TECHNICAL CONFERENCE QUESTIONS

Reference: EB-2011-0354 Exhibit B1, Tab 2, Schedule 2, Pages 7 and 8.

In response to FRPO IR 1, Enbridge says that, except for #110, which is allocated, and #107, which has been reassigned to the non-utility operation, all of the projects for the 2010-2013 time period have been charged 100% to the utility. More information is needed to understand whether Enbridge's proposed allocation is appropriate.

100 Tecumseh Office Facility

Please explain why this is not General Storage Plant.?

104 Pipeline Integrity Program

Confirm that no non-utility assets are included in the scope of this project.

106 Plant Layout Changes

Please explain why this does not involve non-utility plant at Sombra station.

107 KVT Compressor Pressure Upgrade

Please explain why this is a non-utility project and why it was incorrectly allocated to utility in the application.

108 Control Room Equipment changes

Please explain why this is not General Storage Plant.

109 Observation Wells

Please explain what is meant by "A1 structure".

111 By-Pass of Sombra Station

What are the benefits of this project?
Does it increase deliverability?
Why is this project not related to the previous non-utility projects at Sombra?

114 3D Seismic – Dow Moore/Coventry/Black Creek

What is meant by "delineation of four storage pools"?

115 Phase II – Reservoir Simulation

Please describe the project.
What are the benefits?

Reference: EB-2011-0354 Exhibit I, Issue B6, Schedule 8.1

More information is needed to understand whether Enbridge's proposed allocation of storage capital expenditures for 2007-2010 is appropriate.

- KVTR Lean Burn Upgrade

  Please describe this project and explain why it is a utility project.

- Warehouse Construction

  Is this the same project discussed by B&V at p. 21?
  Please explain why this is not treated as General Storage Plant.

Reference: EB-2011-0354 Exhibit I, Issue B6, Schedule 8.10

More information is needed about Enbridge's proposed allocation of gas costs to the non-utility storage operation.

- Please confirm that the fuel gas quantity allocated to non-utility storage is pro rata share of total fuel use based on monthly activity.
- Please explain why actual market price of gas is not used to calculate the value of the gas used by the non-utility storage operation.
- Please explain how LAUF costs are allocated to non-utility storage.
- How are-kind fuel payments by non-utility storage customers handled?

Reference: Exhibit D2, Tab 5, Schedule 1 (B&V Storage Cost Allocation Study)

B&V observes that Enbridge has not provided a sufficient level of detail and explanation to allow an outside party to understand and verify its allocation of storage costs (p. 30).

- How will Enbridge address the B&V recommendations on reporting transparency?
- Which of the tables in the B&V report will be included in future regulatory filings?

Gas Supply

EGD says that the only viable option to contract for 350,000 GJ of additional peak day firm supply is to purchase long haul TCPL STFT capacity for the period January 2013 to March 2013 (D1, Tab 2, Schedule 1, p. 5 and D1, Tab 8, Schedule 1, p. 9). EGD estimates that this additional STFT would increase unutilized transportation costs for 2013 by $66.2 million. (D1, Tab 2, Schedule 1, p. 5)

Questions

1. Has EGD done a cost-benefit analysis to see whether the expected benefit to customers of acquiring additional TCPL STFT capacity exceeds the incremental gas supply cost?

2. If the Board were to approve the proposed Design Criteria, does EGD believe that all of the additional peak day resources would need to be acquired immediately, or would it be reasonable to phase in the increase over a period of years?

The EGD 2013 Peak Day Supply Mix includes 150,000 GJ of Peaking Supply and Gas Exchanges. This is about 4% of the Total Peak Day Supply. (D3, Tab 3, Schedule 3).

Even though the current 2013 Gas Supply Plan relies on peaking supply contracts for a portion of the peak day requirement, EGD would not acquire additional peaking supplies to meet any portion of the incremental peak day reserve:

> "It is the Company's belief that it would not be prudent to assume that the increase in Peak Day demand could be met with traditional firm peaking supply arrangements." (D1, Tab 2, Schedule 1, p. 5)

Questions

1. What amount of additional firm peaking supply does EGD expect would be available for the 2012-2013 winter season, if the Company had an interest in buying it?

2. What does EGD mean by "traditional firm peaking supply arrangements"? Could non-traditional contract terms, such as higher non-performance penalties or requirements to hold firm transportation, alleviate some or all of EGD's concerns?

EGD believes that it would not be possible to purchase additional winter-period supply at Dawn or Niagara because there is currently no transportation available between Parkway and Enbridge CDA. However, EGD suggests that other options may become available that would reduce the amount of long haul STFT that it would need to acquire (D1, Tab 2, Schedule 1, p. 6). The three options EGD identifies are:

- Discounted transportation
- Increased access to Marcellus Shale

- Construction projects that would increase take away capacity from Parkway

Questions

1. What is the status of each of the potential options to STFT listed above?

2. Has EGD considered acquiring TCPL STSN transportation capacity from Niagara or Kirkwall to delivery points in the Niagara area? For example, if EGD needed 50,000 GJ per day in the CDA, it could contract for 50,000 GJ of point-to-point STSN service, and the 50,000 GJ of supply that would have gone to the Niagara market could be taken at other parts of the Enbridge CDA delivery area.

3. Has EGD considered TCPL FT or STSN from Iroquois to the Enbridge EDA as a potential source of incremental deliverability?

4. What has EGD assumed about the liquidity of the "delivered to CDA" spot market during periods of high gas demand? Does EGD believe that under cold weather conditions the Company would be unable to purchase gas delivered to the Toronto area city gates at any price?

Specific IRR follow-ups

Reference: EB-2011-0354, Exhibit I, Issue O1, Schedule 8.1

Please produce the requested under J2.3

Please provide an estimate of the amount of time to comply with the request.

Please answer question c) on the economic rents.

Reference: Exhibit I, Issue B4, Schedule 8.1

Please define partners - ex-franchise vs. in-franchise.

If incremental storage is created, will it serve in-franchise or ex-franchise customers?

Reference: Exhibit I, Issue B6, Schedule 8.4

Please produce the on-line version of Union's current priority of service schedule for the record.

Reference: Exhibit I, Issue B6, Schedule 8.7

To the extent that the Seckerton pool's services had to be reduced in terms of capacity or deliverability as a result of the study, would the reduction be utility or non-utility?

Refernce: Exhibit I, Issue C2, Schedule 8.1

Please detail how the 18.2% was determined.
Using that same method and current prices in the market, please provide what the expected increase would be.

Using the current figure developed, what is the percentage impact in usage and resulting change in residential price and revenue requirement

Reference: Exhibit I, Issue D2, Schedule 8.3

Please describe who where is the $2.5 discount recognize ie., does it serve to reduce transportation costs or does it accrue to the transportation optimization accounts?

Reference: Exhibit I, Issue D2, Schedule 8.4

Respectfully, EGD response was not helpful in providing understanding the assessment of alternatives to storage that are considered in the Gas Supply plan as market based storage prices change. We will be seeking additional information, including some numbers in this area.

Reference: Exhibit I, Issue D2, Schedule 8.7

It appears our question c) was not understood. Using the maximum daily volumes received through peaking services for the three years answered in a), please answer c) using that maximum daily volume as the contract volume and answer the i) – iv) terms of FT contract for that service.

Reference: Exhibit I, Issue D2, Schedule 8.9

b) Please clarify if the peak day that was experienced in December in the last 15 years was 39.5 HDD.

d) Why would EGD not focus it deliveries in the core winter months (Jan-Mar,), including the 50,000 GJ of STFT currently being deliverd Nov. to Mar. thus providing more peak day capaibility.

Reference: Exhibit I, Issue D3, Schedule 8.3

EGD has provided that the Curtailment credits exceeded $2 million. Does that money flow into accounts to reduce load balancing costs? If not, why not?