

REF: EB-2014-0154 Response to Board Staff Questions filed 20140410

- 1) Please extend Table 1 in Attachment 1 to include cost of gas at the landed cost of gas approved in the January 1st, 2014 QRAM and provide the resulting margin generated between the penalty provision rates and the landed cost of gas.
- 2) Using the same approach as above, please substitute the landed cost of gas from the January 1st QRAM with actual cost of incremental landed gas in February drawn from Spot Gas supplies identified in EB-2014-0050 Tab 1 page 5 and 6.
- 3) Under Union's proposed approach, would the resulting margins, where would the resulting margins accrue?
 - a) Who would be the beneficiaries of the resulting margins?
 - b) Would direct purchase customers benefit?
 - c) In reviewing answers to a) and b) and the company's policies around load balancing, please comment on the issue of cost causality in terms the allocation of the resulting margin.
- 4) Preamble: In EB-2011-0354, Enbridge agreed with intervenors to change its methodology for the allocation of benefits from premiums obtained from its balancing requirements.

*"Within the Purchased Gas Variance Account (PGVA), all parties have agreed to one methodology change. With respect to dispositions of long Banked Gas Account (BGA) balances, all parties agree that when a long BGA balance is purchased by Enbridge from a customer, Enbridge will credit the difference between the purchase price and the Empress price embedded in the PGVA to a load balancing component of the PGVA (rather than to the commodity component of the PGVA, which is the current methodology)."*¹

 - a) Please comment on the cost causality of this approach relative to Union's current approach.
 - b) How could Union ensure that premiums from load balancing offset load balancing costs?
- 5) Please provide the amount of time the invoiced party will have to reimburse Union Gas for the penalty and if interest will be applied during the term of re-payment.

¹ EB-2011-0354 Decision dated Oct. 15, 2012 Appendix A, Settlement Agreement, Exhibit N1, Tab1, Schedule 1, page 32