not firm every day of the year. If this cannot be confirmed please explain why not.

**BP-EGD-2:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8, and EGD Supplemental Evidence, Exhibit C, Tab 1, Schedule 10, page 3.

**Preamble:** EGD used the example of the period from January 13<sup>th</sup> to the 15<sup>th</sup>, 2009 to illustrate a time when demand for transportation service on the TCPL’s Mainline system exceeded available capacity. However, no other time period throughout the year was referred to as being a time of restricted capacity. BP would like to better understand when the issue of system reliability is likely to occur.

**Request:**

- (a) Please confirm that the issue of system reliability raised by EGD is one that arises only through the winter season.
- (b) If confirmed, for which months of the winter is this issue likely to arise?
- (c) If unable to confirm, please state the number of days and the time period during which the reliability issue is of concern throughout the calendar year.

**BP-EGD-3:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8 and EGD Supplemental Evidence, Exhibit C, Tab 1, Schedule 10, at paragraph 7, page 3 – 4.

**Preamble:** EGD stated that “shippers faced with the prospect of IT capacity restrictions met their delivery obligations on January 13, 14 and 15<sup>th</sup> through a combination of short term firm transport (for a minimum of one week) and diversions off firm contracts held to downstream export points.”

**Request:** Please confirm that TCPL’s Short Term Firm Transportation (“STFT”) service is currently used by suppliers of gas to deliver to EGD’s franchise areas.

**BP-EGD-4:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8

**Preamble:** BP would like to understand whether STFT is an appropriate solution to the system reliability concerns for those times during the year that it is an issue.

**Request:**

- (a) Please confirm that TransCanada’s STFT service is classified as a Firm Transportation service on the TCPL Mainline and can be contracted for between 7 and 364 days of the year.
- (b) Please confirm that TransCanada’s STFT service is offered by TCPL first on a seasonal basis (e.g. winter), then in monthly blocks, then on a daily basis for the minimum 7 day term. If unable to confirm please explain why not.

**BP-EGD-5:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8

**Preamble:** BP wishes to understand whether the issue of system reliability only relates to the upstream arrangements of Direct Purchase customer

**Request:**

- (a) Please confirm that all customers that were contracted and scheduled to be curtailed were in fact curtailed during the period of January 13<sup>th</sup> to 15<sup>th</sup>, 2009.
- (b) Please confirm that on January 13<sup>th</sup>, 14<sup>th</sup> and 15<sup>th</sup> of 2009, all other non-Direct Purchase sourced gas, including contracted peaking supplies, arrived at the franchise areas as expected on those days.

**BP-EGD-6:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8

**Preamble:** BP wishes to determine whether EGD would be better suited to contract for a backstopping solution, the cost of which could be allocated to all customers in order to both minimize the cost impact and also to allocate the costs to all parties who benefit from the protective measure.

**Request:**

- (c) As EGD has the responsibility for ensuring system reliability, could it contract for a Firm Transportation service to backstop the system to ensure system reliability?
- (d) Would EGD agree that the cost of such a service could be allocated to all customers in the franchise area because they would all benefit from such a service?
- (e) Could EGD assign the contract in the secondary market in order to optimize its use and minimize the cost to all customers?

**BP-EGD-7:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8

**Preamble:** BP wishes to explore whether in planning for possible non-delivery of an assumed volume less than total small volume direct purchases should be used, and whether that scenario opens up other alternatives.

**Request:**

- (f) Could EGD determine whether a smaller amount of firm transportation (e.g. 30,000 to 40,000 GJ/d) over the winter season could realistically address the shortfall that could be experienced if one or relatively few suppliers of gas did not meet their contract obligations? What would that quantity be in EGD's estimation?
- (g) Could EGD contract for such an amount and as described above, allocate the cost of that backstopping service to all customers since all customers benefit from this protection? If so, would Enbridge be willing to use this option to enhance system reliability?

**BP-EGD-8:**

**Reference:** EGD Supplemental Evidence, Page 2, Paragraph 4

**Preamble:** EGD claims that large volume customers are "...amendable to curtailment in the event that they fail to deliver..."

**Request:**

- (h) Please explain what contractual commitment with EGD, if any, large volume customers have that would compel them to turn down their operations (effectively being curtailed) if they fail to delivery gas to the franchise area?
- (i) If no contractual commitments exist, why is EGD willing to accept the risk for an interim period from only a small number of shippers not holding Firm Transportation and potentially failing to deliver their volumes to the franchise area on any particular day?

**BP-EGD-9:**

**Reference:** EGD Supplemental Evidence, Page 4, Paragraph 11.

**Preamble:** EGD has stated that "[a] gas system outage resulting from a supply shortfall requires the execution of an elaborate and lengthy system restoration plan."

**Request:**

**Request:** Please describe in detail whether EGD has had to undertake the system restoration plan outlined in the referenced section as a result of gas supply not showing up in the EGD franchise areas?

**BP-EGD-10:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8

**Preamble:** BP would like to better understand the differences between the large volume shippers and the small volume shippers.

**Request:** Please summarize for the past five years:

- (j) the volume of direct purchase arrangements into the franchise area, of both large volumes and small volumes, and
- (k) the upstream transportation arrangements associated with such volumes.

**BP-EGD-11:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8

**Preamble:** BP would like to better understand the system balancing requirements and how it has been met in the past.

**Request:** Please list in table format

- (l) the volumes of EGD's most recent annual load curve and
- (m) details of how that load was met using system gas, direct purchase gas, peaking services and any other applicable services and mitigation mechanisms.

**BP-EGD-12:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8

**Preamble:** BP would like to better understand the role of stand-by/supplier of last resort obligations.

**Request:** Please explain the nature of stand-by/supplier of last resort obligations with reference to any applicable OEB orders and decisions, contract provisions and EGD policies.

**BP-EGD-13:**

**Reference:** EGD Supplemental Evidence, Exhibit C, Tab 1, Schedule 10, paragraph 7.

**Preamble:** EGD stated that it "understands that shippers faced with the prospect of IT capacity restrictions met their delivery obligations on January 13, 14 and 15<sup>th</sup> through a combination of short term firm transport (for a minimum of

one week) and diversions of firm contracts held to downstream export points.”

**Request:** Please give a description of the nomination process that took place in relation to direct purchase gas and describe how the nominations on January 13<sup>th</sup> to 15<sup>th</sup>, 2009 were communicated, resulting in the EGD system getting the gas required on that day.

**BP-EGD-14:**

**Reference:** EGD Evidence, Exhibit C, Tab 1, Schedule 8, at paragraph 7, and EGD Supplemental Evidence, Exhibit C, at Tab 1, Schedule 10, at page 10 of 11, at paragraph 28.

**Preamble:** EGD has stated that approximately 457,000 out of 520,937 Gj/d are delivered either through Interruptible Transport (“IT”) arrangements or through diversions of gas on firm contracts to other delivery areas. Whereas, at paragraph 28 of its Supplemental Evidence that its proposal “addresses EGD’s system reliability concerns by increasing firm transport for the franchise by an estimated 200,000 GJ/d for the upcoming winter.”

**Request:**

- (n) Please reconcile the volumes set out by EGD in paragraph 7 of EGD’s Evidence, Exhibit C, Tab 1, Schedule 8, and paragraph 28 of EGD’s Supplemental Evidence, Exhibit C, Tab 1, Schedule 10, at page 10 of 11.
- (o) Why is EGD asking for 200,000 GJ/d of Firm Transportation being signed up if the theoretical problem is larger than that?

**BP-EGD-15:**

**Reference:** EGD Supplemental Evidence, Exhibit C, Tab 1, Schedule 10, Page 10 of 11 at Paragraphs 26 & 27

**Preamble:** BP would like to better understand the restrictions EGD is proposing on holding FT contracts to the franchise area

**Request:** (a) Please explain whether agent marketers must underpin gas requirements with firm transportation in their own name, or whether they can acquire it from other parties other than taking assignment of long-haul service from EGD.

(b) If agent marketers can only have the transport in their own name or take assignment from EGD, doesn't EGD see this as restricting the competition in the secondary market for transportation? Please explain.