Ontario Energy Board P.O. Box 2319 27th. Floor 2300 Yonge Street Toronto ON M4P 1E4 Telephone: 416- 481-1967 Facsimile: 416- 440-7656 Toll free: 1-888-632-6273 Commission de l'énergie de l'Ontario C.P. 2319 27e étage 2300, rue Yonge Toronto ON M4P 1E4 Téléphone: 416-481-1967 Télécopieur: 416- 440-7656 Numéro sans frais: 1-888-632-6273



BY E-MAIL

August 1, 2013

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

Dear Ms. Walli,

Re: Enbridge Gas Distribution Inc. – GTA Project (EB-2012-0451) Union Gas Limited – Parkway West Project (EB-2012-0433) & Brantford-Kirkwall/Parkway D (EB-2013-0074)

In accordance with Procedural Order No. 6, please find attached Board Staff Interrogatories on Enbridge's updated evidence in the above proceeding.

Yours truly,

Original signed by

Josh Wasylyk Advisor, Applications & Regulatory Audit

c. All Parties

Encl.

Board Staff Interrogatories

EB-2012-0451 – EGD GTA Project (Updated Evidence)

Issue: A-3

Are the costs of the facilities and rate impact to customers appropriate?

A.3 – Staff 1 (EGD Update)

REF: Exhibit A, Tab 2, Schedule 4, pages 5-6

Preamble 199

Enbridge states that the originally proposed Segment A initiation point was reinstated to Parkway West to interconnect with Union Gas as opposed to the previously proposed initiation point at Bram West with TransCanada.

<u>Questions</u>

- a) Please provide the rationale, from an operational and economics standpoint, for the change in the initiation point from Bram West to Parkway West.
- b) Please provide a comparison of the annual costs that Enbridge would otherwise pay to TransCanada for the use of TransCanada's Mainline from Parkway to the Bram West interconnect and Enbridge's revenue requirement for the segment proposed to be built from Parkway to Bram West.
- c) Would the proposal for an initiation point at Parkway result in duplication of existing facilities and lead to the underutilization of existing natural gas infrastructure?

A.3 – Staff 2 (EGD Update)

REF: Exhibit A, Tab 3, Schedule 9, page 3, paragraph 5

Preamble

Enbridge states that: "With respect to the dependency on Segment A for transportation benefits along the Parkway to Maple path, it is recognized that there has not been an application for the required facilities for the Albion to Maple build, and the timing of the build out is currently uncertain....However, the distribution benefits that accrue to Enbridge's customers are not dependent on the build out from Albion to Maple."

Questions

a) In the event that the in-service date for the Albion to Maple segment is delayed beyond the forecast in service date for Segment A, would this result in a greater proportional allocation of costs to Enbridge's ratepayers for Union's Brantford-Kirkwall Parkway D and Parkway West facilities costs? If so, please quantify the annual costs that Enbridge ratepayers would have to bear if the incremental volumes of Gaz Métro and other potential shippers would be deferred by a year. Please include all underlying assumptions.

A.3 – Staff 3 (EGD Update)

REF: Exhibit A, Tab 3, Schedule 9, page 4, paragraph 7

Preamble

Enbridge states that the open season will close no later than September 6, 2013 and will be used to allocate the available transportation capacity on Segment A.

Questions

- a) Please provide the rationale for setting the open season closing date to September
 6, 2013.
- b) Please provide a link to Enbridge's Open Season web page for Segment A.

A.3 – Staff 4 (EGD Update)

REF: Exhibit E, Tab 1, Schedule 2, page 2, paragraph 7

Preamble

Enbridge states that: "In the event there are no shippers for the transport service, distribution ratepayers will be allocated the entire revenue requirement. The Company will be working with shippers on the Segment A pipeline to include the placement of Financial Backstopping Agreements ("FBAs"). The shippers are expected to bear some of the risk on upfront costs associated with the Segment A pipeline, in particular the approximately \$55 million in costs associated with NPS 42 as compared to NPS 36, and any consequences of a delay in the Albion to Maple path."

Questions

a) Please explain the purpose and content of a FBA.

- b) Please file a copy of a model or a form of the FBA.
- c) Please clarify if this means that shippers would be expected to pay the Parkway to Albion Transportation Service rate to Enbridge starting from the in-service date of Segment A regardless of when the Albion to Maple path is completed. If not, please indicate if Enbridge expects that distribution customers would be at risk for any delays.
- d) Please clarify how shippers would be expected to bear some of the upfront costs associated with Segment A. Would this be done by means of reduced financial securities? Please explain.
- e) Please provide the incremental benefits to distribution ratepayers for building capacity on the Segment A pipeline that is incremental to their needs.

Issue: A.5

Is the proposed timing of the various components of the projects appropriate?

A.5 – Staff 5 (EGD Update)

REF: Exhibit A, Tab 2, Schedule 4, Page 5 of 9

Preamble

Enbridge notes that update No. 6 was filed to amend the application as a result of the termination of the Memorandum of Understanding ("MOU") with TransCanada. In TransCanada's letter dated July 24, 2013 it stated that it considers the MOU to be a valid and binding contract.

<u>Questions</u>

a) What impact, if any, does Enbridge anticipate TransCanada's position that the MOU remains a binding contract will have on Enbridge's applications before the Board?

Issue: D-1

Do the facilities address the OEB Environmental Guidelines for Hydrocarbon Pipelines as applicable?

D.1 – Staff 6 (EGD Update)

REF: Exhibit B, Tab 2, Schedule 1, Attachment 6, page 16 of 23 "GTA Project Environmental Report Amendment # 2

Preamble:

An amendment to the Environmental Report was completed by Dillon and included in updated evidence filed July 22, 2013 by Enbridge. According to the evidence, the public consultation, including agency and OPCC consultation is in progress.

Question:

a) Please confirm that Enbridge will file with the Board any comments received as well as responses to concerns and issues raised by public, individuals and agencies, as well as the OPCC members.

Issue: D-2

Are there any outstanding landowner matters for the proposed facilities' routing and construction? For greater clarity, landowners include parties from whom permits, crossing agreements and other approvals are required.

D.2 – Staff 7 (EGD Update)

REF: Exhibit A, Tab 2, Schedule 4, Pages 6 and 7, Land Requirements

Preamble:

The revised segment A involves one additional landowner and additional land owned by Infrastructure Ontario.

Question:

a) Please confirm that the form of the Agreement to Grant Easement, a Standard Easement Agreement, and the Working Area Agreement provided in the application has been offered or will be offered to all of the landowners from whom the new easements for revised Segment A are required.