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BY E-MAIL

September 16, 2014

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

Dear Ms. Walli:

Re: Enbridge Gas Distribution Inc.
October 1, 2014 QRAM Application
Board File Number EB-2014-0191

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

Board staff has the following questions:

1. Ref: Exhibit Q4-2, Tab 1, Schedule 1, page 5 to 7: Enbridge noted that throughout the winter Gas Supply, Gas Control and Gas Storage management personnel meet on a weekly basis, sometimes more frequently, to review demand conditions, storage balances and any operational concerns. Enbridge noted that it utilizes a rolling next seven day demand forecast at each weekly meeting. Enbridge also noted that during these meetings the group will discuss and determine how it intends to satisfy the forecast requirement which is equal to the projected demand for the upcoming seven days, budgeted demand and targeted storage balances for the remainder of the winter. Enbridge also noted the more extensive use of spot purchases over ROM or monthly Dawn purchases occurred because the option of minimizing long haul UDC was preferred to monthly or ROM.

a. Please describe ROM (rest of month) purchases. . Please contrast ROM with inter-month cash market purchases.

b. Please explain why minimizing long haul UDC was preferred to monthly or ROM purchases.

c. Does Enbridge purchase gas in the forward market to meet budgeted demand and targeted storage balances? If not, please explain why it does not. If so, please provide the volume of gas purchased in the forward market and the associated prices for the month of March 2014.

d. What is the maximum daily curtailability available to Enbridge under its interruptible contracts and how much did Enbridge actually curtail during the month of March 2014?

e. Please provide the decision criteria and supporting analyses, underpinning the curtailment order levels called upon for the month of March 2014. Ref: Exhibit Q4-2, Tab 1, Schedule 1, page 6, paragraph 13: Under bullet number 5, Enbridge refers to other tools available to manage near term demand and spot purchases including peaking and curtailment. Please describe the other tools that are being referenced to.

2. Ref: Exhibit Q4-2, Tab 1, Schedule 1, page 8, paragraph 16: Enbridge noted that the most significant driver of the current QRAM PGVA adjustment is related to March (2014). Enbridge noted that the actual purchase costs for the month of March 2014 requires an increase to the PGVA in the amount of $324 million which is approximately $175 million higher than forecast in the April QRAM (EB-2014-0039).

   a. For each day that incremental purchases were made for March, please provide a table that depicts the volume purchased, the delivery period, the purchased location, the weighted average price (in $ CAN/GJ), the range of bids received, and the market expectations going forward.

3. Ref: Exhibit Q4-2, Tab 1, Schedule 1, page 8, paragraph 17: Enbridge provided a summary of variances as can be seen in the screenshot below:

The variances in the table mentioned above can be summarized as follows:

$(millions)	Budget Volume Variance	Incremental Volume Variance	Total Variance
Western Canadian Supplies	2.3	3.4	5.7
Peaking Supplies	0.0	10.3	10.3
Chicago Supplies	19.0	7.2	26.2
Delivered Supplies	0.7	119.3	138.0

a. Please confirm that the incremental volume variance for Delivered Supplies should read 137.3 instead of 119.3.

4. Ref: Exhibit Q4-2, Tab 1, Schedule 1, page 10 to 11 and Exhibit Q4-2, Tab 1, Schedule 1, Appendix A, page 1: Enbridge noted that the variance in pricing (for western Canadian supplies) combined with the increase in Chicago pricing contributed to approximately $25 million of the total variance.

   a. Please confirm that the bottom half of the table in Exhibit Q4-2, Tab 1, Schedule 1, Appendix A, page 1 are actual figures instead of estimated values.

   b. Board staff is unable to reconcile the variance amounts mentioned in the preamble above with the variance amounts in the table provided in Exhibit Q4-2, Tab 1, Schedule 1, Appendix A, page 1. Please provide this reconciliation.

5. Board staff also notes that Enbridge recalculated its utility price based upon a 21-day average of various indices from August 1, 2014 to August 29, 2014 for 12 months commencing on October 1, 2014. This results in a $3.724/GJ reference price at Empress. Board staff also notes that Union Gas Ltd.'s[1] recalculated utility price used a 21-day average from July 31, 2014 to August 29, 2014 which results in a reference price of $3.732/GJ also at Empress.

   a. Please confirm that this slight difference is the result of the timing underpinning the 21-day strip and the application of the foreign exchange rate.

[1] EB-2014-0208, Union Gas Limited, October 2014 QRAM application

Board staff has reviewed all other aspects of the application and supporting evidence and has no concerns with the evidence as filed.

Yours truly,

Original Signed by

Daniel Kim
Case Manager

cc: Andrew Mandyam, Enbridge Gas Distribution Inc.
All parties EB-2012-0459