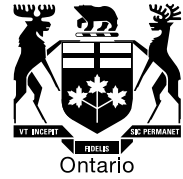


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**BY EMAIL**

July 5, 2013

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
27th Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc.  
2012 ESM & Deferral Account Clearance Application  
Board File No. EB-2013-0046**

Dear Ms. Walli:

Please find attached the Board Staff Interrogatories relating to the above proceeding.

Yours truly,

*Original signed by*

Colin Schuch  
Case Manager

/ attach.  
Cc: All Parties EB-2013-0046

**Enbridge 2012 Earnings Sharing and Deferral Account Clearances  
Board Staff Interrogatories  
EB-2013-0046**

**BOARD STAFF INTERROGATORIES**

**ISSUE 1. Are the deferral and variance accounts and balances proposed for disposition on the attached schedule ("Schedule 1") appropriate?**

**1. Ref: ExA/T2/S1/Appendix A**

- (i) Please list the accounts and associated balances that have already undergone a formal Board review process including an order approving the amount for clearance.
- (ii) Which accounts listed for clearance are expected to be reviewed separately in a future Board proceeding (other than the instant proceeding)? What is the expected date of the order in any such proceedings?

**2. Ref: ExB/T1/S1/**

This exhibit lays out the earnings sharing calculation and methodology.

Have there been any methodology changes in the calculation of the ESM since the last ESM clearance proceeding (EB-2012-0055) in which the 2011 ESM was approved? If so, please describe what has changed.

**3. Ref: ExB/T1/S4/page 3 of 4 / Reconciliation of 2012 Audited EGDI to Utility Income**

Listed on this schedule is a \$16.8 million elimination of Corporate Cost Allocations above RCAM amount.

Please list the actual CAM amount versus the RCAM amounts for 2008 through 2012 together with a variance column.

**4. Ref: ExB/T3/S4/page 4 of 5 / Adjustments to EGDI Corporate Revenue**

Listed on this schedule are 2012 Open bill revenue adjustments.

Please list the actual Open bill revenue for 2008 through 2012, the shareholder amount, and the ratepayer guarantee amount.

**ISSUE 2: Is the amount proposed to be cleared in the 2012 Transactional Services deferral account appropriate?**

**5. Ref: ExC/T1/S6/page 7 of 21 para 14**

Preamble:

In paragraph 14, the evidence states that “To be considered transactional services the opportunities must be unplanned, a third party must be requesting a service and EGD must have temporarily surplus capacity”.

These three conditions appear to be an articulation of EGD’s principles of what constitutes a valid transactional service. Please comment on whether this is a fair characterization. Is every potential TS opportunity screened on this basis before it is approved? Please explain.

**6. Ref: ExC/T1/S6/page 14 of 21 para 28**

Preamble:

In paragraph 28, the evidence states that:

“An alternative to a base exchange like the Iroquois/Dawn exchange example used earlier, would be for EGD to give gas to a third party at Empress (instead of Iroquois) and still receive the gas back from the third party at Dawn. The only added nuance would be that, instead of using its TCPL long haul contract to deliver the gas at Iroquois, EGD would temporarily assign the associated long haul capacity to the third party. From EGD’s perspective, nothing is different from the earlier base exchange example. EGD exchanged its gas and its transportation capacity for equivalent gas delivered at Dawn for injection into storage.”

How is EGD assured that this gas will be delivered by the third party at Dawn? What is the consequence if the third party defaults and the gas fails to appear? Please discuss the risks involved, the implications for the gas supply plan, and how EGD would recover from such a default.

**7. Ref: ExC/T1/S6/page 14 of 21 para 28**

Preamble:

In paragraph 28, the evidence states:

“In the summer, as discussed previously, EGD continues to operate its long haul contracts at 100% load factor and injects the amount in excess of customer demand on the day into storage for use in the following winter. Utilizing these contracts at 100% load factor means a characteristic of these contracts known as FT-RAM credits are not available to EGD.”

- (i) Given the statement above that FT-RAM credits are not available to EGD, please explain why the FT-RAM credit revenue lines appear on ExC/T1/S6/ Appendix D.
- (ii) Were FT-RAM credits used in any way in the derivation of the amounts recorded in the 2012 TSDA? Please explain.

**8. Ref: ExC/T1/S6/page 17 of 21 para 33**

Preamble:

In paragraph 33, the evidence states that:

“The point of departure between this evidence and the EB-2012-0055 Decision is with regard to the third element of transactional services, temporarily surplus capacity. The Board stated “The Board notes that in a capacity release, the gas purchased by Enbridge at Empress is required to

serve its customers.” In fact, the transportation used to complete capacity release exchange transactions is temporarily surplus capacity as it is not required to meet the demand of its customers on the day.”

Please explain the context of “temporarily surplus” capacity on the day (in the above excerpt) and contrast that with what was meant in paragraph 30 on page 15 where the evidence refers to EGD entering into capacity release exchanges “for the entire summer”?

**9. Ref: ExC/T1/S6/**

Please file the page from the Board's Order in the EB-2011-0277 proceeding that sets out the accounting treatment details for amounts to be recorded in the 2012 TSDA (Accounting Treatment For a Transactional Services Deferral Account). Was this accounting treatment and sharing mechanism the result of a negotiated settlement?

**10. Ref: ExC/T1/S6/**

Has EGD ever assigned transportation capacity on a long-term basis (i.e. 12 months or more) ? What is the maximum length of time EGD has ever assigned capacity and in what years did that occur? What was the maximum length of assigned capacity in 2012?

**11. Ref: ExC/T1/S6/**

Did any transactional firm service activity in 2012 result in a failure on the part of the utility to provide full gas service to any Enbridge customer?

**12. Ref: ExC/T1/S6/**

Did any transactional service activity in 2012 result in an alteration to the Gas Supply Plan that in any way resulted in higher natural gas and/or transportation costs to customers than would otherwise be the case?

**Other Issues**

**13. Ref: ExD - Reference Material**

4. Please file the Annual Information Form for Enbridge Gas Distribution Inc. for the year ended December 31, 2012.