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April 16, 2014

VIA RESS, EMAIL and COURIER

Ms. Kirsten Walli
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

Re: EB-2014-0039 (QRAM Application) – Interrogatory Responses

In accordance with the Ontario Energy Board's (the "Board") Procedural Order No. 1, enclosed please find the second set of interrogatory responses of Enbridge Gas Distribution Inc. ("Enbridge" or the "Company") for the above noted proceeding.

In addition, Enbridge has included a new (larger) binder for the application, evidence and additional submissions that have been filed in this proceeding.

This submission was filed through the Board's RESS and is available on the Company's website at www.enbridgegas.com/ratecase.

Yours truly,

(Original signed)

Bonnie Jean Adams
Regulatory Coordinator

cc: Mr. Fred Cass, Aird & Berlis LLP
All Interested Parties EB-2012-0459

BOARD STAFF INTERROGATORY #1

INTERROGATORY

Please provide most current actual number of residential customers that are on the Budget Billing Plan ("BBP"). Please provide the actual number and the percentage of residential customers this number represents.

RESPONSE

Currently there are 964,871 customers on the Budget Billing Plan which represents 47.75% of the residential mass market customers.

Witnesses: A. Creery
K. Lakatos-Hayward

BOARD STAFF INTERROGATORY #2

INTERROGATORY

Can residential customers opt into the BBP at any time or does the BBP need to start in September of any given year?

RESPONSE

Customers can opt into the Budget Billing Plan ("BBP") at any time between September and June. The BBP does not have a July or August start date.

Witnesses: A. Creery
K. Lakatos-Hayward

BOARD STAFF INTERROGATORY #3

INTERROGATORY

Please indicate whether Enbridge has made or plans to make adjustments to monthly installment amounts for residential customers on the BBP arising from the Board's Decision and Interim Order in this proceeding. When would these adjustments be made?

RESPONSE

Enbridge Gas Distribution Inc. has conducted an additional mid-season review and has increased Budget Billing Plan ("BBP") monthly installment amounts. This increase is to account for the higher than normal usage, based on the colder weather this winter, as well as the interim rate increase.

It should be noted that individual customer installment increases may vary depending on their specific circumstances and plan balances. Increased BBP installment amounts will be effective for the April billing cycle.

Witnesses: A. Creery
K. Lakatos-Hayward

BOARD STAFF INTERROGATORY #4

INTERROGATORY

Please confirm that any adjustments to monthly installment amounts would minimize, all else being equal, year-end variances in the BBP that are trued-up in July.

RESPONSE

While the Company anticipates, all things being equal, that the increased installment amounts will minimize any year-end variances in the Budget Billing Plan ("BBP") that are trued-up in July, individual customer circumstances and plan balances may still require a true up in July.

Witnesses: A. Creery
K. Lakatos-Hayward

BOARD STAFF INTERROGATORY #5

INTERROGATORY

On page 7 of its reply submission, Enbridge noted that if the recovery period for the PGVA amounts were extended by 12 months, then Enbridge would have to carry an amount in the order of $300 million beyond the standard one-year period. Enbridge also submitted that an extended smoothing treatment requires a different treatment in terms of carrying costs, and that the appropriate treatment is to apply the weighted average cost of capital.

a. Please provide a detailed calculation of how Enbridge derived the $300 million.

b. Please provide an approximate calculation of the total carrying charges associated with the $300 million, mentioned by Enbridge, using:

   i. The Board's prescribed interest rate for deferral and variance accounts; and
   ii. The proposed weighted average cost of capital treatment proposed by Enbridge.

RESPONSE

a) In Enbridge Gas Distribution Inc.'s ("Enbridge") reply submission, the amount in the order of $300 million having to be carried beyond the standard one year period for clearance of the Purchased Gas Variance Account ("PGVA") referred to the scenario where clearance would occur over two years. The amount was a rounded down view that approximately 50% of the forecast $655 million balance would remain un-cleared after 12 months (which underpins the derivation of the April 2014 Rider C unit rate).

b) The position of Enbridge is that it should be recovering the level of capital costs which it is incurring as a result of having to fund any changes in gas supply pricing. Enbridge's short term credit facility is maintained at a level that takes into consideration the Board's current approved practice of clearing the PGVA over 12 months. This credit facility may not be sufficient to fund cash flows over longer patterns of clearance of the PGVA, especially during periods when prices vary significantly. In such cases, Enbridge would have to seek out opportunities to

Witnesses: K. Culbert
J. Leblanc
D. Small

augment its existing short term credit facility and the cost of any such additional funding might not be equivalent to the Board's prescribed deferral and variance account rate or Enbridge's short term credit rate.

Based on the consideration that Enbridge was able to give to its financing costs in the time available to file reply argument, Enbridge stated that its WACC should be applicable to the PGVA balance as it could not be certain what alternate credit opportunities might be available. The Company's intention was that it should be held whole in terms of any earnings implications resulting from interest costs that it must incur above its or the Board's short term forecast debt rate.

Having had the opportunity to give further consideration to the current forecast PGVA balances and any potential clearance over two years rather than one year, Enbridge has concluded that the required composite cost rate of its existing short term credit facility and short term funding from EI is approximately equivalent to the Board's April 2014 determined interest cost rate of 1.47%. Please see the following table for a calculation of the interest costs using this rate over a 12 month or 24 month pattern of clearance.

ENBRIDGE GAS DISTRIBUTION INC.
EB-2014-0039 PGVA Forecast

Cleared over 12 months					Cleared over 24 months				
	Col. 1	Col. 2	Col. 3	Col. 4		Col. 5	Col. 6	Col. 7	Col. 8
Line No.	Date	Amount cleared in month	Balance	Interest at OEB prescribed rate (1.47%)	Line No.	Date	Amount cleared in month	Balance	Interest at OEB prescribed rate (1.47%)
		$	$	$			$	$	$
1.	March 2014	-	655,452,352	-	1.	March 2014	-	655,452,352	-
2.	April 2014	(69,172,781)	586,279,571	802,929	2.	April 2014	(34,586,391)	620,865,961	802,929
3.	May 2014	(39,661,274)	546,618,297	718,192	3.	May 2014	(19,830,637)	601,035,324	760,561
4.	June 2014	(19,294,928)	527,323,369	669,607	4.	June 2014	(9,647,464)	591,387,860	736,268
5.	July 2014	(14,270,814)	513,052,555	645,971	5.	July 2014	(7,135,407)	584,252,453	724,450
6.	August 2014	(15,080,408)	497,972,147	628,489	6.	August 2014	(7,540,204)	576,712,249	715,709
7.	September 2014	(17,122,400)	480,849,747	610,016	7.	September 2014	(8,561,200)	568,151,049	706,473
8.	October 2014	(26,314,067)	454,535,680	589,041	8.	October 2014	(13,157,033)	554,994,016	695,985
9.	November 2014	(49,003,673)	405,532,007	556,806	9.	November 2014	(24,501,837)	530,492,179	679,868
10.	December 2014	(80,388,461)	325,143,546	496,777	10.	December 2014	(40,194,230)	490,297,949	649,853
11.	January 2015	(112,910,806)	212,232,740	398,301	11.	January 2015	(56,455,404)	433,842,545	600,615
12.	February 2015	(114,742,265)	97,490,475	259,985	12.	February 2015	(57,371,132)	376,471,413	531,457
13.	March 2015	(97,490,475)	-	119,426	13.	March 2015	(48,745,237)	327,726,176	461,177
14.	Total Interest at OEB rate			6,495,540	14.	First - 12 months interest at OEB rate			8,065,345
					15.	April 2015	(34,586,391)	293,139,785	401,465
					16.	May 2015	(19,830,637)	273,309,148	359,096
					17.	June 2015	(9,647,464)	263,661,684	334,804
					18.	July 2015	(7,135,407)	256,526,277	322,986
					19.	August 2015	(7,540,204)	248,986,073	314,245
					20.	September 2015	(8,561,200)	240,424,873	305,008
					21.	October 2015	(13,157,033)	227,267,840	294,520
					22.	November 2015	(24,501,837)	202,766,003	278,403
					23.	December 2015	(40,194,230)	162,571,773	248,388
					24.	January 2016	(56,455,404)	106,116,369	199,150
					25.	February 2016	(57,371,132)	48,745,237	129,993
					26.	March 2016	(48,745,237)	-	59,713
					27.	Next - 12 months interest at OEB rate			3,247,771
					28.	Total interest at OEB rate			11,313,116

In these particular circumstances, if clearance of the current PGVA balances is required to be spread over two years, Enbridge does not intend to request a different interest rate from the Board prescribed interest rate. Hence, even in the event of a 2 year clearance period, Enbridge would use the prescribed interest

Witnesses: K. Culbert
J. Leblanc
D. Small

rate for deferral and variance accounts published by the Board on a quarterly basis to calculate interest costs for carrying PGVA balances.

It should be noted that Enbridge considers a recovery period beyond 2 years to be excessive and unreasonable when considered in light of the factors set out in interrogatory responses at Exhibit I, Schedule 5, Tab 2 and Tab 3. In particular, Enbridge views the QRAM price as an attempt to reflect competitive market pricing; rate mitigation for a period of 2 years would dampen this attempt, while a longer duration would dampen the market price information in the QRAM price even further.

As a result, Enbridge has focused its response on the potential to recover the appropriate portion of the PGVA balance over 2 years instead of a longer period.

Witnesses: K. Culbert
J. Leblanc
D. Small

BOARD STAFF INTERROGATORY #6

INTERROGATORY

As indicated in its Decision and Interim Order in this proceeding, the Board sees merit in further consideration of available options for rate impact mitigation and the consequences of those options.

a. Staff noted Enbridge's observation that the impact of the change in gas costs will be experienced largely in the winter months when usage is higher (presumably for customers not on BBP). Is there a way to smooth the impact over the course of the year? For example, please provide Enbridge's view on the merits of recovering PGVA balances as of March 31, 2014 over the next two summer periods (i.e. from June 1 to September 30, 2014 and 2015). Please provide a graph that would depict the monthly bill for a typical residential customer (not on BBP) under that scenario. Are there impediments to the implementation of this approach? What would be the consequences of this approach?

b. Please provide the company's view on other options and their consequences that the Board may wish to consider for rate impact mitigation in this proceeding.

RESPONSE

Please note, the scenarios modeled in this interrogatory response assume everything else remains equal. In reality, Enbridge Gas Distribution Inc. ("Enbridge") will change its rates and Purchased Gas Variance Account ("PGVA") unit rates each quarter as per its QRAM process.

a) and b):

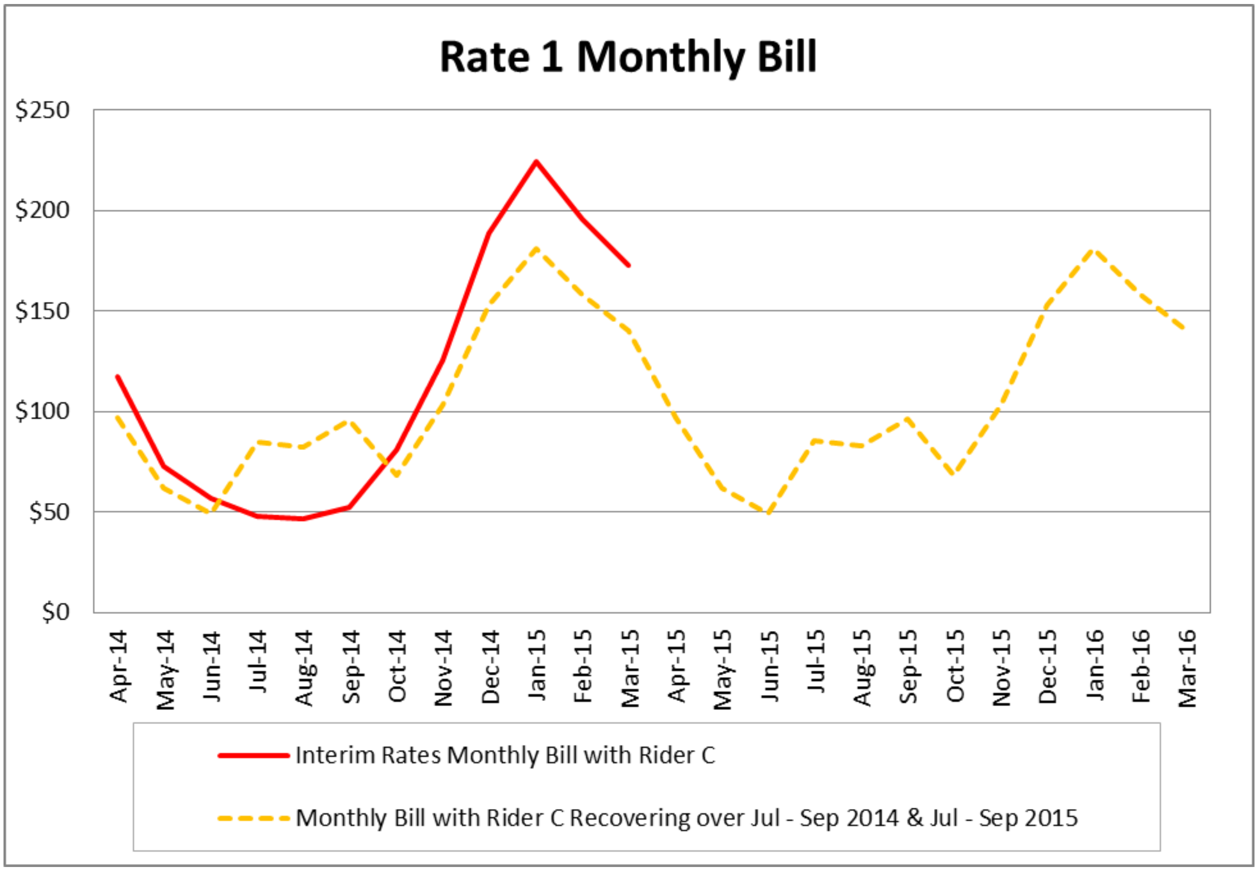
In response to Board Staff Interrogatory #3 found at Exhibit I, Tab 1, Schedule 3, Enbridge provided a detailed explanation with regards to rate mitigation as it relates to the QRAM process. Enbridge continues to support the view that the QRAM process should be mechanistic and reflect market prices, enhance price transparency and provide fairness and equity amongst all customer groups irrespective of whether the customer is on system gas or direct purchase arrangements. Please also see response to CCC Interrogatories #2 and #3 found at Exhibit I, Tab 5, Schedules 2 and 3 for more discussion on the rate mitigation issue.

Enbridge is mindful of the bill impacts from the April 1, 2014 QRAM. Enbridge considers and assesses the bill impact for each of its rate classes (for system gas and T-service customers) with each rate related application before the Ontario Energy Board (the "Board") including: QRAM, Main Rate Case, Clearing of Deferral and Variance accounts, etc.

With regards to the April 1, 2014 QRAM, Enbridge was cognizant that the April 1, 2014 QRAM change to rates and the impact from clearing its PGVA balance would be a significant increase to customers' bills on an annualized basis. However, as discussed in Enbridge's Reply Submission filed March 25, 2014, the April 1, 2014 rates would essentially only be effective from April 1st to June 30th 2014, when the gas consumption of heat sensitive customers is lower than in the winter months and hence gas bills are much lower. The full effect of the rate change would not be experienced until the winter of 2014/2015 when gas consumption is much higher. By that time Enbridge would have changed its rates three times based on its July and October 2014, and January 1, 2015 QRAM.

Enbridge has prepared the rate smoothing scenario requested in this interrogatory whereby the recovery of the projected March 31, 2014 PGVA balance is recovered over the summer months of 2014 and 2015. Enbridge assumed that the summer period would be July 1st to September 30th as Enbridge cannot accommodate and would not recommend a change in rates outside of its standard QRAM process (i.e. it would necessitate too many changes to the established processes). The graph below illustrates the 12 month recovery of the PGVA balance as approved in the Interim April 1, 2014 QRAM on a typical annual residential bill compared to the recovery of the same PGVA balance within July to September, 2014 and 2015 on a typical annual residential bill for two years.

Witnesses: J. Collier
A. Kacicnik
M. Kirk
J. LeBlanc
D. Small



In Enbridge's view this rate smoothing option is not desired/appropriate for the following reasons:

1) The commodity component of the PGVA clearing in this scenario would be 28.47 cents/m^3 in the two summer periods. This would create an effective gas supply charge of approximately 46.07 cents/m^3 for the July to September, 2014 period which would significantly distort the market price of natural gas. Enbridge's approved interim April 1, 2014 effective gas supply rate is 20.89 cents/m^3. The total Rider C unit rate inclusive of all the components would increase from 7.16 cents/m^3 to 57.21 cents/m^3 for July to September, 2014.

2) Significant customer communications would need to be developed to explain this approach to customers including why their summer bills are higher than their May and June bills while their consumption is lower. Additionally, customers would need to be made aware that the effective gas supply charge is temporary to avoid mis-information when comparing market place price offerings (i.e. Direct Purchase options).

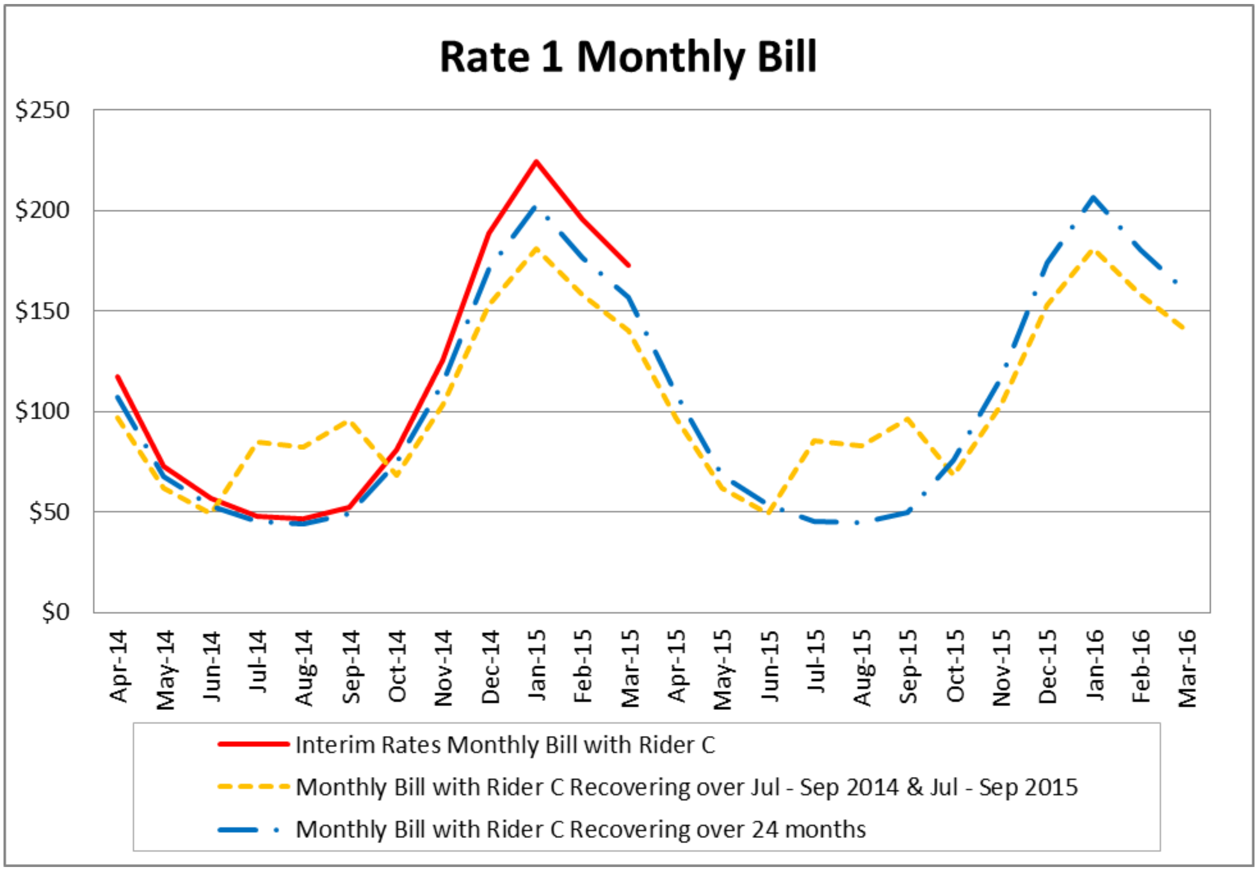
Witnesses: J. Collier
A. Kacicnik
M. Kirk
J. LeBlanc
D. Small

3) The increase in the effective gas supply charge for the July to September periods would also distort price comparisons between natural gas and alternative fuels such as electricity and oil.

b) If the Board were to determine that a rate smoothing option is desired / preferred, Enbridge has two proposals for the Board to consider:

Proposal #1 – 24 Month Clearing -create a PGVA unit rate based on a 24 month clearing methodology.

As can be seen in the graph below, the 24 month clearing methodology lowers the customers' bills each month and maintains a payment pattern that mimics the load profile where bills are higher in the winter months and lower in the summer months. A typical customer bill impact based on a 24 month clearance can be seen in response to Board Staff Interrogatory# 4 found at Exhibit I, Tab 1, Schedule 3, page 4. The 24 month clearing is the most straightforward and simple option from implementation and customer communication perspectives. This approach would lend itself well for Enbridge to derive the PGVA unit rates, record forecast versus actual PGVA balances, explain the impact to customers and provide for the least amount of distortion of the market price and signal in the market place. Based on the March 31, 2014 PGVA balance the gas supply component of the PGVA would be 1.30 cents/m^3 based on a 24 month clearance. This combined with the gas supply charge of 17.60 cents/m^3 would generate an effective gas supply charge of 18.90 cents/m^3 which is in line with Enbridge's interim effective gas supply charge of 20.89 cents/m^3.



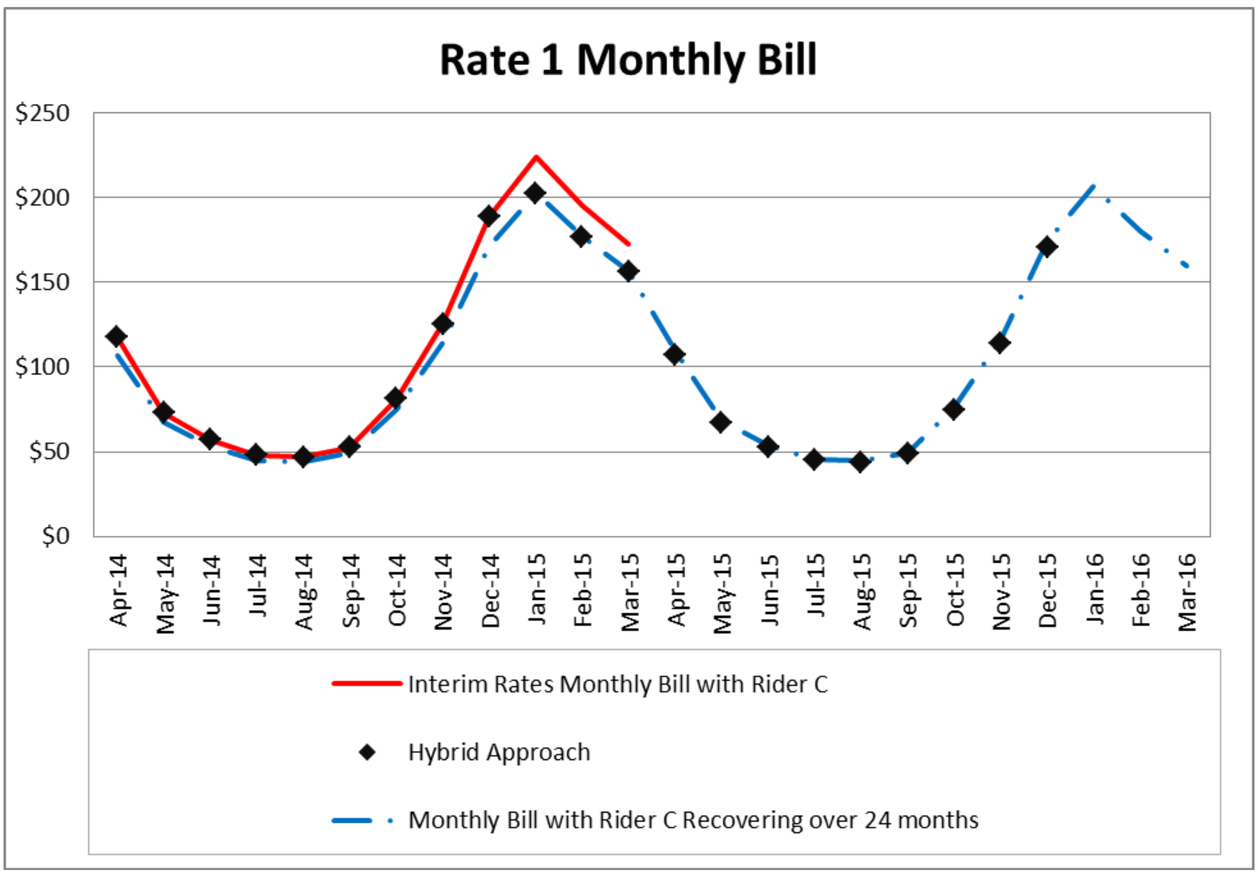
Proposal #2 – Hybrid - maintain the Interim PGVA unit rates for April 1, 2014 to December 31, 2014, create January to December 2015 unit rate to recover the balance

As discussed earlier above, the full effect on a typical residential customer's bill from the April 1, 2014 QRAM rates and PGVA unit rates would not be experienced until the winter of 2014/2015 when gas consumption is much higher than summer consumption. In fact, based on the interim PGVA unit rates approximately one half of the forecast March 31, 2014 PGVA balance of approximately $655 million would be recovered from January 1st to March 30th, 2015. In an effort to mitigate the impact on the customer's bills in the months of January to March, Enbridge has developed proposal #2 - Hybrid. Within this proposal, the first nine months would be based on recovering approximately one half of the forecast March 31, 2014 PGVA balance (i.e., maintain the existing Interim PGVA unit rates in effect from April 1, 2014 to December 31, 2014). The remaining one half of the PGVA balance would be recovered over a 12 month period from January 1, 2015 to December 31, 2015. The effect of this is a lower PGVA unit

Witnesses: J. Collier
A. Kacicnik
M. Kirk
J. LeBlanc
D. Small

rate in the winter months of January to March, 2015. This also creates a smooth transition from customers December, 2014 bills to January 1, 2015 bills where January bills are typically the highest due to consumption.

As can be seen in the graph below, the hybrid clearing methodology lowers the customers' bills in the months of January to March 2015 relative to the interim approved unit rates and mimics the effects of the 24 month clearing proposal on customers' 2015 monthly annual bills. The hybrid approach would be more difficult to communicate to customers, however, it does provide customers with a smoothing effect compared to the Interim clearing. Explanation to customers would be more complex especially as the mitigation effects of this proposal would not take place until the winter of 2015 which would be well after the Board approval date. This proposal, similar to the 24 month proposal provides for the least amount of distortion of the price signal in the market place. Another important characteristic of proposal #2 is that the rider associated with the balance from this past winter ends on December 31, 2014 and, unlike, the smoothing over 24 months, would not impact bills in the winter of 2016.



Witnesses: J. Collier
A. Kacicnik
M. Kirk
J. LeBlanc
D. Small

BOARD STAFF INTERROGATORY #7

INTERROGATORY

The Board has received numerous letters of comment from private citizens that have been placed on the public record of this application. Please provide any comments Enbridge may have on the issues raised in those letters in relation to rate impact mitigation.

RESPONSE

Two issues related to rate impact mitigation were raised in the letters of comment:

1. Providing a longer period to collect the Rider C. Please see the response to Board Staff Interrogatory #6 found at Exhibit I, Tab 4, Schedule 6.

2. Inability to pay the increased bills (fixed and low income customers).

   For customers having trouble paying their bills, Enbridge Gas Distribution Inc. (‘Enbridge” or the “Company”) encourages them to contact the Company to make payment arrangements. Enbridge is extremely sensitive to the impact this increase may have on those with low and fixed incomes. The Company is committed to working with these customers to determine payment arrangements that will work within their budgets.

   Enbridge will continue to highlight the available programs for those customers who qualify for assistance, such as the Ontario Energy Board’s Low-Income Energy Assistance Program (“LEAP”) that provides emergency financial assistance of up to $500 towards energy bills and the Enbridge Home Weatherization Program that offers free energy efficiency measures such as insulation to help lower future energy bills.

   Enbridge offers a Budget Billing Plan that begins each September to help customers spread out annual natural gas costs over 11 months, and thereby reduce the impact of winter bills. Customers can register at www.enbridgegas.com/bbp or by calling 1-877-362-7434.

   Enbridge will also continue to promote energy efficiency tips to help customers reduce their natural gas use such as washing clothes in cold water and changing temperatures a few degrees at night.

Witnesses: A. Creery
K. Lakatos-Hayward

CCC INTERROGATORY #1

INTERROGATORY

In its March 25, 2014, Reply Submissions, EGD set out its position that while it did not agree that it is appropriate to extend the recovery period beyond the standard 12 months, should the Board decide that smoothing is appropriate, the smoothing should be applied in a subsequent QRAM application by EGD in 2014 and not in this Application. If the Board determines that rate mitigation is appropriate please set out EGD's specific proposal for mitigation.

RESPONSE

Please see the response to Board Staff Interrogatory #6 found at Exhibit I, Tab 4, Schedule 6.

Witness: A. Kacicnik

CCC INTERROGATORY #2

INTERROGATORY

The 2006 Electricity Distribution Rate Handbook requires electricity distributors to file mitigation plans if bill impacts are projected be 10% or more. Why should this requirement not apply to EGD? Under what circumstances would EGD propose mitigation?

RESPONSE

Enbridge Gas Distribution Inc. ("Enbridge" or the "Company") understands that the Ontario Energy Board (the "Board") requires electric utilities to "consider" mitigation where total bill increases for any customer class exceed 10% (see the Renewed Regulatory Framework Report for Electricity ("RRFE") at page 23) but notes that the Board's description of that policy within the RRFE relates to utilities' capital and O&M expenditures to ensure those expenditures are paced and prioritized in a manner such that costs are smoothed over the long term.

The Company's Board-approved QRAM process does not consider rate mitigation measures to rate changes stemming from a QRAM application. Having said that, the Board has noted that rate mitigation may be warranted in this case to smooth the bill impacts to customers. The Company has outlined two smoothing proposals for the Board's consideration in the response to Board Staff Interrogatory #6 found at Exhibit I, Tab 4, Schedule 6

The QRAM process prescribed in the Board's Decision within the EB-2008-0106 Methodologies for Commodity Pricing, Load Balancing, and Cost Allocation for Natural Gas Distributors proceeding was designed to flow through competitive commodity market price changes to customers on a timely basis. The QRAM process facilitates current market pricing signals and enhances price transparency which allows for a differentiation between system gas and direct purchase options (which are based on a fixed price over a contract term, typically 1, 3, or 5 years in duration).

In an Annual Rate Application, the Company reviews and adjusts its delivery charges, which recover downstream costs associated with the safe and reliable distribution of natural gas. These costs are recovered from all of Enbridge's customers, and the rates applied to system gas customers are the same as those applied to customers taking service from a marketer. This eliminates the concern that adjusting the delivery charge could cause any differentiation between system gas and direct purchase options. Therefore, under circumstances where significant impacts are anticipated as a result of a cost element recovered through delivery charges, the Company would consider mitigation options.

An example of such an occurrence was the rate smoothing treatment applied as part of the CIS / Customer Care Settlement Agreement.

CCC INTERROGATORY #3

INTERROGATORY

Please explain how, from EGD's perspective, recovery of the amounts over a longer time frame (24 months vs. 12 months) could impact the retail market.

RESPONSE

The QRAM process is intended to reflect market prices, enhance price transparency, and provide fairness and equity among all customer groups. Altering the forecast price of natural gas or proposed clearance of the Purchased Gas Variance Account ("PGVA") could distort market pricing and could diminish the price transparency between system gas supply and direct purchase market offerings which in turn could misinform customers evaluating either option in the marketplace.

Recovery of the PGVA balance over a longer time frame than the standard twelve month period would lower the effective gas supply price paid by system gas customers. As proposed in this application, the effective gas supply charge for a system gas customer is 20.8959 ¢/m³, where 3.2928 ¢/m³ is the gas supply component of the cost adjustment resulting from the PGVA clearance. Increasing the time frame over which the PGVA balance is cleared reduces the gas supply component of the cost adjustment, thus reducing the effective gas supply charge for a system gas customer. Therefore, Enbridge Gas Distribution Inc.'s gas supply option presented to customers in the marketplace would be at a discount to the effective gas supply charge calculated in this QRAM.

Witness: A. Kacicnik

CCC INTERROGATORY #4

INTERROGATORY

Please file EGD's budget billing plan policy. In light of this winter's exceedingly high gas costs does EGD plan to amend that policy in any way? If so, please explain how.

RESPONSE

The description of Enbridge Gas Distribution Inc.'s ("Enbridge" or the "Company") Budget Billing Plan is available on the Company's website through our Conditions of Service. https://www.enbridgegas.com/homes/customer-service/conditions-of-service.aspx:

The Enbridge Budget Billing Plan ("BBP") is available to all residential gas heating customers who can opt into the plan at any time between September and June. The BBP provides the convenience of paying equal amounts throughout the year and avoiding higher bills in winter months. Using prior year's gas usage, Enbridge forecasts the amount of gas used and applies the current gas price to determine the monthly BBP installment.

The BBP season runs from September to July each year. In July, BBP's are reviewed and reconciled and customers are billed or credited a BBP Final Adjustment that represents the difference between the charges for gas actually used from the time the customer joined the plan and the monthly BBP installments billed to date. In the month of August, the customer is billed for the actual gas used in the month. The new plan then starts again in September. In the event that any BBP Final Adjustment charge is higher than expected, Enbridge encourages the customer to call the Enbridge Call Centre to determine suitable payment arrangements.

At a minimum, one mid-season BBP review will occur usually at the beginning of the calendar year. The mid-season review will recalculate the monthly BBP installment to ensure accuracy as weather, usage, and rate changes could affect the actual charges for gas used. After the mid-season review, the new monthly installment amount will be billed on the next bill and a bill message will explain that there was a review of the monthly BBP installment. Customers are always encouraged to monitor their BBP details and may request a review at any time.

Witnesses: A. Creery
K. Lakatos-Hayward

As a result of this year's cold winter weather and price, Enbridge has conducted an additional mid-season review to minimize any large true up amount in July. Please see the response to Board Staff Interrogatory #3 found at Exhibit I, Tab 4, Schedule 3 for additional details. There are no plans to change the BBP.

Witnesses: A. Creery
K. Lakatos-Hayward

CCC INTERROGATORY #5

INTERROGATORY

In addition to budget billing does EGD have any other types of payment plans that would assist customers who may be faced with larger than normal bills in the upcoming heating season? If so, please explain what those policies are.

RESPONSE

Enbridge Gas Distribution Inc. ("Enbridge") has payment arrangement options available to customers who are unable to pay their entire bill. Enbridge works with customers depending on their individual circumstances to come up with mutually agreeable payment arrangements. Customers requiring assistance are encouraged to call the Enbridge Call Centre to discuss options.

Eligible low income customers who are having difficulty paying their bills can apply for emergency financial assistance through the Low Income Energy Assistance Program ("LEAP"). Developed by the Ontario Energy Board, LEAP is a year-round program to assist low-income customers with their bill payments and natural gas costs. LEAP provides emergency relief with a one-time financial grant of $500 to eligible low-income customers experiencing difficulty paying already "past due" bills, which is credited directly to their natural gas bills.

Customers who are working with a social assistance agency are given 21 days to secure emergency financial assistance before additional collection action will be taken for non-payment. Eligible low income customers that enter into a payment agreement will have the late payment charges waived on the payment arrangement balance.
In the event that an eligible low-income customer defaults on an arrears payment agreement, then the option to have late payment charges waived with any future arrears payment agreement will no longer be automatically available.

Witnesses: A. Creery
K. Lakatos-Hayward

CCC INTERROGATORY #6

INTERROGATORY

Please explain how EGD currently communicates with its customers regarding its demand side management programs. Does EGD have plans to increase the promotion of its programs in light of this winter's experience? Please list all of the current programs that are available to residential consumers.

RESPONSE

Enbridge Gas Distribution Inc. ("Enbridge" or "the Company") provides its customers with a portfolio of Demand Side Management ("DSM") programs. Enbridge communicates DSM programs through a variety of channels and tools. Communication varies depending on whether the customer is residential, commercial, or industrial, so that Enbridge may best tailor its outreach to maximize marketing effectiveness. The Company's DSM programs utilize, amongst other channels of communication, bill inserts, mass media (radio, the web, direct mail), targeted communication (trade shows and publications, campaigns, etc), social media (twitter), channel partners, builder charettes and partnership programs (e.g., Race to Reduce).

In light of this winter's experience, the Company is investigating expanding its Community Energy Retrofit offer in 2014 within the current DSM framework. This offer has been quite successful thus far and has received interest from customers; the Company sees it as one of the most effective programs to leverage.

The full list of residential program offerings includes:

Community Energy Retrofit

The Community Energy Retrofit is an offer that goes community to community helping customers reduce their energy bills through a home energy audit followed by financial incentives for meaningful savings from applicable energy upgrades.

The program is supported with the following communications:

- Ads in target home improvement and home and garden magazines
- Geographically placed outdoor/billboard ads
- Brochures and information sheets for energy auditors to distribute at tradeshows and environmental and community events
- The web (www.knowyourenergyscore.ca)
- Direct mail campaign (planned for June 2014)
- Awareness and outreach activities through program partners like municipalities (including GTA's Local Improvement Charge energy efficiency loan program) and conservation and environmental associations.
- HVAC contractor network

Home Labeling/Rating

This program provides financial training support, education, and incentives to realtors, home-sellers, and home-buyers for completing and marketing a home energy rating for their home during the sales process.

The program is supported with the following communications:

- Online ads
- Radio ads on stations in the Greater Toronto Area
- Google Search campaign on key terms related new home purchases
- Ads in Homes magazine, Reno & Décor magazine, and Active Living magazine
- Ads in the Toronto Skywalk
- Bill insert (May 2014)
- Article in Enbridge Gas Distribution's Pipeline Newsletter (June 2014)

Home Weatherization Retrofit

The Home Weatherization Retrofit program offers free pre and post home-energy audits, as well as installed energy efficiency measures by professionally trained weatherization contractors for qualified low-income customers. The program is delivered by four community based organizations as delivery agents who cover different geographic areas as well as social housing.

The program is supported with the following communications:

- Program brochures and a script are provided to delivery agents who then promote the program to social agencies, political constituency offices, sector advocacy groups, and charitable associations that serve the target audience.
- Program delivery agents promote the program directly to targeted customers through various advertising channels, including direct mail, and posters
- Enbridge provides delivery agents a calendar of select Enbridge Gas Distribution-supported community events. Delivery agent representatives attend the events to promote the program.
- Enbridge facilitates awareness and outreach activities with community groups that serve individuals and families in financial need (food banks, etc.)

Our call centre staff is also advised of program details should they receive any questions from customers, and program materials are featured in our customer contact centres, our Ombudsman's Office and are available on our website.

Low Income Energy Assistance

While not a DSM program, the Emergency Financial Assistance ("EFA") program – a component of the Low Income Energy Assistance Program ("LEAP") program – provides grants of up to $500 as a payment on the utility bill for qualified customers who are in arrears and having difficulty paying.

The program is promoted via our call centre, our Customer Ombudsman Office, our website and through our LEAP social service agencies with the use of a brochure.

Information on LEAP is also referenced in our disconnection notices, our Winter Safety home visits and our follow-up letters.

In addition, we promote the Home Weatherization Retrofit program through EFA social service agencies and provide agency representatives with awareness training. By optimizing participation in the Weatherization program, we can help qualified low-income customers improve the efficiency of their homes and reduce the need for EFA support in the future.

An Enbridge representative recently presented on the Home Weatherization Retrofit program at the Low Income Energy Network Conference before an audience of intake agencies, delivery agents, and other stakeholders.

References to Enbridge's DSM programs were also included in our media releases, tweets and web updates related to the April rate increase, as were general references to energy efficiency tips on Enbridge's website.

Savings By Design

The Savings By Design offer is targeted to residential builders, encouraging them through builder charettes, education, and shared insights among practitioners' to build residential homes 25% or more efficient than a new home built to the Ontario Building Code. The program is primarily supported through Enbridge's Channel Consultants.

CCC INTERROGATORY #7

INTERROGATORY

How does EGD currently communicate with its customers regarding gas cost increases, bill increases etc.? Does EGD intend to change this in light of the recent volatility? If not, why not? If so, please explain how.

RESPONSE

Enbridge Gas Distribution's ("Enbridge" or the "Company") current practice is to inform customers of any rate changes immediately following receipt of the Ontario Energy Board's (the "Board") QRAM decision each quarter. Communication media typically include: a news release, an update to our website, updates through twitter, and a rate change notice included with customer bills.

Typical information included in our communication materials are: a detailed breakdown of all charges listed on the bill, an estimate of the annual bill impact for an average residential customer, the average natural gas bill compared to other fuel sources, and a chart illustrating the total average bill compared to the average total bill from five years ago.

These materials are also supplied to the Call Centre and other customer facing employees within Enbridge to ensure that employees can effectively answer customer questions.

While Enbridge's communication process has served the Company well for years, it has been particularly challenging given the highly unusual circumstances this winter. For this latest QRAM application, Enbridge chose to inform customers about the application at the time of filing, through media, the Company's website and twitter, rather than when the decision was announced so as to provide earlier notice to customers. In addition, Enbridge also informed elected officials (MPs, MPPs, Mayors, and Councillors across the areas Enbridge serves) to help them support their constituents.

Enbridge is committed to continually improving its communications based on customer feedback and also recognizes that there is a continued need to educate customers about how natural gas rates are set. Enbridge is also considering how to balance signaling a potential price increase or decrease early to customers while respecting the regulatory approval process and its rules around communication.

Enbridge is also currently considering a proactive communication plan for the next heating season, to highlight energy efficiency tips, the Enbridge Budget Billing Plan to smooth their energy bills, and the availability of the low income assistance programs.

CCC INTERROGATORY #8

INTERROGATORY

Please provide a schedule setting out quarterly gas cost pricing for the past 5 years.

RESPONSE

The table below provides the historical Ontario Energy Board approved Rate 1 gas supply charge, gas supply component of Rider C, and effective gas supply charge for each of the Company's QRAM price changes from January 2006 to April 2014.

Also included in the table are historical typical residential customer's total annual bills based on gas consumption of 3,064 m^3 annually by a customer taking Sales Service. The total annual bills are depicted with and without the Rider C gas cost adjustment.

Witnesses: A. Kacicnik
J. LeBlanc
D. Small

Date	Gas Supply Charge (¢/m^3)	Gas Supply Cost Adjustment (¢/m^3)	Effective Gas Supply Charge (¢/m^3)	Total Annual Bill (1) - Sales Service 3,064 m3	Total Annual Bill - Sales Service Including Rider C
Apr-14	17.6031	3.2928	20.8959	$1,163	$1,382
Jan-14	12.6789	-0.9377	11.7412	$1,010	$983
Oct-13	12.3038	-0.8424	11.4614	$986	$966
Jul-13	14.0017	-1.0981	12.9036	$1,075	$1,049
Apr-13	12.1485	-1.8514	10.2971	$1,013	$962
Jan-13	12.8548	-2.1245	10.7303	$1,034	$972
Oct-12	10.7186	-1.9119	8.8067	$963	$907
Jul-12	9.846	-1.3724	8.4736	$941	$900
Apr-12	9.415	-1.3502	8.0648	$935	$892
Jan-12	11.8492	-0.7036	11.1456	$1,021	$998
Oct-11	13.6891	-1.4607	12.2284	$1,052	$1,005
Jul-11	14.9268	-1.8462	13.0806	$1,086	$1,031
Apr-11	13.978	-2.1653	11.8127	$1,061	$1,000
Jan-11	14.4229	-2.1734	12.2495	$1,034	$973
Oct-10	15.4224	-1.6406	13.7818	$1,077	$1,032
Jul-10	17.2987	-1.0873	16.2114	$1,124	$1,092
Apr-10	21.1631	-0.046	21.1171	$1,240	$1,239
Jan-10	19.969	-7.0549	12.9141	$1,203	$987
Oct-09	19.8615	-6.9075	12.954	$1,180	$968
Jul-09	20.4349	-5.72	14.7149	$1,201	$1,025
Apr-09	23.5363	-6.1615	17.3748	$1,306	$1,117
Jan-09	30.3652	-1.2088	29.1564	$1,535	$1,498
Oct-08	33.7551	1.7008	35.4559	$1,642	$1,694
Jul-08	39.0121	-0.8578	38.1543	$1,799	$1,773
Apr-08	30.3556	-3.9604	26.3952	$1,501	$1,379
Jan-08	26.7601	-2.2612	24.4989	$1,382	$1,313
Oct-07	29.0978	-3.0868	26.011	$1,450	$1,356
Jul-07	32.8599	-6.6333	26.2266	$1,564	$1,361
Apr-07	32.8599	-3.8645	28.9954	$1,564	$1,446
Jan-07	31.4844	-0.8735	30.6109	$1,506	$1,479
Oct-06	34.0717	-11.5645	22.5072	$1,595	$1,241
Jul-06	34.0717	-6.243	27.8287	$1,598	$1,406
Apr-06	35.396	-1.6354	33.7606	$1,645	$1,595
Jan-06	43.1228	-1.9301	41.1927	$1,895	$1,836

Note: (1) Total Annual Bill includes Monthly Customer, Delivery, Load Balancing, Transportation and Gas Supply Charges.

Witnesses: A. Kacicnik
J. LeBlanc
D. Small

CCC INTERROGATORY #9

INTERROGATORY

Please provide a schedule setting out an average residential bill (including all components) for each quarter for the last 5 years.

RESPONSE

Please see the response to CCC Interrogatory #8 found at Exhibit I, Tab 5, Schedule 8.

Witness: A. Kacicnik

VECC INTERROGATORY #1

INTERROGATORY

Reference: EGD IR Responses, Cover Letter

Preamble: On page 2, EGD states

> "... the Company's gas supply plan forecasts a 1in 5 winter, yet the actual conditions have been 1 in 25 as of the end of February and are projected to be the coldest on record (since 1954) as of the end of March."

a) Please confirm that "1 in 25" means that 96% of the time EGD would expect less extreme weather. If unable to so confirm, please explain.

b) Given the actual conditions in March, would EGD now characterize the 2013-2014 winter as 1 in 25 or would it be more like 1 in 50?

c) Please confirm that the basis for characterizing the 2013-2014 winter as "1 in 25" is based on historical data. If unable to so confirm, please explain.

d) If the actual conditions in the winter of 2014-2015 replicate those experienced in 2013-2014, would it also be characterized as "1 in 25" or would the historical 2013-2014 experience lead EGD to conclude that such an experience was 1 in X" where X is less than 25?

e) Will the actual experience in the 2013-2014 winter affect EGD's gas supply planning going forward?

RESPONSE

Enbridge Gas Distribution (“Enbridge” or the “Company”) notes that in Procedural Order #1, the Ontario Energy Board (the “Board”) made provision for further discovery on Enbridge’s ability to mitigate rates, alternative approaches to rate mitigation, and the consequences of those rate mitigation approaches. In Enbridge’s view, this interrogatory is not relevant to those questions identified in the Board’s Procedural Order #1. That being said, Enbridge is providing responses to these questions to assist in moving the process along.

Witnesses: J. LeBlanc
D. Small

a) Confirmed. Note however that “1 in 25” was based on observed degree days for the recent winter period to date compared to prior winter periods to date at the time the evidence was prepared.

b) Based on actual heating degree day observations to the end of March 2014, as compared to actual heating degree day observations over prior winter periods, the 2013 to 2014 winter has been the second coldest winter Enbridge has on record for the Central Weather Zone. The coldest winter on record, as measured by heating degree days, was the 1976 to1977 winter for the Central Weather Zone. Degree days for the 1976 to1977 winter were 3,374 and degree days for the 2013-2014 winter were 3,359. Based on these observations the 2013 to 2014 winter was the coldest in 37 years.

c) Confirmed. The statement “1 in 25” was based on observed degree days for the recent winter period to date compared to prior winter periods to date at the time the evidence was prepared. The statement was not derived through the application of statistical theory. Enbridge currently utilizes statistical theory to develop the weather assumptions which underpin its gas supply plan and would note that Union utilizes the coldest weather observed when developing its gas supply plan.

d) In the unlikely event that actual weather conditions for the winter of 2014 to 2015 replicate those experienced in 2013 to 2014, it would be characterized as there not having been a colder winter in 38 years. Note this characterization would be based on observation and not a statistically derived weather condition.

e) The Company implemented several changes prior to this past winter which improved its gas supply plan as outlined in the response to CME Interrogatory #1 found at Exhibit I, Tab 2, Schedule 1. In the same response the Company indicated its willingness to investigate other, more conservative assumptions, upon which to develop its gas supply plan. Enbridge is currently reviewing its gas supply plan to determine if any changes are required and expects that any changes to the gas supply plan will be brought forward during the next update which is expected to occur with the application for 2015 rates unless directed otherwise by the Board.

Witnesses: J. LeBlanc
D. Small

VECC INTERROGATORY #2

INTERROGATORY

Reference: Ibid

Preamable: EGD adds that

> "Enbridge submits that an expanded process for comprehensive examination of the subject gas costs is inconsistent with, and not contemplated by, the Board's established QRAM process ... the prescribed QRAM process is meant to be mechanistic and summary."

a) Are there any scenarios under which EGD would support rate mitigation or smoothing in conjunction with a QRAM application due to extreme and unforeseen conditions that have significant bill impacts on sales customers? If so, please describe any such scenarios; if not, please explain why not.

b) Of all the options either proposed or implied on the record by parties to this proceeding, what would be EGD's preferred mitigation option if the Board does approve rate mitigation in implementing the subject QRAM application?

RESPONSE

a) and b) Please see the response to Board Staff Interrogatory #6 found at Exhibit I, Tab 4, Schedule 6.

Witnesses: K. Culbert
A. Kacicnik