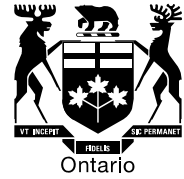


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**BY EMAIL**

March 17, 2014

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  
April 1, 2014 QRAM Application  
Board File No. EB-2014-0039**

I am writing on behalf of Board staff in the above noted QRAM matter.

Board staff has the following questions:

1. Board staff understands colder than normal weather had an impact on customer demand and on natural gas prices. Can you please provide a breakdown of the effect of higher prices for Enbridge's planned purchases and higher prices for purchases made to meet higher customer consumption levels (referred in question 2 below as incremental purchases) as of March 31, 2014.
2. Given the timelines for issuing a decision in this proceeding and the "non-mechanistic" nature of the application, please provide Enbridge's view were the Board to consider the following:
  - (i) Approve the establishment of the utility price effective April 1, 2014 and the disposition of the deferral account balances as of April 1, 2014 that do not include amounts related to incremental gas purchases made over the

2013 / 2014 winter period on a final basis. Approve the disposition of the deferral account balances as of April 1, 2014 that do include amounts related to incremental gas purchases made over the 2013 / 2014 winter period on an interim basis pending a more comprehensive review.

- (ii) Approve the establishment of the utility price effective April 1, 2014 and the disposition of the deferral account balances as of April 1, 2014 that do not include amounts related to incremental gas purchases made over the 2013 / 2014 winter period on a final basis. Defer the disposition of the deferral account balances as of April 1, 2014 that do include amounts related to incremental gas purchases made over the 2013 / 2014 winter period until a more comprehensive review takes place.

3. Please provide Enbridge's view on whether the Board should consider disposing of the PGVA balance as of March 31, 2014 over a period of 2, 3 or 4 years. Please also calculate the annualized total bill impacts for a typical residential customer using a 2-year, 3-year and 4-year disposition period to dispose of Enbridge's PGVA balances.
4. Ref: Exhibit Q2-2, Tab 1, Schedule 1, p. 6: Enbridge noted that by locking in some supplies for the month of February through the monthly RFP process, it was able to temper the price impacts of what Enbridge paid for western Canadian supplies. Did Enbridge ever consider locking in all of the forecasted supply for the month of February through the monthly RFP process? Please explain the rationale for locking in some of the supply and not locking in all of its supply.
5. Ref: Exhibit Q2-2, Tab 1, Schedule 1, paragraph15: Can you please confirm that the units in the table should be in \$(000) as opposed to \$(millions).
6. Ref: Exhibit Q2-2, Tab 1, Schedule 1, paragraphs 10 and 15: For the month of January 2014, the table in paragraph 10 shows a volumetric variance of 0.5 Bcf (1.5 Bcf minus 1.0 Bcf) between the 2014 Budget and 2014 Actual as it relates to peaking supplies. In paragraph 15, the purchase costs of peaking supplies for January 2014 show an increase of \$ 71.4 million (\$76.735 million minus \$5.3506 million) between the 2014 Budget and 2014 Actual. Please explain why the

peaking service volumes increased by about 50% while the costs increased by about 1334% in the month of January 2014.

7. Ref: Exhibit Q2-3, Tab 1, Schedule 2, p. 2: the table on this page indicates "Variances to be Cleared in October 2013 QRAM". Please confirm that this table should read "Variances to be Cleared in April 2014 QRAM".
8. Please provide a table outlining, for the residential class, the gas supply charge and the adjusted gas supply charge from January 1, 2005 to Enbridge's current April 2014 QRAM application. Please also provide tables and/or graphs that compare gas cost and spot prices at AECO and Dawn from July 1, 2013 to March 1, 2014.
9. Please confirm that Enbridge does not profit (or loss) on the commodity cost of natural gas.
10. Has Enbridge received any letters of comments to date regarding its April 2014 QRAM application? If so, has Enbridge responded to any of those letter of comments? Board staff requests that Enbridge file those responses with the Board Secretary's Office.

Thank you,

*Original signed by*

Daniel Kim  
Case Manager

cc: All parties EB-2012-0459