TCPL INTERROGATORY #1

INTERROGATORY

Reference: Exhibit B, Page 1
EGD states that it is seeking preapproval “to recover the resulting costs of the contract in rates over the ten year contract term.”

Request: Is EGD seeking approval of just the cost consequences of the Firm Transportation contract with TransCanada or both the cost consequences of the Firm Transportation contract and the cost consequences associated with the purchases of gas at Niagara?

RESPONSE

Enbridge is seeking cost recovery of the firm transportation contract with TransCanada. If pre-approval of this contract is granted by the Board Enbridge will seek to acquire supply at Niagara in accordance with its Gas Supply Procurement policy and subsequently seek recovery of the supply acquisition costs. The Company expects that any supply acquisition at Niagara would be approved by the Board if those costs are prudently incurred by the Company.

TCPL INTERROGATORY #2

INTERROGATORY

Reference**:** Exhibit B, Appendix F
EGD provides its Landed Cost Analysis.

Request: Please provide the following information:

a) For the Vector/Dawn Route, please provide the pipeline specific (i.e. Vector, EGD and TCPL) Unitized Demand Charge, Commodity Charge and Fuel Charge included in the numbers shown on the Vector/Dawn line in the table.

b) For the Alliance/Vector/Dawn Route please provide the pipeline specific (i.e. Alliance Canada, Alliance U.S., Vector, EGD and TCPL) Unitized Demand Charge, Commodity Charge and Fuel Charge included in the numbers shown on the Alliance/Vector/Dawn line in the table.

c) Please explain and provide the assumptions and calculations underlying the negative Commodity Charge shown on the Alliance/Vector/Dawn line in the table.

RESPONSE

a) Vector/Dawn Route:

Path/Pipeline	Unitized Demand Charge ($US/mmBtu)	Commodity Charge ($US/mmBtu)	Fuel % (Jan to Sep 2010 Average)
Vector	$0.2556	Nil	1.083 %
TCPL/Dawn CDA	$0.1856	$0.0065	0.414 %

b) Alliance/Vector/Dawn Route

Path/Pipeline	Unitized Demand Charge ($US/mmBtu)	Commodity Charge ($US/mmBtu)	Fuel % (Jan to Sep 2010 Average)
Alliance Canada	$0.8667	Nil	
Alliance USA	$0.5900	Nil	
Alliance Fuel			4.44 %
Alliance AOS			21.61%
Vector	$0.2556	Nil	1.083%
TCPL/Dawn CDA	$0.1856	$0.0065	0.414%

c) According to the explanation in “Transportation Tariff of Alliance Pipeline Limited Partnership – Article 1: DEFINITIONS AND INTERPRETATION”, AOS is:

“Authorized Overrun Service" or "AOS” means the right of Firm Shippers to be allocated a pro rata share of capacity on the pipeline that is not, from time to time, contracted for as Transporter’s Contracted Capacity with any allocation to Firm Shippers to be made pursuant to Article 2.7 and Article 2.8 of the Toll Schedule Firm Transportation Service and subsequent to such allocation means the Shipper’s share of such capacity.

<u>Assumptions and Calculations underlying the negative Commodity Charge:</u>

<u>Assumptions:</u>
Average AOS% (Jan to Sep 2010) 21.61%

<u>Commodity Charge Calculations:</u>

Alliance Tolls - Canada		0.8667 US$/mmBtu
Alliance Tolls - USA		<u>0.5900 US$/mmBtu</u>
Alliance Toll		1.4567 US$/mmBtu
AOS Commodity Savings	1.4567 * 0.2161 =	0.3148 US$/mmBtu

<u>Commodity Charge on Alliance/Vector/Dawn Path:</u>

TCPL/Dawn CDA Commodity Charge	0.0065 US$/mmBtu
AOS Saving on Alliance	<u>-0.3148 US$/mmBtu</u>

Total Commodity Charge on path -0.3083 US$/mmBtu

TCPL INTERROGATORY #3

INTERROGATORY

Reference: Exhibit B, Appendix E

Request:

a) Please provide a table showing the capacity in GJ/day for each of the transportation paths for each year shown on the chart and the total contracted and uncontracted capacity for each year.

b) Please provide the expiry dates of the Alliance and Vector Contract Demands.

c) Please provide the current status of EGD's contract with Alliance including renewal options and associated timelines. Does EGD intend to extend the term of its Alliance contract beyond the initial term?

d) If EGD's Alliance capacity is expected to continue beyond its initial term, please provide the justification for this decision including the detailed economic calculations supporting this decision and the length of term it is expect to continue for.

RESPONSE

a) Please see the response to Board Staff Interrogatory #7 at Exhibit I, Tab 1, Schedule 7. The uncontracted capacity in Appendix E denotes the capacity that has expired for which EGD has renewal rights, but hasn't yet exercised the right to renew. Enbridge assesses renewals and incremental capacity annually.

b) The Enbridge capacity on both Alliance and Vector expire on November 1, 2015.

c) and d) Please see response to Board Staff Interrogatory # 11 at Exhibit I, Tab 1, Schedule 11.

TCPL INTERROGATORY #4

INTERROGATORY

Reference: Exhibit A, Page 1

Filing Guidelines for Pre-Approval of Long-Term Natural Gas Supply and/or Upstream Transportation Contracts Part V, Section 5.2

Request: The Filing Guidelines for Pre-Approval of Long-Term Natural Gas Supply and/or Upstream Transportation Contracts include the requirement that "All applicants must complete and file the information requested in Part I, II, III, IV, V and VI." Part V, Section 5.2 of the guidelines states that the following information should be provided:

An assessment of retail competition impacts and potential impacts on existing transportation pipeline facilities in the market (in terms of Ontario customers).

a) Has EGD provided this information in this application and if so, where? If not, why not?

b) What effect does EGD expect that the Niagara to Enbridge CDA contract will have on EGD's Mainline long-haul contracted volumes from Empress?

c) Using EGD's best available information, please provide the potential impact on existing transportation pipeline facilities including the effect on TransCanada's Mainline tolls of any decontracting on the TransCanada Mainline identified in b) and the addition of the Niagara to Enbridge CDA contract and the resulting change in cost of delivered gas to Ontario customers.

d) For the responses above, if EGD does not have more precise information, please use the information provided by TransCanada in its November 2, 2010 submission to the OEB's 2010 Natural Gas Market Review (EB-2010-0199) in Figure 17 entitled "Toll Sensitivity to Reduced Long-haul Volumes".

RESPONSE

a) Please see the response to Board Staff Interrogatory #2 which can be found at Exhibit I, Tab 1, Schedule 2.

b) Please see the response to Board Staff Interrogatory #21 which can be found at Exhibit I, Tab 1, Schedule 1. The Niagara to Enbridge CDA contract is not replacing any long haul transportation capacity and the Company does not expect any impact on its Mainline long-haul contracted volumes from Empress. In the future as long haul transportation from Empress comes up for renewal the Company will evaluate its options and select those transportation contracts which meet supply requirements at that time.

c) and d) Please see the response to APPrO Interrogatory #4 which can be found at Exhibit I, Tab 2, Schedule 4.

TCPL INTERROGATORY #5

INTERROGATORY

Reference: Exhibit B, Appendix F

Filing Guidelines for Pre-Approval of Long-Term Natural Gas Supply and/or Upstream Transportation Contracts Part V, Section 5.2

Request:

a) Please confirm that, in its application RP-2003-0048 at Exhibit A, Tab 12, Schedule 1, Page 5 of 6, EGD provided a table entitled "Delivered Cost of Gas to Enbridge Gas Distribution's Central Delivery Area – Comparison Between Alberta/TransCanada PipeLines and Chicago/Vector Alternatives" (attached for reference).

b) Please confirm that in this table, EGD included a column entitled "Vector Penalty" that "reflects an additional cost levied against the Vector option to reflect the fact that in allowing the TCPL capacity to expire, costs on the remaining TCPL capacity held by Enbridge Gas Distribution are likely to increase".

c) Please confirm that the amount of the "Vector Penalty" included in the table was $0.1564/GJ.

d) Please confirm that the calculation of the "Vector Penalty" considered only the effects of increased Mainline tolls on in-franchise customers and not the effects on all Ontario gas customers.

e) Please explain why EGD did not provide a "Niagara Penalty" or an "Impact on existing transportation pipeline facilities" consideration as specified in Part V, Section 5.2 of the Filing Guidelines in this application similar to the "Vector Penalty".

f) Please revise the Landed Cost Analysis table as shown in Exhibit B, Appendix F to include an "impact on existing transportation pipeline facilities" factor similar to the "Vector Penalty".

Appendix 1

Delivered Cost of Gas to Enbridge Gas Distribution's Central Delivery Area
Comparison Between Alberta/TransCanada PipeLines and Chicago/Vector Alternatives

Column 1 Date	Column 2 N.I.T. Price	Column 3 Nova Transport	Column 4 TCPL Transport	Column 5 TCPL Fuel	Column 6 Delivered CDA	Column 7 Chicago Price	Column 8 Vector Transport	Column 9 Vector Fuel	Column 10 Vector Penalty	Column 11 TCPL Transport	Column 12 TCPL Fuel	Column 13 Delivered CDA	Column 14 Unit Savings	Column 15 Annual Savings
Nov-03	$ 4.3239	$ 0.1751	$ 1.3836	$ 0.2560	$ 6.1386	$ 5.0912	$ 0.3647	$ 0.0407	$ 0.1564	$ 0.1723	$ 0.0275	$ 5.8528	$ 0.2858	$15.629
Nov-04	$ 5.2152	$ 0.1778	$ 1.4036	$ 0.3069	$ 7.1034	$ 5.9694	$ 0.3647	$ 0.0478	$ 0.1564	$ 0.1749	$ 0.0319	$ 6.7450	$ 0.3584	$19.598
Nov-05	$ 5.1577	$ 0.1804	$ 1.4240	$ 0.3037	$ 7.0659	$ 5.9033	$ 0.3592	$ 0.0472	$ 0.1564	$ 0.1775	$ 0.0315	$ 6.6752	$ 0.3907	$21.364
Nov-06	$ 5.3114	$ 0.1831	$ 1.4446	$ 0.3128	$ 7.2518	$ 5.9292	$ 0.3592	$ 0.0474	$ 0.1564	$ 0.1802	$ 0.0317	$ 6.7041	$ 0.5478	$29.953
Nov-07	$ 5.4091	$ 0.1859	$ 1.4656	$ 0.3184	$ 7.3790	$ 6.0687	$ 0.3592	$ 0.0487	$ 0.1564	$ 0.1829	$ 0.0325	$ 6.8683	$ 0.5107	$27.925
Nov-08	$ 5.4479	$ 0.1887	$ 1.4869	$ 0.3207	$ 7.4442	$ 6.1863	$ 0.3592	$ 0.0493	$ 0.1584	$ 0.1856	$ 0.0329	$ 6.9496	$ 0.4946	$27.045
Nov-09	$ 5.5600	$ 0.1915	$ 1.5085	$ 0.3273	$ 7.5872	$ 6.2783	$ 0.3592	$ 0.0502	$ 0.1564	$ 0.1884	$ 0.0334	$ 7.0660	$ 0.5215	$28.506
													NPV @ 9.66%	$115.573

.05 .13

Explanations:

Units of measure for Columns 2 to 14 is dollars per gigajoules. For Column 15 the unit of measure is millions of dollars.

Column	Item	Description
1	Date	The years for which the analysis was performed, with "Nov-03" covering the period November 1, 2003 to October 31, 2004.
2	N.I.T. Price	Nova Inventory Transfer Price is the cost of the commodity in Alberta.
3	Nova Transport	The cost of transporting the commodity from the Nova system to TCPL at Empress.
4	TCPL Transport	The long-haul toll to transport from Empress to Enbridge Gas Distribution's CDA.
5	TCPL Fuel	The cost of fuel required for the long-haul transport from Empress to Enbridge Gas Distribution's CDA.
6	Delivered CDA	The delivered cost of gas via the TCPL route to Enbridge Gas Distribution's CDA.
7	Chicago Price	The cost of the commodity purchased in Chicago.
8	Vector Transport	The cost of transporting the commodity from the Chicago to Dawn.
9	Vector Fuel	The cost of fuel required for transportation from Chicago to Dawn.
10	Vector Penalty	Reflects an additional cost levied against the Vector option to reflect the fact that in allowing the TCPL capacity to expire, costs on the remaining TCPL capacity held by Enbridge Gas Distribution are likely to increase.
11	TCPL Transport	The TCPL short-haul toll to transport from Dawn to Enbridge Gas Distribution's CDA.
12	TCPL Fuel	The cost of fuel required for the TCPL short-haul transportation from Dawn to Enbridge Gas Distribution's CDA.
13	Delivered CDA	The delivered cost of gas via the Vector route to Enbridge Gas Distribution's CDA.
14	Unit Savings	The savings on a unit basis ($GJ/D) by which the Vector route is less than TCPL route to Enbridge Gas Distribution's CDA (Column 6 - Column 13).
15	Annual Savings	The annual savings of the Vector route versus the TCPL route, assuming that 149,818 GJ/D is delivered into Enbridge Gas Distribution's CDA

NPV @9.66% $115.573 – this indicates the NPV of each of the annual savings in Column 15, discounted at 9.66% is $115.573 million.

ENBRIDGE

RESPONSE

a) Confirmed.

b) Confirmed.

c) Confirmed.

d) Confirmed.

e) and f) A “Niagara Penalty” was not included in the analysis because the Niagara to Enbridge CDA contract is not replacing any decontracted transportation capacity.

TCPL INTERROGATORY #6

INTERROGATORY

Reference: Exhibit B. Tab 1

Request:

a) Please confirm that EGD is aware that Mainline long-haul capacity from Empress to the Enbridge CDA is currently available.

b) Please confirm that the capacity referred to in (a) above is available on a one year renewable basis.

RESPONSE

a) Confirmed.

b) Confirmed.

TCPL INTERROGATORY #7

INTERROGATORY

Reference: Exhibit B, Appendix F.

The table states that the source for the Gas Supply Prices as "PIRA Energy Group; March 2010."

Request:

a) Please provide this report; and

b) Please provide a table showing the Basis Differentials for each Point of Supply for each year of the analysis that support the Basis Differentials shown in column (C).

RESPONSE

a) Please see the response to Board Staff Interrogatory #17 which can be found at Exhibit I, Tab 1, Schedule 17.

b) Please see the response to CME Interrogatory # 11 which can be found at Exhibit I, Tab 3, Schedule 11.