DIRECT ENERGY INTERROGATORY #1

INTERROGATORY

Reference: Issue Number 7, Phase 2, (Exhibit C, Tab 1, Schedule 8) - General

Please provide the unutilized capacity figures by month for the past two years on the TCPL Mainline terminating in the Enbridge franchise area.

RESPONSE

EGD is unable to provide this data as the Company does not track unutilized capacity on the TCPL Mainline.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #2

INTERROGATORY

Reference: Issue Number 7, Phase 2, (Exhibit C, Tab 1, Schedule 8) - General

Please provide details of Enbridge's current long haul transportation agreements by pipeline carrier, including:

a. Contracted volumes by day.

b. The start date of each contract.

c. The end date of each contract.

d. The rate schedule of each contract.

e. Any relevant terms with respect to penalties, or cost impacts as a result of increased unutilized capacity on the pipeline.

RESPONSE

a. Please see table (on next page) for a, b, c, d

e. EGD's TCPL long haul contracts are subject to NEB approved toll changes. EGG manages its long haul firm transportation at 100% load factor.

Witnesses: M. Giridhar
K. Irani

EGD Long Haul Transportation Capacity as of November 1, 2008							
	Capacity		Receipt	Delivery	Start	Expiry	Tolls 100%
Pipeline	Volume	Unit	Point	Point	Date	Date	Load Factor
Alliance (AOS 19%) Cdn	75,000	Mcf	CREC (AB)		Nov-00	Oct-15	C$0.69606/Mcf
Alliance (AOS 19%) US	82,125	Dth		Chicago	Nov-00	Oct-15	US$0.43651/Dth
TransCanada*	25,000	GJ	Empress	EDA		Mar-09	C$1.1900/GJ
	55,093	GJ	Empress	CDA	Nov-08	Oct-09	C$1.1900/GJ
	110,052	GJ	Empress	EDA	Nov-08	Oct-09	C$1.1900/GJ
	56,293	GJ	Empress	Iroquois	Nov-08	Oct-09	C$1.1592/GJ
	149,818	GJ	Dawn	CDA	Nov-08	Oct-09	C$0.1398/GJ
	572	GJ	Union Pkwy	CDA	Nov-08	Oct-09	C$0.0584/GJ
	283,892	GJ	Union Pkwy	CDA	Nov-08	Oct-09	C$0.0584/GJ
	80,611	GJ	Union Pkwy	EDA	Nov-08	Oct-09	C$0.2047/GJ
	19,692	GJ	Empress	EDA	Nov-08	Oct-10	C$1.1900/GJ
	114,000	GJ	Dawn	EDA	Nov-08	Oct-10	C$0.2897/GJ
	25,000	GJ	Empress	EDA	Nov-08	Oct-13	C$1.1900/GJ
	85,000	GJ	Union Pkwy	CDA	Nov-08	Oct-18	C$0.0584/GJ
Vector	142,000	Dth	Chicago	Dawn	Nov-00	Oct-10	US$0.2500/Dth
	175,000	Dth	Chicago	Dawn	Nov-00	Oct-15	US$0.2500/Dth

Notes: * 2009 tolls at 100% load factor.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #3

INTERROGATORY

Reference: Issue Number 7, Phase 2, (Exhibit C, Tab 1, Schedule 8) - General

a. Would Enbridge agree that retailers have performed within Enbridge terms of reference for retailer service during normal operating conditions, as well as during peak day requirements?

b. Please advise of any dates in the past ten years that Enbridge has not been able to balance their distribution system, and the reason for the inability to balance.

RESPONSE

a. Yes.

b. EGD has been able to balance its distribution system by the end of the gas day in the last ten years.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #4

INTERROGATORY

Reference: Issue Number 7, Phase 2, (Exhibit C, Tab 1, Schedule 8) - General

Please provide a description of all known penalties that can be levied against a direct shipper for non-delivery of contracted volumes.

RESPONSE

EGD's Rate Handbook effective January 1, 2009 states:

> SECTION N - UNAUTHORIZED SUPPLY OVERRUN GAS[1]
> If an Applicant for Transportation Service pursuant to the General Service Rates on any day delivers to the Company a Daily Delivered Volume which is less than the Mean Daily Volume, the volume of gas by which the Mean Daily Volume applicable to such day exceeds the Daily Delivered Volume delivered by the Applicant to the Company on such day shall constitute Unauthorized Supply Overrun Gas and shall be deemed to have been taken and purchased on such day. The rate applicable to such volume shall be 150% of the average price on each day on which an overrun occurred for the calendar month as published in the Gas Daily for the Niagara and Iroquois export points for the CDA and the EDA delivery areas respectively.

EGD has the right to terminate a Gas Delivery Agreement with a direct purchase customer or their agent for events of default.[2]

[1] Part 111 Terms And Conditions Applicable To All Services, p 6 of 8
[2] Article 9, Term and Termination, page 20 of 28.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #5

INTERROGATORY

Reference: Issue Number 7, Phase 2, (Exhibit C, Tab 1, Schedule 8) - General

Please describe the financial impacts to Enbridge customers and shareholders should EGD be left in the circumstance of being the sole (or one of very few) shippers holding or contracting for firm service on any of the pipelines servicing the Enbridge franchise area in the upcoming near and medium term (i.e. 2-5 years)?

RESPONSE

EGD is unable to speculate on upstream toll impacts from the scenario outlined above. Therefore, Enbridge cannot specifically identify the impacts to customers and shareholders.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #6

INTERROGATORY

Reference: Issue Number 7, Phase 2, (Exhibit C, Tab 1, Schedule 8) - General

Could Tecumseh storage be used as a “back stop” for any non-deliveries to meet system balancing requirements on peak days. Why or why not?

RESPONSE

Tecumseh storage is assumed to be used at maximum deliverability on peak days. Therefore EGD would not be able to use Tecumseh as a “back stop” for any non-deliveries to meet system balancing requirements on peak days. Please also see the response to Board Staff Interrogatory #16 at Exhibit I, Tab 1, Schedule 16.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #7

INTERROGATORY

Reference: Issue Number 7, Phase 2, (Exhibit C, Tab 1, Schedule 8) - General

Would Enbridge agree that their request for retailers to hold firm service does not lead to more operational capacity, in that it does not create additional pipelines? If so please explain how firm contracts increase the engineering/operational system reliability and safety. If not, please explain how firm contracts create additional pipeline capacity, when the pipelines in question (e.g. TCPL Mainline) are underutilized.

RESPONSE

EGD agrees that the request for upstream firm transportation service does not lead to more operational capacity.

Firm upstream transport arrangements provide greater assurance about supply reliability than non-firm arrangements. Please see the responses to Shell Energy Interrogatory #8 iii at Exhibit I, Tab 12, Schedule 8 and Direct Energy Interrogatory #18 at Exhibit I, Tab 9, Schedule 18.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #8

INTERROGATORY

Reference: Issue Number 7, Phase 2, (Exhibit C, Tab 1, Schedule 8) - General

Preamble:

In its evidence submission Enbridge has recognized that all deliveries were met by Direct Shippers during the January 13-15, 2009 peak period and that demand for transportation services exceeded capacity on the TCPL Mainline during this period. Furthermore Enbridge has not provided any evidence of new pipeline capacity being built that would actually address any perceived delivery restriction and system security issues.

Interrogatories:

a. Please explain why Enbridge's role in providing distribution and load balancing services requires a change to the commercial operations of other market participants by forcing direct shippers to use firm transport for gas deliveries to Enbridge.

b. Does Enbridge believe that it is appropriate to use their position as a monopoly provider of distribution and load balancing services to influence the commercial operations of market participants? Why or Why not?

RESPONSE

a. Please see the response to Board Staff Interrogatory #16 at Exhibit I, Tab 1, Schedule 16. EGD requires that commercial arrangements by direct purchase customers be consistent with EGD's ability to meet peak demand and ensure system reliability.

b. Please see a.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #9

INTERROGATORY

Reference: Issue Number 7, Phase 2, (Exhibit C, Tab 1, Schedule 8) - General

Please explain how direct shippers can optimize deliveries to allow for the potential of lower cost transportation rates for customers if direct shippers are forced by Enbridge to use firm transport for gas deliveries to the franchise area.

RESPONSE

System reliability is compromised when firm distribution service to the customer's terminal location is not matched with firm upstream transport to the franchise. The use of non firm upstream services to meet firm delivery obligations may provide cost savings to an individual shipper but it imposes the risk of reduced system reliability on all customers.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #10

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 8, Page 1, Paragraph 2.

Please describe the process in approving or denying direct shipper status based on the ability by the direct shipper to show firm transport. Please include in your response:

a. The documentation required by Enbridge.

b. The timelines for approval/denial of direct shipper status.

c. The complete set of criteria for approval/denial of direct shipper status, including the length of contract required for firm transport.

d. The circumstances under which direct shippers unable to demonstrate firm transport would be required to use Enbridge's upstream capacity to transport gas to the franchise area.

e. The rates for the use of Enbridge upstream transport.

f. The names of the pipeline carriers that could be utilized by Enbridge to transport gas for shippers that have been denied direct shipper status.

RESPONSE

a. Sufficient proof of Firm Transportation arrangements consists of documentation which includes a listing of pipeline contract number, with associated volume, in the agent/marketers name to the franchise city gate, and/or a formal request of assignment of EGD long haul TCPL capacity with the required volume.

b. EGD proposes the following timelines for 2009: A communication will be sent to all agents/marketers providing 90 days notice of the November 1 requirement to provide proof of firm transportation. Proof of firm transportation must be received by Enbridge on or before November 1. EGD will evaluate the supplied documentation and will provide written confirmation that the conditions have been satisfied no later than November 15. Enbridge may request further documentation or seek clarifying

Witnesses: M. Giridhar
K. Irani

information during the review. The timelines may need further refinement due to EGD's heavy process workload around November 1 of each year.

c. Please see a and b. The length of the contract shall be for one year.

d. Direct shippers who have failed to demonstrate required upstream FT may enter into Western T-Service arrangements or take an assignment of EGD long haul transport. Please see the response to Direct Energy Interrogatory #21, c at Exhibit I, Tab 9, Schedule 21.

e. Shippers taking an assignment of EGD's TCPL transportation capacity will be responsible for TCPL's posted FT tolls.

f. If shippers have been denied direct shipper status, then they may chose to contract for Western T-Service. Please see the response to Direct Energy Interrogatory #11 at Exhibit I, Tab 9, Schedule 11.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #11

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 8, Page 1, Paragraph 2.

a. Please advise if Enbridge owns any part of, or has an Affiliate relationship with any of the pipeline carriers that could be utilized by EGD to transport gas for shippers that have been denied direct shipper status. If so, please provide the percentage of the capacity that EGD holds on these pipelines, the term of the contract, and whether EGD receives any discounts.

b. Would any of the recommendations contained in the supplemental evidence hold an ancillary benefit to any of Enbridge's Affiliate companies?

RESPONSE

a. EGD holds capacity on Alliance and Vector Pipelines. Shippers denied direct shipper status may use Western T service. Shippers using Western T service deliver gas to EGD at Empress. These volumes are then shipped from Empress to the franchise on EGD's TCPL long haul capacity. EGD is not affiliated with TCPL. Please also see the response to Direct Energy Interrogatory #2 at Exhibit I, Tab 9, Schedule 2.

b. No.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #12

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 8, Page 3, Paragraph 7.

Does Enbridge agree that firm transport arrangements with relation to a direct shipper's capability to deliver for contracted volumes would be irrelevant if a supplier of natural gas failed to deliver contracted quantities to the direct shipper? Why or why not?

RESPONSE

EGD disagrees. If there is a supply failure to the direct shipper, the direct shipper has the option to secure alternate gas supply to match their firm transportation arrangements. EGD believes that supply hubs such as AECO, Empress, and Dawn are liquid and provide access to gas supply. On the other hand, Enbridge CDA and EDA are an aggregation of gate stations on TCPL's Mainline with no direct connectivity with other pipelines and minimal access to storage/production capability.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #13

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 8, Page 3, Paragraph 7.

Please provide the evidence that supports that TCPL has not, or will not maintain existing pipeline facilities terminating at Enbridge franchise interconnects, as a result of the increase in Interruptible Transport (IT) or Diversion services alluded to in this paragraph.

RESPONSE

EGD's evidence at Exhibit C-1-8 page 3, paragraph 7 last line states:

> TCPL does not maintain or build facilities to serve discretionary load. As reliance on these services grows over time, the likelihood of curtailment is also expected to grow."
>
> In TCPL's IT Toll Schedule under Section 2, 2.1[1] TCPL states "It is understood that TransCanada shall not construct additional facilities for the purpose of providing service hereunder.

EGD views 'construct additional facilities' as also applying to the replacement of retired assets, as a facilities replacement will be subject to a used and useful test.

[1] Interruptible Transportation Service IT Toll Schedule, Sheet No.1 2.1 Definition of Interruptible Transportation Service last line of first paragraph.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #14

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 8, Page 3, Paragraph 7.

Please advise if Enbridge is aware of any TCPL Open Season requests for bids to build additional long haul pipeline capacity from outside of the province to the EGD franchise interconnects.

RESPONSE

EGD is unaware of any TCPL Open Seasons to build additional long haul capacity from outside the province to the EGD franchise area.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #15

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 8, Page 3, Paragraph 8.

Please provide the last date in which Enbridge had to curtail "firm large volume customers" to protect its system.

RESPONSE

To date, EGD has not had to curtail "firm large volume customers" to protect its system, but that possibility exists.

Please also see the response to Board Staff Interrogatory #16 at Exhibit I, Tab 1, Schedule 16.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #16

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 8, Page 4, Paragraph 9.

Please provide the probability in the form of a percentage as to the likelihood of Enbridge's small volume customers of suffering a loss of distribution services as a result of direct shippers not having firm transport. Please provide the statistical analysis to support the probability.

RESPONSE

Please see the response to IGUA Interrogatory #12 at Exhibit I, Tab 11, Schedule 12 and the response to CCC Interrogatory #15 at Exhibit I, Tab 8, Schedule 15.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #17

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 9, Page 4.

"Marketers have the incentive to deliver gas to markets based on the highest price available without regard to the LDC obligation to serve customers."

Can Enbridge or their consultant please provide the evidence to support the statement noted above, that Marketers have no regard for the LDC's obligation to service their shared customer? Specifically, please provide an example of when this has occurred.

RESPONSE

From an economic perspective, an individual marketer acting to maximize profits or minimize costs during periods of high demand may deliver gas commodity to the market that offers the highest price. There have been examples of gas diversion to higher priced markets and a number of United States state regulatory commissions adopted penalty provisions designed to assure delivery because the costs for failure to deliver were higher than surrounding states. Importantly, in fully unbundled markets where the utility retains the obligation to provide service as the default supplier, marketers will assume that their customers will be served even if they do not deliver gas to the system. For this reason, gas LDCs that release firm capacity on interstate pipelines include recall rights to assure that adequate gas flows to meet the firm load regardless of the failure of an individual marketer to deliver the required gas. In the case of Enbridge, a marketer whose supply is underpinned by non-firm upstream delivery arrangements may not be able to secure its full delivery obligation to the city gate since non-firm deliveries are reduced first in case of pipeline constraints. This would occur even if the marketer otherwise desires to deliver gas to the city gate.

Witnesses: M. Giridhar
K. Irani
E. Overcast

DIRECT ENERGY INTERROGATORY #18

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 9, Page 6.

"Retail marketers have no direct economic interest in maintaining the reliability of the system."

Considering that marketer revenues would be directly impacted by system reliability issues, and that marketers can experience significant penalties and customer dissatisfaction for non-deliveries of gas, can Enbridge or their consultant please provide evidence to support that Marketers have no direct economic interest in maintaining the reliability of the system?

RESPONSE

Since marketers are delivering gas to the system using non-firm service on upstream pipelines, it appears that marketers' primary economic interest is in reducing costs rather than ensuring system reliability through holding firm upstream transport. System reliability requires that the firm capacity into the system match the design day requirement. Non-firm delivery on upstream pipelines for the purpose of firm delivery behind the city gate fails to meet this requirement.

Witnesses: M. Giridhar
K. Irani
E. Overcast

DIRECT ENERGY INTERROGATORY #19

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 10, Page 1, Paragraph 2, Rate Handbook Wording.

Please advise under what circumstances Enbridge will authorize non-firm transport for direct shipper gas deliveries.

RESPONSE

EGD would authorize 10% of deliveries under non firm transportation for OTS-ABC arrangements.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #20

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 10, Page 1, Paragraph 2, Rate Handbook Wording.

Please provide the definition of "Firm Transportation" in the proposed Rate Handbook. Please also provide the definitions for "Firm Receipt" and "Firm Delivery" and provide comment on the merits of each in addressing Enbridge's perceived system reliability issue.

RESPONSE

EGD's Rate Handbook defines Firm Transportation[1] as:

> **Firm Transportation ("FT"):** Firm Transportation service offered by upstream pipelines to move gas from a receipt point to a delivery point, as defined by the pipeline.

The Rate Handbook does not define Firm Receipt and Firm Delivery.

[1] Part 1 Glossary of Terms page 2 of 8

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #21

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 10, Page 1, Paragraph 2, Rate Handbook Wording.

If the assumption is that Enbridge's definition of Firm Transport means that 90% of direct shipper gas must be procured outside of the Province, (E.g. NIT or at Empress), and shipped to Enbridge EDA or CDA using firm upstream transportation, please provide responses to the following:

a. Does Enbridge recognize that direct shippers' ability to purchase "Ontario Landed" gas and to contract for Ontario T- Service (OTS) is significantly diminished if there is a 90% Firm Transport requirement?

b. Is Enbridge willing to re-contract pipeline capacity and assume the associated risk of unutilized demand charges (UDC) that will be associated with what will likely be a significant increase in direct shippers moving from OTS to Western T-Service (WTS) as a result of Enbridge's imposed 90% Firm Transport requirement?

c. Is Enbridge willing to readily re-contract Direct Purchase (DP) customers from WTS to OTS without cost, penalty or delay to DP customers post November 1, 2009?

RESPONSE

a. EGD's provision does not prevent direct shippers from purchasing supplies in Ontario. For example shippers may be able to purchase supply at Dawn and transport it to EGD's franchise using short haul firm transport to Enbridge CDA and EDA. Please also see the response to IGUA Interrogatory #21 at Exhibit I, Tab 11, Schedule 21.

b. EGD mitigates the risk of unabsorbed demand charges on upstream transport capacity by using Ontario storage to balance seasonal demand. Direct shippers taking bundled service are required to deliver their mean daily volumes throughout the year, and thereby receive the same access to Ontario storage as EGD's system customers. EGD therefore does not perceive significant risk of unabsorbed

Witnesses: M. Giridhar
K. Irani

demand charges either for itself or for agents procuring capacity on behalf of their customers. To the extent that agents are affected by customer migration, the 90% requirement offers flexibility. Alternatively agents may have access to options in the secondary market.

c. EGD evaluates its ability to assign capacity on a yearly basis. For 2009 EGD will not accept applications from Western T-service customers to convert to an Ontario T-service arrangement and will evaluate applications on a year to year basis.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #22

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 10, Page 1, Paragraph 2, Rate Handbook Wording.

Given the new proposed firm transportation requirements, how does Enbridge envision marketers recouping the costs that will be associated with unwinding existing procurement hedges at market points (i.e. Enbridge CDA and Enbridge EDA) and replacing them by entering into procurement hedges at supply basin points (i.e. NIT or Empress)? These costs could include: i) market bid-ask spreads, ii) broker fees, iii) any changes to market point spreads that have occurred since the original hedging of the customer's supply.

RESPONSE

EGD bills Ontario ABC customers on behalf of the agent. The gas supply charge remitted to agents is based on a supply basin price. The cost of transport from the supply basin to the franchise is incorporated into the derivation of the delivery charge to the customers. Currently, agents receive a remittance equal to TCPL long haul FT tolls from Empress to the franchise. EGD therefore presumes that agents' procurement hedges match the manner in which the commodity service is designed (i.e. a supply basin price is hedged). EGD is not privy to the actual procurement and hedging practices of agents. Please see the response to IGUA Interrogatory #21 at Exhibit I, Tab 11, Schedule 21.

The implementation of the new CIS system will allow agents to customize their transportation charges based on their upstream arrangements.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #23

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 10, Page 2, Paragraph 5.

Please explain how the analysis of TCPL's Index of Customers in this paragraph translates into EGD requiring direct shippers to have 90% firm transport underpinning their mean daily volume obligations. Are there any other sources that Enbridge draws upon to calculate a 90% firm transportation requirement? If so, please provide the source and the calculation to arrive at 90%.

RESPONSE

EGD's analysis of the TCPL's Index of Customers led to the conclusion that the low level of firm transportation poses a risk to EGD's distribution system reliability. EGD believes the risk is greatest for small volume customers served under agent type arrangements. This segment of customers should be required to deliver gas under upstream firm transport. The 90% requirement accommodates customer migration between agents while addressing distribution system reliability.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #24

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 10, Page 3, Paragraph 6.

a. Did Enbridge curtail Interruptible Rate customers during the period of January 13-15, 2009?

b. If so, what volume and percentage of Interruptible Rate customers failed to interrupt their gas usage during the curtailment period?

c. Please advise of the volumes of curtailment gas supply, that is, additional gas procured by Interruptible Rate customers to avoid curtailment, that was delivered to Enbridge during the curtailment period noted in a. above,

RESPONSE

a. Please see the response to BP Interrogatory #5 at Exhibit I, Tab 10, Schedule 5.

b. Please see the response to BP Interrogatory #5 at Exhibit I, Tab 10, Schedule 5.

c. EGD received a total of 439,235 Gj's delivered to its franchise as additional gas from Interruptible Rate customers who elected Curtailment Delivered Supply ("CDS") and therefore continued to consume natural gas.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #25

INTERROGATORY

Preamble:

Reference: Exhibit C, Tab1, Schedule 10, Page 6, Paragraph 14

“While EGD agrees that such requirements may provide the greatest assurance that firm delivery obligations are met, EGD is not proposing mandatory assignment at this time. Mandatory assignment and vertical slice methodology for upstream transport would require significant changes to EGD’s systems and operating processes and to contracting practices for EGD’s direct purchase customers. Such a methodology, even if deemed warranted would not be implementable in the timeframe proposed.”

And;

Reference: Exhibit C, Tab1, Schedule 10, Page 10, Paragraph 27.

“The agent /marketer will have the following options:

b) Request an assignment of EGD long haul TCPL capacity. EGD will then acquire the transport on their behalf. "

Interrogatories:

a. System costs aside, please explain how Enbridge is able to offer shippers the ability to "Request an assignment of EGD long haul" in paragraph 27, yet not able to “provide mandatory assignment at this time" due to system and operational issues alluded to in paragraph 14. Are not the mechanics of these two offerings similar, if not the same?

b. Will there be any incremental costs associated with option 27 b)? If so, could EGD please quantify the associated costs to ratepayers and shippers? If not, please explain the statement in, paragraph 14, "Mandatory assignment and vertical slice methodology for upstream transport would require significant changes to EGD’s systems".

Witnesses: M. Giridhar
K. Irani

RESPONSE

a. EGD's reference to system and operational issues were made in the context of vertical slice methodology for its entire transportation portfolio. EGD already has a process in place to assign TCPL long haul capacity.

b. There will be no incremental costs associated with this request.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #26

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 10, Page 10, Paragraph 27.

Please advise if Enbridge were to obtain certification from direct shippers' suppliers for contracted volumes of "Ontario Landed" gas if Enbridge would consider this Firm Supply? Would this certification/validation from third party suppliers alleviate Enbridge system reliability concerns and satisfy Enbridge's requirements for 90% Firm Transport?

RESPONSE

EGD would consider 'Ontario Landed' gas if the underlying transport was demonstrated as firm upstream transportation to EGD's franchise areas. Please see the response to IGUA Interrogatory #21 at Exhibit I, Tab 11, Schedule 21.

Witnesses: M. Giridhar
K. Irani

DIRECT ENERGY INTERROGATORY #27

INTERROGATORY

Reference: Exhibit C, Tab1, Schedule 10, Page 10, Paragraph 28.

Please explain in further detail how Enbridge proposes to handle direct purchase agreements that do not renew on November 1, 2009, with respect to demonstration of firm transport for deliveries. Is Enbridge proposing that all firm transport agreements for all existing direct purchase contracts be in place for November 1, 2009? Or is Enbridge proposing that firm transport agreements be demonstrated upon renewal of the direct purchase agreement? If it is the prior, please advise if the firm transport arrangements are to be for the remainder of the direct purchase contract period, or if shippers are required to acquire yearly contracts.

RESPONSE

Yes, EGD is proposing that firm transportation arrangements be demonstrated on November 1, 2009 and annually thereafter.

Please see revised Exhibit C-1-10, pages 10 and 11. Shippers are not required to acquire yearly contracts. The "renewal" applies to pool term rather than contract.

Witnesses: M. Giridhar
K. Irani