



500 Consumers Road
North York, Ontario M2J 1P8
PO Box 650
Scarborough ON M1K 5E3

Bonnie Adams
Regulatory Coordinator
phone: (416) 495-6409
fax: (416) 495-6072
Email: bonnie.adams@enbridge.com

June 24, 2010

VIA RESS, EMAIL AND COURIER

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

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. ("Enbridge")
Q3 – QRAM Application (effective July 1, 2010)
Ontario Energy Board File No. EB-2010-0186**

Attached please find Enbridge Gas Distribution's responses to Board Staff's questions regarding its QRAM application for rates effective July 1, 2010.

The above document has been filed through the Board's RESS and will be available on the Company's website at www.enbridge.com/ratecase, on June 25, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Bonnie Adams".

Bonnie Adams
Regulatory Coordinator

encl.

cc: Mr. F. Cass, Aird & Berlis LLP
EB-2010-0186 Interested Parties

**Questions re: July 2010 QRAM
EB-2010-0186**

Exhibit Q3-3, Tab 1, Schedule 2, page 1

Question 1 :

Columns 9 through 12. RE: PGVA breakdown by component. Please provide supporting working schedules and a detailed written description of the methodology used to separate the PGVA into its component pieces.

Response:

For each QRAM the Company starts with the gas supply portfolio that is summarized in Tab 1, Schedule 1 of the QRAM exhibits. This supply portfolio is based upon the monthly volumetric forecast of gas supplies that EGD plans to acquire to meet its' forecasted demand for the Test Year. By then applying the forecasted 21 day average of monthly prices to that supply portfolio the Company is able to determine the PGVA Reference Price.

That forecast is then provided to the Rates Department, who develop rates for Commodity, Transportation and Load Balancing based upon a Board approved methodology for Cost Allocation and Rate Design. For rate design purposes, the Company uses the Empress reference price inclusive of fuel to cost its commodity purchases and receipts.

Once actual purchases are known (or when an updated forecast is prepared – see response to question #2) you can calculate a monthly variance by individual supply type. In order to breakdown the PGVA by component it is necessary to calculate a volume variance and a price variance for each month by the various supply sources. This is done by comparing the monthly volumetric forecast as per the Budget and the applicable prices as per the QRAM against the actual purchase volume and costs of the Company.

The price variance is then broken down into Commodity and Load Balancing – see Col. 4 and Col. 5 of schedule 1. Because volume variances impact the average unit rate of purchases any volume variances are deemed to be commodity related.

Schedule 1 attached provides the volume and rate variance breakdown that was used as part of the April QRAM.

The same process was followed as part of the July QRAM – see Schedule 2.

Schedule 3 provides a summary of the variances from the April QRAM and the July QRAM that can be found at Ex Q3-3, T1, S2.

Question 2 :

Row Descriptors: Please identify each row's numeric contents as "actual", "forecast" or a combination of actual & forecast – and any other descriptor that may be appropriate.

Response:

The purpose of Rows 2 through 13 on Schedule 2 is to provide a breakdown by component of the monthly PGVA amount between Commodity, Load Balancing and Transportation for the previous quarter.

The information for the previous quarter is a combination of actual and forecasted data. For example, for purposes of the April QRAM Rows 2 through 4 represent actual purchase data for the month of January and forecasted price and volume information for the months of February and March. To the extent that the average unit rate for these supplies varied from the PGVA Reference Price the resulting PGVA amount would be broken down into the components identified above.

For purposes of the July QRAM the process is the same in that the Company would now have actual purchase data for the month of April and forecasted price and volume information for the months of May and June and any resulting PGVA amount would be broken down into the components identified above. This is shown in Rows 5 through 7.

Also as part of the July QRAM the Company would now have actual data for the months of February and March which it could compare against the forecast provided in the April QRAM. This is shown in Rows 3 and 4. The intent here is to capture the variance between actual and forecast data broken down by component.

Question 3:

How does Enbridge account for differences between the forecast and actual amounts recovered from Rider C in previous 2010 quarters? How will these differences be apportioned between the commodity, transportation, and load balancing components of the PGVA?

Response:

Until this point Enbridge does not have any information available regarding the differences between forecasted and actual amounts recovered from Rider C in previous 2010 quarters. However, as these variances materialize Enbridge will need to incorporate them into our QRAM schedules.

Rider C unit rates are developed based upon clearing a balance by a volume, ie a unit rate will be developed to clear the individual component of the PGVA. Enbridge will be able to track actual Rider C amounts broken down by component using the unit rate.

Exhibit Q3-3, Tab 1, Schedule 3, page 1

Question 4:

Row 5: Please confirm that the unit rate in line 5 column 2 should be a credit of \$13.679/10³m³. Please validate that the amount in column 6 should be \$11,926.8 (versus \$5,711.6).

Response:

Board Staff is correct the exhibits will be refiled

Question 5:

Row Descriptors: Please identify each row's numeric contents as "actual", "forecast" or a combination of actual & forecast – and any other descriptor that may be appropriate.

Response:

Similar to Schedule 2, rows 3 through 12 of Schedule represents the difference between actual and forecasted inventory revaluation

Schedule 1

Jan-10						
Supplies	Col.1 Volume Variance	Col.2 Price Variance	Col.3 Total	Col. 4 Commodity	Col. 5 Load Balancing	Col. 6 Price Variance
	\$	\$	\$	\$	\$	\$
Ontario Delivered	(4,459,856)	4,295,174	(164,682)	669,018	3,626,156	4,295,174
Peaking Service	533,054	(106,562)	426,492	87,022	(193,584)	(106,562)
Ontario Production	(18,490)	(525)	(19,015)	(525)		(525)
Western Canadian - TCPL	7,272,207	653,717	7,925,924	653,717		653,717
Western Canadian - Alliance	(5,674,101)	983,845	(4,690,256)	983,845		983,845
Chicago Supplies	3,268,119	7,811,706	11,079,825	7,811,706		7,811,706
Transportation	0	70,951	70,951	70,951		70,951
PGVA		(7,623,201)	(7,623,201)	(7,623,201)		(7,623,201)
	920,934	6,085,104	7,006,038	2,652,532	3,432,572	6,085,104

Feb-10						
Supplies	Col.1 Volume Variance	Col.2 Price Variance	Col.3 Total	Col. 4 Commodity	Col. 5 Load Balancing	Col. 6 Price Variance
	\$	\$	\$	\$	\$	\$
Ontario Delivered	0	245,844	245,844	2,220,519	(1,974,675)	245,844
Peaking Service	0	63,555	63,555	0	63,555	63,555
Ontario Production	0	1,731	1,731	1,731		1,731
Western Canadian - TCPL	6,745,026	2,034,872	8,779,899	2,034,872		2,034,872
Western Canadian - Alliance	0	1,304,811	1,304,811	1,304,811		1,304,811
Chicago Supplies	0	3,109,922	3,109,922	3,109,922		3,109,922
Transportation	0	7,343	7,343	7,343		7,343
PGVA		(10,378,792)	(10,378,792)	(10,378,792)		(10,378,792)
	6,745,026	(3,610,713)	3,134,313	(1,699,593)	(1,911,120)	(3,610,713)

Mar-10						
Supplies	Col.1 Volume Variance	Col.2 Price Variance	Col.3 Total	Col. 4 Commodity	Col. 5 Load Balancing	Col. 6 Price Variance
	\$	\$	\$	\$	\$	\$
Ontario Delivered	0	702,353	702,353	691,186	11,167	702,353
Peaking Service	0	(632,147)	(632,147)	122,612	(754,760)	(632,147)
Ontario Production	0	1,696	1,696	1,696		1,696
Western Canadian - TCPL	7,240,096	1,431,150	8,671,246	1,431,150		1,431,150
Western Canadian - Alliance	0	1,298,981	1,298,981	1,298,981		1,298,981
Chicago Supplies	(0)	2,931,773	2,931,773	2,931,773		2,931,773
Transportation	0	7,343	7,343	7,343		7,343
PGVA		(9,422,329)	(9,422,329)	(9,422,329)		(9,422,329)
	7,240,096	(3,681,181)	3,558,915	(2,937,588)	(743,593)	(3,681,181)

Total						
Supplies	Col.1 Volume Variance	Col.2 Price Variance	Col.3 Total	Col. 4 Commodity	Col. 5 Load Balancing	Col. 6 Price Variance
	\$	\$	\$	\$	\$	\$
Ontario Delivered	(4,459,856)	5,243,370	783,515	3,580,723	1,662,648	5,243,370
Peaking Service	533,054	(675,154)	(142,100)	209,634	(884,789)	(675,154)
Ontario Production	(18,490)	2,902	(15,588)	2,902	0	2,902
Western Canadian - TCPL	21,257,330	4,119,739	25,377,069	4,119,739	0	4,119,739
Western Canadian - Alliance	(5,674,101)	3,587,637	(2,086,464)	3,587,637	0	3,587,637
Chicago Supplies	3,268,119	13,853,401	17,121,521	13,853,401	0	13,853,401
Transportation	0	85,636	85,636	85,636	0	85,636
PGVA	0	(27,424,323)	(27,424,323)	(27,424,323)	0	(27,424,323)
	14,906,057	(1,206,791)	13,699,266	(1,984,650)	777,859	(1,206,791)

	Commodity	Load Balancing	Transportation	Total	Load Balancing Ontario Delivered	Load Balancing Peaking	Total Load Balancing
January	3,502,515	3,432,572	70,951	7,006,038	3,626,156	(193,584)	3,432,572
February	5,038,090	(1,911,120)	7,343	3,134,313	(1,974,675)	63,555	(1,911,120)
March	4,295,165	(743,593)	7,343	3,558,915	11,167	(754,760)	(743,593)
April							
May							
June							
July							
August							
September							
October							
November							
December							
	12,835,770	777,859	85,636	13,699,266	1,662,648	(884,789)	777,859

Jan-10						
<u>Supplies</u>	Col.1 <u>Volume Variance</u>	Col.2 <u>Price Variance</u>	Col.3 <u>Total</u>	Col. 4 <u>Commodity</u>	Col. 5 <u>Load Balancing</u>	Col. 6 <u>Price Variance</u>
	\$	\$	\$	\$	\$	\$
Ontario Delivered	(4,459,856)	4,295,174	(164,682)	669,018	3,626,156	4,295,174
Peaking Service	533,054	(106,562)	426,492	87,022	(193,584)	(106,562)
Ontario Production	(18,490)	(525)	(19,015)	(525)		(525)
Western Canadian - TCPL	7,272,207	654,190	7,926,397	654,190		654,190
Western Canadian - Alliance	(5,674,101)	983,845	(4,690,256)	983,845		983,845
Chicago Supplies	3,268,119	7,811,706	11,079,825	7,811,706		7,811,706
Transportation	0	70,951	70,951	70,951		70,951
PGVA		(7,623,674)	(7,623,674)	(7,623,674)		(7,623,674)
	920,934	6,085,104	7,006,038	2,652,532	3,432,572	6,085,104

Feb-10						
<u>Supplies</u>	Col.1 <u>Volume Variance</u>	Col.2 <u>Price Variance</u>	Col.3 <u>Total</u>	Col. 4 <u>Commodity</u>	Col. 5 <u>Load Balancing</u>	Col. 6 <u>Price Variance</u>
	\$	\$	\$	\$	\$	\$
Ontario Delivered	(6,261,256)	(696,826)	(6,958,082)	229,900	(926,726)	(696,826)
Peaking Service	0	58,282	58,282	0	58,282	58,282
Ontario Production	(18,293)	(1,212)	(19,505)	(1,212)		(1,212)
Western Canadian - TCPL	6,793,556	275,319	7,068,875	275,319		275,319
Western Canadian - Alliance	(5,217,760)	706,473	(4,511,288)	706,473		706,473
Chicago Supplies	4,486,008	2,174,013	6,660,021	2,174,013		2,174,013
Other	0	99,128	99,128	99,128		99,128
PGVA		(3,019,881)	(3,019,881)	(3,019,881)		(3,019,881)
	(217,746)	(404,704)	(622,450)	463,740	(868,444)	(404,704)

Mar-10						
<u>Supplies</u>	Col.1 <u>Volume Variance</u>	Col.2 <u>Price Variance</u>	Col.3 <u>Total</u>	Col. 4 <u>Commodity</u>	Col. 5 <u>Load Balancing</u>	Col. 6 <u>Price Variance</u>
	\$	\$	\$	\$	\$	\$
Ontario Delivered	(3,699,775)	(265,784)	(3,965,559)	(1,253,840)	988,056	(265,784)
Peaking Service	(4,620,377)	1,109,448	(3,510,929)	0	1,109,448	1,109,448
Ontario Production	(17,992)	(3,176)	(21,168)	(3,176)		(3,176)
Western Canadian - TCPL	(7,133,954)	(2,030,844)	(9,164,798)	(2,030,844)		(2,030,844)
Western Canadian - Alliance	(5,783,400)	(804,107)	(6,587,507)	(804,107)		(804,107)
Chicago Supplies	4,931,835	(4,613,820)	318,015	(4,613,820)		(4,613,820)
Other	0	(8,175)	(8,175)	(8,175)		(8,175)
PGVA		11,529,265	11,529,265	11,529,265		11,529,265
	(16,323,663)	4,912,806	(11,410,857)	2,815,302	2,097,504	4,912,806

Apr-10						
<u>Supplies</u>	Col.1 <u>Volume Variance</u>	Col.2 <u>Price Variance</u>	Col.3 <u>Total</u>	Col. 4 <u>Commodity</u>	Col. 5 <u>Load Balancing</u>	Col. 6 <u>Price Variance</u>
	\$	\$	\$	\$	\$	\$
Ontario Delivered	(20,855,953)	(810,794)	(21,666,747)	(932,118)	121,324	(810,794)
Peaking Service	0	0	0	0	0	0
Ontario Production	(20,225)	(3,828)	(24,053)	(3,828)		(3,828)
Western Canadian - TCPL	(6,083,011)	(4,431,310)	(10,514,321)	(4,431,310)		(4,431,310)
Western Canadian - Alliance	(6,719,795)	(2,399,882)	(9,119,676)	(2,399,882)		(2,399,882)
Chicago Supplies	5,608,786	(10,055,255)	(4,446,470)	(10,055,255)		(10,055,255)
Other	0	86,162	86,162	86,162		86,162
PGVA		21,453,889	21,453,889	21,453,889		21,453,889
	(28,070,199)	3,838,983	(24,231,216)	3,717,658	121,324	3,838,983

May-10						
<u>Supplies</u>	Col.1 <u>Volume Variance</u>	Col.2 <u>Price Variance</u>	Col.3 <u>Total</u>	Col. 4 <u>Commodity</u>	Col. 5 <u>Load Balancing</u>	Col. 6 <u>Price Variance</u>
	\$	\$	\$	\$	\$	\$
Ontario Delivered	(6,787,471)	0	(6,787,471)	0	0	0
Peaking Service	0	0	0	0	0	0
Ontario Production	(16,571)	(3,015)	(19,586)	(3,015)		(3,015)
Western Canadian - TCPL	(4,097,167)	(5,337,871)	(9,435,038)	(5,337,871)		(5,337,871)
Western Canadian - Alliance	(6,398,813)	(3,161,523)	(9,560,336)	(3,161,523)		(3,161,523)
Chicago Supplies	5,431,406	(10,591,695)	(5,160,289)	(10,591,695)		(10,591,695)
Other	0	0	0	0		0
PGVA		5,888,073	5,888,073	5,888,073		5,888,073
	(11,868,615)	(13,206,031)	(25,074,646)	(13,206,031)	0	(13,206,031)

Jun-10						
<u>Supplies</u>	Col.1 <u>Volume Variance</u>	Col.2 <u>Price Variance</u>	Col.3 <u>Total</u>	Col. 4 <u>Commodity</u>	Col. 5 <u>Load Balancing</u>	Col. 6 <u>Price Variance</u>
	\$	\$	\$	\$	\$	\$
Ontario Delivered	0	(2,799,267)	(2,799,267)	(3,143,796)	344,529	(2,799,267)
Peaking Service	0	0	0	0	0	0
Ontario Production	(15,699)	(2,941)	(18,640)	(2,941)		(2,941)
Western Canadian - TCPL	0	(5,223,313)	(5,223,313)	(5,223,313)		(5,223,313)
Western Canadian - Alliance	0	(4,788,524)	(4,788,524)	(4,788,524)		(4,788,524)
Chicago Supplies	0	(10,480,931)	(10,480,931)	(10,480,931)		(10,480,931)
Other	0	0	0	0		0
PGVA		(6,761,671)	(6,761,671)	(6,761,671)		(6,761,671)
	(15,699)	(30,056,647)	(30,072,346)	(30,401,176)	344,529	(30,056,647)

Total						
<u>Supplies</u>	Col.1 <u>Volume Variance</u>	Col.2 <u>Price Variance</u>	Col.3 <u>Total</u>	Col. 4 <u>Commodity</u>	Col. 5 <u>Load Balancing</u>	Col. 6 <u>Price Variance</u>
	\$	\$	\$	\$	\$	\$
Ontario Delivered	(42,064,311)	(277,497)	(42,341,809)	(4,430,836)	4,153,339	(277,497)
Peaking Service	(4,087,323)	1,061,168	(3,026,155)	87,022	974,146	1,061,168
Ontario Production	(107,270)	(14,697)	(121,967)	(14,697)	0	(14,697)
Western Canadian - TCPL	(3,248,369)	(16,093,829)	(19,342,198)	(16,093,829)	0	(16,093,829)
Western Canadian - Alliance	(29,793,869)	(9,463,718)	(39,257,587)	(9,463,718)	0	(9,463,718)
Chicago Supplies	23,726,154	(25,755,983)	(2,029,829)	(25,755,983)	0	(25,755,983)
Other	0	248,065	248,065	248,065	0	248,065
PGVA	0	21,466,002	21,466,002	21,466,002	0	21,466,002
	(55,574,987)	(28,830,490)	(84,405,477)	(33,957,974)	5,127,485	(28,830,490)

January to June Variances

	<u>Commodity</u>	<u>Load Balancing</u>	<u>Transportation</u>	<u>Total</u>	<u>Load Balancing</u> <u>Ontario Delivered</u>	<u>Load Balancing</u> <u>Peaking</u>	<u>Total</u> <u>Load Balancing</u>
January	3,502,515	3,432,572	70,951	7,006,038	3,626,156	(193,584)	3,432,572
February	146,866	(868,444)	99,128	(622,450)	(926,726)	58,282	(868,444)
March	(13,500,186)	2,097,504	(8,175)	(11,410,857)	988,056	1,109,448	2,097,504
April	(24,438,702)	121,324	86,162	(24,231,216)	121,324	0	121,324
May	(25,074,646)	0	0	(25,074,646)	0	0	0
June	(30,416,875)	344,529	0	(30,072,346)	344,529	0	344,529
July							
August							
September							
October							
November							
December							
	(89,781,027)	5,127,485	248,065	(84,405,477)	4,153,339	974,146	5,127,485

Schedule 3

January to June Variances - as per schedule 2

	<u>Commodity</u>	<u>Load Balancing</u>	<u>Transportation</u>	<u>Total</u>	<u>Load Balancing</u> <u>Ontario Delivered</u>	<u>Load Balancing</u> <u>Peaking</u>	<u>Total</u> <u>Load Balancing</u>
January	3,502,515	3,432,572	70,951	7,006,038	3,626,156	(193,584)	3,432,572
February	146,866	(868,444)	99,128	(622,450)	(926,726)	58,282	(868,444)
March	(13,500,186)	2,097,504	(8,175)	(11,410,857)	988,056	1,109,448	2,097,504
April	(24,438,702)	121,324	86,162	(24,231,216)	121,324	0	121,324
May	(25,074,646)	0	0	(25,074,646)	0	0	0
June	(30,416,875)	344,529	0	(30,072,346)	344,529	0	344,529
July							
August							
September							
October							
November							
December							
	<u>(89,781,027)</u>	<u>5,127,485</u>	<u>248,065</u>	<u>(84,405,477)</u>	<u>4,153,339</u>	<u>974,146</u>	<u>5,127,485</u>

January to March Variance - as per schedule 1

	<u>Commodity</u>	<u>Load Balancing</u>	<u>Transportation</u>	<u>Total</u>	<u>Load Balancing</u> <u>Ontario Delivered</u>	<u>Load Balancing</u> <u>Peaking</u>	<u>Total</u> <u>Load Balancing</u>
January	3,502,515	3,432,572	70,951	7,006,038	3,626,156	(193,584)	3,432,572
February	5,038,090	(1,911,120)	7,343	3,134,313	(1,974,675)	63,555	(1,911,120)
March	4,295,165	(743,593)	7,343	3,558,915	11,167	(754,760)	(743,593)
April	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0
July							
August							
September							
October							
November							
December							
	<u>12,835,770</u>	<u>777,859</u>	<u>85,636</u>	<u>13,699,266</u>	<u>1,662,648</u>	<u>(884,789)</u>	<u>777,859</u>

Variances to be Cleared in July QRAM

as per Ex Q3-3, T1, S2.

x Q3-3, T1, S2.	Column 9	Column 10	Column 8	Column 11	Column 12		
	<u>Commodity</u>	<u>Load Balancing</u>	<u>Transportation</u>	<u>Total</u>	<u>Load Balancing</u> <u>Ontario Delivered</u>	<u>Load Balancing</u> <u>Peaking</u>	<u>Total</u> <u>Load Balancing</u>
January	(0)	0	0	(0)	0	0	0
February	(4,891,224)	1,042,676	91,785	(3,756,763)	1,047,949	(5,273)	1,042,676
March	(17,795,351)	2,841,097	(15,518)	(14,969,772)	976,889	1,864,208	2,841,097
April	(24,438,702)	121,324	86,162	(24,231,216)	121,324	0	121,324
May	(25,074,646)	0	0	(25,074,646)	0	0	0
June	(30,416,875)	344,529	0	(30,072,346)	344,529	0	344,529
July							
August							
September							
October							
November							
December							
	<u>(102,616,798)</u>	<u>4,349,626</u>	<u>162,429</u>	<u>(98,104,743)</u>	<u>2,490,691</u>	<u>1,858,935</u>	<u>4,349,626</u>