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October 27, 2014

VIA RESS, EMAIL and COURIER

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli

Re: Enbridge Gas Distribution Inc. (the “Company” or “Enbridge”)
Ontario Energy Board File: EB-2014-0323
Dawn Access Application and Settlement Agreement

During Enbridge’s EB-2012-0451 GTA Project proceeding, the Company indicated that it would consult with customers regarding potential arrangements that would allow them to contract for service at the Dawn hub in Southwestern Ontario.

Stakeholder consultations concluded in October 2014 and resulted with the completion of a Settlement Agreement for submission to the Ontario Energy Board.

Enclosed please find Enbridge’s application for approval of the Dawn Access Settlement Agreement and supporting documentation.

Please contact the undersigned if you have any questions.

Yours truly,

(Original Signed_

Andrew Mandyam
Director, Regulatory Affairs & Financial Performance

EXHIBIT LIST

A – ADMINISTRATIVE

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ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c. 15, Sched. B, as amended;

AND IN THE MATTER OF an Application by Enbridge Gas
Distribution Inc. for an Order or Orders pursuant to section
36 of the *Ontario Energy Board Act, 1998* in relation to a
Settlement Agreement dated October 10, 2014.

APPLICATION

1. The Applicant, Enbridge Gas Distribution Inc. (“Enbridge”), is an Ontario corporation with its head office in Toronto, Ontario. It carries on the business of selling, distributing, transmitting and storing natural gas within Ontario.
2. Enbridge hereby applies to the Ontario Energy Board (the “Board”), for an Order or Orders pursuant to section 36 of the *Ontario Energy Board Act, 1998*, as amended (the “Act”), in relation to a Settlement Agreement dated October 10, 2014 (the “Settlement Agreement”) that sets out the terms on which customers of Enbridge will be given access to service at the Dawn hub in Southwestern Ontario (“Dawn”).
3. In its EB-2012-0451 Decision and Order issued on January 30, 2014, the Board granted leave to construct for Enbridge’s GTA Project. During the course of the EB-2012-0451 proceeding, Enbridge indicated that it would consult with customers regarding potential arrangements that would allow them to contract for service at a liquid delivery point, such as Dawn.

4. The consultations referred to during the EB-2012-0451 proceeding were initiated on June 6, 2014 and culminated with the Settlement Agreement. The Settlement Agreement provides for a two-phase implementation of access to service at Dawn for bundled customers of Enbridge. Phase 1 can be implemented, subject to the terms set out in the Settlement Agreement, upon Board approval of the Settlement Agreement. Phase 2, which involves the introduction by Enbridge of a new Dawn Delivery T-Service ("DTS"), can be implemented only when certain preconditions, as set out in the Settlement Agreement, have been met.
5. Given that Dawn is outside Enbridge's franchise areas, Enbridge must make appropriate contractual arrangements with Union Gas Limited (Union) and TransCanada PipeLines Limited ("TCPL") in order to implement the Settlement Agreement and provide customers with access to service at Dawn. The Settlement Agreement, if approved by the Board, will establish a process for Enbridge to determine the services from Union and TCPL that will be needed by Enbridge to meet the demand of its customers for service at Dawn.
6. The Settlement Agreement also provides for Enbridge to recover the costs of implementing DTS from bundled customers and for those costs to be recorded in a deferral account, the Dawn Access Costs Deferral Account ("DACDA").
7. Enbridge therefore applies to the Board for such final, interim or other Orders and Accounting Orders as may be necessary or appropriate for the following purposes:
 - (a) approving the Settlement Agreement;
 - (b) approving the methodology for the calculation of the DTS charge, as set out in the Settlement Agreement;

- (c) approving the establishment of the DACDA for the purpose of recording costs incurred by Enbridge in order to implement DTS; and
 - (d) approving such further and other relief as may be necessary or appropriate to give effect to the terms of the Settlement Agreement.
- 8. Enbridge further applies to the Board, pursuant to the provisions of the Act and the Board's *Rules of Practice and Procedure*, for such final, interim or other Orders and directions as may be appropriate in relation to the Application and the proper conduct of this proceeding.
- 9. Enbridge requests that a copy of every document filed with the Board in this proceeding be served on the Applicant and the Applicant's counsel, as follows:

The Applicant:

Mr. Andrew Mandyam
Director, Regulatory Affairs and Financial Performance
Enbridge Gas Distribution Inc.

Address for personal service: 500 Consumers Road
Willowdale, Ontario. M2J 1P8

Mailing address: P.O. Box 650
Scarborough, Ontario. M2J 1P8

Telephone: 416-495-5499 or 1-888-659-0685

Fax: 416-495-6072

Email: EGDRRegulatoryProceedings@enbridge.com

The Applicant's counsel:

Mr. Fred D. Cass
Aird & Berlis LLP

Address for personal service: Brookfield Place, P. O. Box 754
Suite 1800, 181 Bay Street
Toronto, Ontario. M5J 2T9

Telephone: 416-865-7742

Fax: 416-863-1515

Email: fcass@airdberlis.com

DATED at Toronto, Ontario, October 27, 2014.

ENBRIDGE GAS DISTRIBUTION INC.

(ORIGINAL SIGNED)

Per: _____

Andrew Mandyam

Director, Regulatory Affairs and
Financial Performance
Enbridge Gas Distribution Inc.

CURRICULUM VITAE OF
ROB DiMARIA

Experience: Enbridge Gas Distribution Inc.

Senior Manager, Manager Key Customer Contract Management
2014

Manager, Key Accounts and Vendor Relationships
2009

Account Executive
2006

Senior Marketing Specialist
2003

Residential Program Manager
2001

Senior Analyst, Planning and Evaluation
2000

Rate Research Analyst
1998

Plant Accounting Chief Clerk
1994

Accounting Trainee
1992

Education: Bachelor of Administration, Business Management, Athabasca University
Diploma in Accounting and Financial Management, Centennial College

Appearances: (Ontario Energy Board)
EB-2001-0032

CURRICULUM VITAE OF
M. CRAIG FERNANDES

Experience: Enbridge Gas Distribution Inc.

Senior, Manager Business Development Strategy
2014

Senior Manager, Regulatory, GTA Project
2013

Manager, Regulatory Project Development
2011

Senior Project Manager, Major Reinforcements
2010

Manager, Operations Projects
2009

Senior Project Manager, Operations Solutions
2006

Program Manager, Energy Technology
2005

Celestica Inc.

Global Pricing Advisor
2003

Senior Regional Cost Engineer
2002

Financial Cost Engineer
2000

Manufacturing Engineering Team Leader
1999

Senior Associate Prototype Engineer
1997

Carrier Canada Ltd.

Automation Controls Specialist
1995

Customer Service Representative
1994

Education: Bachelor of Applied Science, Mechanical Engineering,
University of Waterloo, 1993

Masters of Business Administration
University of Toronto, 1999

Memberships: Association of Professional Engineers Ontario, 1997

Appearances: (Ontario Energy Board)
EB-2011-0354
EB-2013-0451

CURRICULUM VITAE OF
MATTHEW KIRK

Experience: Enbridge Gas Distribution Inc.

Cost Allocation Manager, Regulatory Affairs
2012

Senior Rate Design Analyst, Regulatory Affairs
2010

Rate Design Analyst, Regulatory Affairs
2009

Market Analyst, Economic and Market Analysis
2006

Education: Master of Arts (Economics)
Wilfrid Laurier University, 2006

Bachelor of Arts (Honours Economics)
McMaster University, 2005

Memberships: Canadian Association of Business Economists (CABE)

Appearances: (Ontario Energy Board)

EB-2014-0195

EB-2013-0046

EB-2012-0459

EB-2012-0055

EB-2011-0354

(Régie de L'Energie)

R-3884-2014

R-3840-2013

R-3793-2012

CURRICULUM VITAE OF
IAN B. MACPHERSON

Experience: Enbridge Gas Distribution Inc.

Director, Analytics & Business Development
2013

Senior Manager Storage Development
Energy Supply & Analysis
2011

Senior Manager Strategic Planning
Strategy Research and Planning
2010

Senior Manager Direct Purchase
Customer Care
2008

Manager Contract Relationships
Strategic & Key Accounts
2006

Senior Account Executive
Strategic & Key Accounts
2001

Energy Solutions Consultant
Operations
1998

Project Engineer
Operations
1995

Education: Bachelor of Science (Mechanical Engineering)
Queen's University, Ontario, Canada, 1991
Certified Industrial Gas Consultant (CIGC)

Memberships: Professional Engineers Ontario

APPROVALS REQUESTED

1. As indicated in the Application at Exhibit A, Tab 2, Schedule 2, Enbridge Gas Distribution Inc. ("Enbridge") is seeking approval from the Ontario Energy Board (the "Board") of the settlement agreement found at Exhibit B, Tab 2, Schedule 1. The settlement agreement details the new service created by Enbridge and made available to eligible customers for the purpose of providing access to natural gas supply at the Dawn hub in southwestern Ontario. The resulting Dawn Transportation Service ("DTS") will be made available to Direct Purchase bundled customers in a two phased approach as explained within the attached settlement agreement. Implementation of DTS requires certain functionality within Enbridge's EnTRAC application and other information technology systems to be developed or adjusted in advance of the dates of this service offering.
2. Approval of DTS and the Settlement Agreement does not entail Board approval of the specific transportation charge and level of costs to be used in the development and offering of this transportation service. Rather, Enbridge is seeking approval of the manner in which the transportation charge and types of costs are to be included in the DTS in the future as set out in the settlement agreement.
3. The settlement agreement indicates that the revenue requirement associated with the costs of required system changes necessary to implement DTS are to be recovered by Enbridge from bundled customers. In order to commence with the work necessary to accommodate the system changes required for DTS and to have an account for recording the recoverable revenue requirement amounts, Enbridge is seeking approval to establish a 2015 Dawn Access Costs Deferral Account, ("DACDA").

4. The system changes necessary to create and administer this service need to undergo development, testing and integration sufficiently in advance of the planned November 2017 implementation date. The expected timeline for the system development and testing is approximately 21 months.
5. Development and implementation of DTS also requires direct purchase ("DP") customers to elect to receive the transport service (reference section 2.2 Phase 2 Election) and for the company to acquire additional upstream transportation capacity, if required, to meet DP customer demand for DTS. Acquisition of extra upstream transportation is dependent on New Capacity Open Seasons ("NCOS") from TransCanada and Union Gas that are expected to occur late in 2014 or early 2015. It is necessary, and Enbridge plans to, commence the election process prior to the Board having sufficient time to review this application. However, Enbridge could potentially need to bid into the NCOS from TransCanada and/or Union as early as January 2015 and would not be in a position to bid on new capacity without the Board approving of the settlement agreement and the methodology for the calculation of the DTS transportation charge in advance of January, 2015. The impact of a delay would mean the potential for a material portion of the customer demand for DTS would not be met for the November 2017 DTS implementation date.
6. As outlined in the Stakeholder Final Presentation found at Exhibit B, Tab 2, Schedule 1, Appendix B, the expected incremental demand for DTS would include all DTS demand in the Enbridge EDA, plus a significant portion of demand from the Enbridge CDA. Based on DP customer interest expressed to date, the demand is expected to be significantly greater than 200,000 GJ/d. An illustrative example on slide 27 of the Stakeholder Final Presentation (Exhibit B, Tab 2, Schedule 1, Appendix B) shows potential demand at 360,000 GJ/d, which, based on results of a

DP customer survey of interest undertaken in 2014, is a reasonable forecast, but actual demand will only be determined once the Phase 2 election process has been completed. Without incremental transportation, the implementation of DTS would be limited to 200,000 GJ/d in capacity for the Enbridge CDA that was contemplated as part of the GTA Project. This would, in effect, push out the entire timeline for implementation of many of the key items within the settlement agreement.

This would also require additional effort with stakeholders in order to come to terms on how to allocate the limited capacity in 2017 and to transition customers unmet demand to DTS once the transport was actually available at some later date (2018 or beyond). Enbridge believes the service will provide a significant economic benefit to customers as compared to other alternatives, and believes the customer base is in agreement, as evidenced by the significant support for the settlement.

7. In order for DTS to be fully implemented by November 2017 and benefits of the service to be flowing to eligible customers, fulfillment of the intent of the settlement agreement would be greatly assisted were the Board be able to consider and approve the agreement and specific approval requests by December 15 to 19, 2014. This would allow Enbridge to focus on assisting DP customers in the election process, and allow for Enbridge to bid on the required capacity to meet customer demand for the DTS in 2017.
8. As explained within the settlement agreement found at Exhibit B, Tab 2, Schedule 1, a working group was established consisting of Enbridge representatives, a Board Staff representative, and a variety of representatives from the stakeholder community. The product of the working group meetings, which took place from June 2014 through September 2014, was the development of the settlement agreement for which Enbridge is seeking Board approval. The agreement was presented and explained by the working group to a broader

stakeholder group inclusive of all current Direct Purchase / Transportation service customers on September 24, 2014. Parties in attendance at the broader stakeholder meeting were asked to indicate to Enbridge, in early October 2014, their position (i.e. support, oppose or no position) with respect to the settlement agreement. Enbridge has received at this time, thirty-four communications of support of the agreement and seven communications of no position and zero communications of opposition to the agreement.

SETTLEMENT AGREEMENT

ENBRIDGE GAS DISTRIBUTION INC.

DAWN ACCESS SETTLEMENT

OCTOBER 22, 2014

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I. BACKGROUND AND CONTEXT

In its EB-2012-0451 Decision and Order issued on January 30, 2014, the Ontario Energy Board (the "Board") granted leave to construct to Enbridge Gas Distribution Inc. ("Enbridge") for Enbridge's GTA Project. The GTA Project was approved by the Board in the EB-2012-0451 Decision and Order. Segment A of the GTA Project will extend from the Parkway gate station to the Albion Road station, at which point TransCanada PipeLines Limited ("TCPL") proposes to construct further downstream facilities (the "Downstream Infrastructure")¹ that will connect the Albion Road station to TCPL's existing facilities.

During the course of the EB-2012-0451 proceeding, Enbridge led evidence indicating that 200,000 GJ/day of capacity on Segment A of the GTA Project pipeline will be made available to direct purchase customers. In response to a question about whether Enbridge would be prepared to modify its arrangements with customers to allow them to contract for service at a liquid delivery point, such as the Dawn hub in Ontario ("Dawn"), Enbridge said that it would consult with customers regarding appropriate delivery arrangements.²

On June 6, 2014, Enbridge initiated the consultative referred to during the EB-2012-0451 proceeding by issuing a letter to stakeholders inviting them to attend the first meeting of the consultative (the "Dawn Access Consultative") on June 23, 2014. The first meeting of the Dawn Access Consultative proceeded on June 23, 2014 and the consensus of the participants in the meeting was that a smaller group (the "Working Group") should be created. It was agreed that the Working Group would continue discussions about the basis upon which Enbridge's customers can be provided with access to service at Dawn and that the Working Group would report back to the broader group of participants (the "Consultative Group").

At the meeting of the Dawn Access Consultative on June 23, 2014, the Working Group was established. In addition to representatives of Enbridge and a representative from Board staff, the Working Group includes one representative from each of the following:

Aegent Energy Advisors Inc. (Aegent);
Association of Power Producers of Ontario (APPRO);
Building Owners and Managers Association Greater Toronto (BOMA);
Canadian Manufacturers & Exporters (CME);
Direct Energy Marketing Limited (Direct);
ECNG Energy L.P. (ECNG);
Federation of Rental-Housing Providers of Ontario (FRPO);
Housing Services Corporation
Industrial Gas Users Association (IGUA); and
Just Energy Ontario L.P. (Just Energy).

The Working Group met on July 16, 2014, July 30, 2014, August 15, 2014, and September 3, 2014 to discuss the basis upon which Enbridge's customers may be allowed to contract for service at Dawn. At the conclusion of the final meeting of the Working Group on September 3, 2014, agreement had been reached with regard to the terms on which Dawn access will be offered by Enbridge to its customers.

¹ For greater clarity, the Downstream Infrastructure includes TCPL's Kings North Project, and TCPL's Maple Extension.

² EB-2012-0451 (also EB-2012-0433, EB-2013-0074) Transcript, Volume 9, October 10, 2013, pages 29-31.

The Working Group reported back to the Consultative Group about the agreement that had been reached by the Working Group. A list of the participants in the Consultative Group is attached at Appendix A to this Settlement Agreement.

A meeting of the Consultative Group was held on September 24, 2014, and at that meeting the Consultative Group accepted and agreed to the conclusions reached by the Working Group regarding the terms on which Dawn access will be offered by Enbridge to its customers. The terms agreed to by both the Working Group and the Consultative Group (the "Dawn Access Settlement") are set out in this Settlement Agreement, under heading III, "Terms of Dawn Access Settlement

II. SETTLEMENT PREAMBLE

As set out above under heading I, "Background and Context", the parties to the Dawn Access Consultative have reached agreement on the Dawn Access Settlement. The facts supporting the Dawn Access Settlement are found in the record of information exchanged and discussed at, or in conjunction with, the meetings of the Dawn Access Consultative, including meetings of the Consultative Group and of the Working Group. The parties are of the view not only that this record supports the Settlement Agreement but also that the quality and detail of the record, together with the corresponding rationale set out in Appendix B to this Settlement Agreement, will allow the Board to accept the settlement. Further context is provided within the "Executive Summary" document that was presented to the Consultative Group on September 24, 2014, and which is attached as Appendix C to this Settlement Agreement.

Board staff has attended meetings during the consultative process, but it is not a party to this Settlement Agreement. Although it is not a party to the Settlement Agreement, once the Settlement Agreement is filed in a future proceeding, Board staff will file a submission with the Board commenting on two aspects of the settlement: whether the settlement represents an acceptable outcome from a public interest perspective, and whether the accompanying explanation and rationale is adequate to support the settlement.

The parties to the settlement all agree that this Settlement Agreement is a package: the individual aspects of the settlement are inextricably linked to one another and none of the parts of the settlement are severable. Thus, Phases 1 and 2 of the Dawn Access Settlement, as described below under III, "Terms of Dawn Access Settlement", are linked elements of the package settlement and are not severable from one another.

Given the package settlement that has been reached by the parties, there is no agreement among the parties to settle any aspect of the issues addressed in this Settlement Agreement in isolation from the balance of the issues addressed herein. The parties agree, therefore, that, in the event that the Board does not accept this Settlement Agreement in its entirety, then there is no agreement.

While the consultative process under which this settlement was reached was not formally initiated by the Board under Rule 29 of the Ontario Energy Board Rules of Practice and Procedure, the parties agree that it is appropriate that Rules 29.09, 29.10 and 30 apply to the settlement process and this Settlement Agreement.

III. TERMS OF DAWN ACCESS SETTLEMENT

The parties to the Dawn Access Settlement have agreed that the basis upon which Enbridge's customers will be provided with access to service at Dawn will be addressed in two phases. The first phase ("Phase 1") can be implemented, subject to the terms set out below, when the Board has approved this Settlement Agreement and the GTA Project has been put into service. Subject only to the Transition described below, the second phase of the Dawn Access Settlement ("Phase 2") cannot be implemented until the Downstream Infrastructure has been put into service and other related events (collectively, the "Phase 2 Preconditions") have occurred.

The Phase 2 Preconditions are as follows:

- (a) as stated, the Downstream Infrastructure must be in service;
- (b) Enbridge must have acquired the natural gas transportation services from Union Gas Limited, or TCPL, or both, that Enbridge needs in order to implement a bundled Dawn Delivery T-Service ("DTS");
- (c) Enbridge must have completed system changes to EnTRAC, CIS and Open Link required to accommodate DTS and other future transportation services;³ and
- (d) Enbridge must have received approval of the Board for recovery from customers of the costs of implementing DTS, including particularly the costs of required system changes.

Enbridge will seek to fulfill part (b) of the Phase 2 Preconditions in a manner that will allow Enbridge to proceed directly to full implementation of Phase 2. However, in the event that, initially, the transportation services that Enbridge is able to acquire are not sufficient to support full implementation, Enbridge may proceed with a partial implementation of Phase 2 followed by a transition (the "Transition") to full implementation as Enbridge is able to acquire the transportation services needed to support full implementation. Subject to the Transition, all of the Phase 2 Preconditions must be fulfilled in order for Enbridge to implement Phase 2 of the Dawn Access Settlement.

The terms of Phase 1 and Phase 2 of the Dawn Access Settlement are set out under the sub-headings that follow.

(1) Phase 1

1.1 Eligibility

Phase 1 of the Dawn Access Settlement will allow access at Dawn⁴ only to current Ontario T-service customers taking bundled service ("Phase 1 Eligible Customers") and only in respect of deliveries of natural gas by or on behalf of Phase 1 Eligible Customers to TCPL's Central Delivery Area ("CDA") for Enbridge.

³ With respect to future transportation services, see section 2.5, "Other Transportation Services", below.

⁴ Access to Dawn will be provided by way of Assignments of capacity under section 1.5, below.

The total Mean Daily Volume (“MDV”) for delivery into the CDA in 2015 by or on behalf of all Phase 1 Eligible Customers⁵ is the Eligible Volume (“Eligible Volume”) for the purposes of the Phase 1 Election described in section 1.3 below.

1.2 Apportionment

As stated under heading I, “Background and Context”, above, the total Segment A capacity that Enbridge will make available to direct purchase customers is 200,000 GJ/day. For the purposes of Phase 1, a determination will be made of the total amount of this capacity to be apportioned to Phase 1 Eligible Customers (the “Phase 1 Apportionment”). The Phase 1 Apportionment will be subject to a limit of 149,818 GJ/day and in no event will the amount of capacity apportioned to Phase 1 Eligible Customers during Phase 1 exceed 149,818 GJ/day.⁶

The Phase 1 Apportionment will be determined by apportioning a share of the 200,000 GJ/day to Phase 1 Eligible Customers based on the relative proportion that the Eligible Volume bears to the total MDV for delivery into the CDA in 2015 by or on behalf of all Phase 1 Eligible Customers and all Western T-service customers. In other words, the Phase 1 Apportionment will be determined on the basis of the following calculation:

1.2.1 sum the Eligible Volume and the MDV for all Western T-service customers⁷ delivered into the CDA to arrive at a total (“Total MDV”);

1.2.2 calculate the ratio (“Apportionment Ratio”) of the Eligible Volume to the Total MDV;

1.2.3 multiply the Apportionment Ratio by 100 to express the Phase 1 Apportionment as a percentage (the “Phase 1 Apportionment Percentage”); and

1.2.4 multiply the Phase 1 Apportionment Percentage by 200,000 GJ/day to produce the Phase 1 Apportionment.

The Eligible Volume and the Phase 1 Apportionment will be calculated using February 1, 2015 system values, which include actual MDV amounts at that time.

For illustrative purposes only, an example of the calculation of the Phase 1 Apportionment would start with a Total MDV in 2015 (the sum of the Western T-Service MDV and the CDA MDV for all Phase 1 Eligible Customers), which, for the purposes of the example, is assumed to be 375,771 GJ/day. The Eligible CDA Volume is assumed to be 279,250 GJ/day and thus the Ratio, calculated on the basis of this example, would be 0.743. The Phase 1 Apportionment Percentage in the example is 74.3% and the Phase 1 Apportionment is 74.3% multiplied by 200,000 GJ/day, or 148,628 GJ/day.

⁵ As set out below in section 1.2, “Apportionment”, the total MDV for delivery into the CDA by or on behalf of all Phase 1 Eligible Customers will be calculated using February 1, 2015 system values which include actual MDV amounts at that time.

⁶ The total amount of Dawn/CDA Capacity held under contract by Enbridge is 149,818 GJ/day. Limiting the Phase 1 Apportionment to no more than 149,818 GJ/day ensures that the total amount of the Assignments made under section 1.5 of this agreement cannot exceed the Dawn/CDA Capacity held by Enbridge.

⁷ To be calculated using February 1, 2015 system values which include actual MDV amounts at that time.

The following table outlines the calculation described above.

Table 1: Illustrative example of the Phase 1 Apportionment

Acceptance Point	CDA MDV (G/J)	Proportions	Apportionment
Ontario	279,250	74.3%	148,628
Western	96,521	25.7%	51,372
Grand Total	375,771	100.0%	200,000

1.3 Phase 1 Election

Enbridge has contracted with TCPL for short haul firm transportation capacity from Dawn to the CDA (“Dawn/CDA Capacity”). Phase 1 Eligible Customers will be given an opportunity to make a binding election (the “Phase 1 Election”) to receive a temporary assignment from Enbridge of Dawn/CDA Capacity for an amount of capacity that will be determined by means of an allocation of the Phase 1 Apportionment to Phase 1 Eligible Customers (an “Allocation”). The process for Phase 1 Eligible Customers to make the Phase 1 Election will be as follows:

1.3.1 Enbridge will send an email invitation (the “Phase 1 Election Notice”) by February 28, 2015 to each Phase 1 Eligible Customer under a Master Services Agreement (“MSA”) that is active at that time with a form of application to be completed by Phase 1 Eligible Customers who wish to make the Phase 1 Election for an Allocation of the Phase 1 Apportionment;

1.3.2 Enbridge will make an estimate (the “Estimate”) of the Phase 1 Apportionment based on information about the Eligible Volume and the February 1, 2015 calculated Total MDV and, in the Phase 1 Election Notice, Enbridge will provide examples of the amount of the Phase 1 Apportionment that would be allocated to representative Phase 1 Eligible Customers should the actual Phase 1 Apportionment be equal to the Estimate and in scenarios where: (a) the Phase 1 Election is made by Phase 1 Eligible Customers representing 100% of the Eligible Volume; and (b) the Phase 1 Election is made by Phase 1 Eligible Customers representing 80% of the Eligible Volume;

1.3.3 The Phase 1 Election Notice will require the Phase I Eligible Customer to indicate the MDV in respect of which it wishes to receive a temporary assignment of capacity (up to a maximum of 100% of the Phase I Eligible Customer’s February 1, 2015 MDV) and will specify credit information to be provided by Phase 1 Eligible Customers making the Phase 1 Election, in accordance with Enbridge’s credit requirements for an assignment of capacity such as that described in section 1.5, below;

1.3.4 Phase 1 Eligible Customers who wish to make the Phase 1 Election must submit the completed election form, and the required credit information, to Enbridge and a Phase 1 Election by a Phase 1 Eligible Customer will be effective if and only if the duly completed form,

as well as the required credit information, for the Phase 1 Eligible Customer are received by Enbridge no later than April 15, 2015;

1.3.5 Phase 1 Eligible Customers who do not make the Phase 1 Election in accordance with section 1.3.4 above will not receive an Allocation under section 1.4 below and will not receive or be entitled to any Assignment under section 1.5 below; and

1.3.6 Enbridge will send to each Phase 1 Eligible Customer that makes the Phase 1 Election an email acknowledgment of receipt of the application form and credit information, but a Phase 1 Eligible Customer's Election will not become valid and operative until Enbridge has completed its assessment of the Phase 1 Eligible Customer's credit information.

1.4 Allocation

Following the receipt of Phase 1 Elections from Phase 1 Eligible Customers under section 1.3 above, Enbridge will complete its assessment of the credit information provided by each Phase 1 Eligible Customer making a Phase 1 Election. Each Phase 1 Election that complies with the requirements of the Election process set out under section 1.3 and that meets Enbridge's credit requirements for an Assignment such as that described in section 1.5, below, will be a valid Election ("Valid Election"). Enbridge will make an Allocation of the Phase 1 Apportionment to each Phase 1 Eligible Customer that has made a Valid Election (an "Electing Customer"), based on the total volume represented by all Valid Elections (the "Total Elected Volume").

As stated in section 1.2, "Apportionment", above, the Eligible Volume and the Phase 1 Apportionment will be determined by Enbridge in February 2015. The Phase 1 Apportionment will be allocated by Enbridge to Electing Customers in the following manner:

1.4.1 determine the Total Elected Volume;

1.4.2 calculate the ratio (the "Allocation Ratio") of the volume represented by each Valid Election to the Total Elected Volume to produce an Allocation Ratio for each Electing Customer;

1.4.3 multiply the Allocation Ratio for each Electing Customer by 100 to express each Allocation Ratio as a percentage (the "Electing Customer's Allocation Percentage"); and

1.4.4 multiply each Electing Customer's Allocation Percentage by the Phase 1 Apportionment to produce the allocation of capacity to each Electing Customer ("Electing Customer's Allocation").

1.5 Assignment

In order to give effect to Phase 1 of the Dawn Access Settlement, Enbridge will assign Dawn/CDA Capacity to Electing Customers up to a total amount that is the equivalent of the Phase 1 Apportionment.⁸

⁸ The total amount of Dawn/CDA Capacity held under contract by Enbridge is 149,818 GJ/day. Limiting the Phase 1 Apportionment to no more than 149,818 GJ/day ensures that the total amount of the Assignments made under section 1.5 of this agreement cannot exceed the Dawn/CDA Capacity held by Enbridge.

More specifically, Enbridge will make an Assignment of Dawn/CDA Capacity ("Assignment") to each Electing Customer and the amount of capacity assigned to each Electing Customer will be the Electing Customer's Allocation.

Customers making a Phase 1 Election and receiving an Assignment of capacity will be responsible for payment of the cost of the transport capacity directly to the transportation service provider. Enbridge will not recover any other amounts, and therefore the Assignment will be on a cost recovery basis.

For the purposes of making Assignments to Electing Customers, Enbridge will provide the following to the contact designated under each Electing Customer's MSA (the "Designated Contact"):

1.5.1 by May 15, 2015, email notification of the amount of Dawn/CDA Capacity to be assigned to the Electing Customer; and

1.5.2 by June 30, 2015, Assignment documents that must be signed by or on behalf of the Electing Customer to give effect to the Assignment to that Electing Customer.

The Assignment documents signed by or on behalf of each Electing Customer must be returned to Enbridge by August 15, 2015. Following receipt of an Electing Customer's signed Assignment documents, Enbridge will execute the documents and return a fully executed Assignment to the Electing Customer's Designated Contact.

Each and every Assignment will be made in accordance with and subject to TCPL's standard assignment terms. No sub-assignment or transfer in any manner of assigned Dawn/CDA Capacity by an Electing Customer will be permitted, except with the prior, written consent of Enbridge. Any violation by an Electing Customer of this requirement for prior, written consent from Enbridge will result in immediate termination of the Assignment to that Electing Customer and of the Electing Customer's eligibility for any Assignment for the remainder of the term of Phase 1 of the Dawn Access Settlement.

1.6 Term/Duration

Following the Apportionment, Election, Allocation and Assignment process described above, Phase 1 of the Dawn Access Settlement will be in effect for two years from November 1, 2015 to October 31, 2017 (the "Term"). The Phase 1 Apportionment and each Electing Customer's Allocation, as determined under sections 1.1 to 1.4, above, will remain unchanged during the Term. Electing Customers who receive an Assignment in respect of the first year of the Term will receive the same Assignment again for the second year of the Term (that is an Assignment based on the respective Electing Customer's Allocation determined in respect of the first year of the Term), and there will be no new or additional Assignments in respect of the second year of the term.

1.7 Limitations

The agreement of Enbridge during the term of Phase 1 of the Dawn Access Settlement is limited to affording Dawn access by means of the Assignments described above under 1.5 "Assignment", above, and, during Phase 1, Enbridge assumes no further or other obligation or liability to customers in respect of access at Dawn or any other new or enhanced services.

(2) Phase 2

The full implementation of Phase 2 of the Dawn Access Settlement is subject to fulfillment of the Phase 2 Preconditions and the Transition set out above. When the Phase 2 Preconditions have been met, Enbridge will proceed to full implementation of DTS (which, as stated above, is a bundled Dawn Delivery T-Service) or it will proceed with the Transition. DTS will be an additional direct purchase transportation service, with a delivery point at Dawn, that will be in addition to transportation services currently described in Part II of Enbridge's Rate Handbook.

In order to implement DTS, Enbridge's Rate Handbook will be amended to include appropriate language describing the service. Enbridge expects that the language to be added to the Rate Handbook, Part II, Section B, will be similar to the following wording:

E. Dawn Delivery T-Service Arrangements

In a Dawn Delivery T-Service arrangement the Applicant contracts to deliver each day to the Dawn, Ontario natural gas market hub as the point of acceptance, the mean daily volume of gas plus fuel gas. Delivery from that point to the Terminal Location is carried out by the Company using capacity on facilities upstream of the distribution system and its gas distribution network.

Unbundled T-Service in Ontario is not available with the Dawn Delivery T-service⁹.

Delivery from the point of direct interconnection with the Company's gas distribution network to a Terminal Location served from the Company's gas distribution network may be obtained by the Applicant under the Bundled Service Rate Schedules.

Bundled T-Service is so called because all of the services required by the Applicant (delivery and load balancing) are provided for the prices specified in the applicable Rate Schedule. In a Bundled T-Service arrangement the Applicant contracts to deliver each day to the Company a Mean Daily Volume of gas. Fluctuations in the demand for gas at the Terminal Location are balanced by the Company.

2.1 Eligibility

For the purposes of Phase 2, all direct purchase customers of Enbridge are Phase 2 Eligible Customers¹⁰ and may submit a Phase 2 Election, under the provisions of section 2.2, below.

2.2 Phase 2 Election

Phase 2 Eligible Customers will be given an opportunity to make a binding election to change their transportation service arrangements to Ontario Delivery T-Service arrangements, Western Delivery T-Service arrangements or DTS (collectively, "Transportation Services" and individually, "Transportation Service"). The process for Phase 2 Eligible Customers to make the Phase 2 Election will be as follows:

⁹ DTS is proposed to be a bundled service. Enbridge has agreed to continue consultation with stakeholders for unbundled service(s) that may be similar in nature to the Dawn T-service described. The result of the consultative process for unbundled service(s) will be communicated at a later date.

¹⁰ Note that, although all direct purchase customers are Phase 2 Eligible Customers, the DTS to be implemented by Enbridge under Phase 2 is a bundled service and thus the DTS will be appropriate only for customers willing to elect for a bundled service.

2.2.1 Enbridge will send an email invitation (the “Phase 2 Election Notice”) no later than May 31, 2015 and no earlier than November 1, 2014, to the Designated Contact for each Phase 2 Eligible Customer under a MSA that is active at that time with an election form to be completed by Phase 2 Eligible Customers who wish to make a change to their Transportation Services. The date of issue of the Phase 2 Election Notice will be referenced as the Phase 2 Election Start Date;

2.2.2 Phase 2 Eligible Customers who wish to make the Phase 2 Election must submit the completed election form to Enbridge and a Phase 2 Election by a Phase 2 Eligible Customer will be effective if and only if the duly completed form for the Phase 2 Eligible Customer is received by Enbridge no later than the next business day following the date that is 6 calendar weeks from the Phase 2 Election Start Date;

2.2.3 Enbridge will send to each Phase 2 Eligible Customer that makes the Phase 2 Election an email acknowledgment of receipt of the application form;

2.2.4 Phase 2 Eligible Customers who do not make a Phase 2 Election will be deemed to have elected to remain on their existing Transportation Services, subject to the minimum threshold for continuance of a Transportation Service set out in section 2.3.1, below;

2.2.5 Enbridge will calculate the results of the Phase 2 Election process and will determine if the requested demand for each category of Transportation Service meets the minimum threshold to continue or offer the particular Transportation Service, as set out in sections 2.3.1 and 2.3.2, below;¹¹

2.2.6 Enbridge will notify Phase 2 Eligible Customers regarding the results of the Phase 2 Election process by the next business day following the date that is 11 calendar weeks from the Phase 2 Election Start Date;

2.2.7 For Phase 2 Eligible Customers that elect to change their Transportation Services, the change will be effective on the later of November 1, 2017 (subject to the Phase 2 Preconditions and the Transition) and their current pool renewal date; and

2.2.8 Entrac Transaction Rules will continue to apply to customers and agents contracting for direct purchase services.

2.3 Thresholds for Offering or Continuing a Transportation Service

2.3.1 Enbridge will continue to offer an existing bundled Transportation Service only if there is at least a minimum threshold volume of 25,000 GJ/day¹² for that service;

2.3.2 Enbridge will offer a new bundled transportation service, such as DTS, only if there is at least a minimum threshold volume of 50,000 GJ/day for that bundled service;

2.3.3 If, after completion of the process for the Phase 2 Election set out in section 2.2, above, the volume for a Transportation Service does not meet the applicable minimum threshold under

¹¹ As to the minimum threshold for continuation of a Transportation Service, see section 2.4, “Other Transportation Services”, below.

¹² The threshold of 25,000 GJ/day will be measured as the total of the MDV for all customers seeking to utilize a particular Transportation Service.

section 2.3.1 or section 2.3.2, above, Enbridge will discontinue, or not offer, each Transportation Service that does not meet the threshold;

2.3.4 In the event that a Transportation Service is to be discontinued, customers remaining on that service or who have elected that service will be given no less than two years' notice of the discontinuation of the service and such notice will provide the customers with an opportunity to opt for another Transportation Service offered at the relevant time by Enbridge (the "Change of Service Option"); and

2.3.5 If a customer fails to exercise the Change of Service Option, the customer will be deemed to have elected DTS, subject to DTS meeting the minimum threshold volume for a new service (which Enbridge fully expects to happen) and subject to the Transition.

2.4 End of Assignments

The following assignments will cease as at the time of full implementation of Phase 2:¹³

2.4.1 all Assignments under section 1.5, "Assignment", above;¹⁴ and

2.4.2 all assignments under the provisions of the System Reliability Settlement Agreement in Board proceeding EB-2010-0231.¹⁵

2.5 Other Transportation Services

Subject to the minimum threshold volumes set out in sections 2.3.1 and 2.3.2 above, DTS will be offered in addition to the two existing Transportation Services currently provided by Enbridge, namely, Ontario Delivery T-Service arrangements and Western Delivery T-Service arrangements, as described in Enbridge's Rate Handbook, Part II, Section B. Other than as expressly stated in this Dawn Access Settlement Agreement, implementation of Phase 2 will not affect the two Transportation Services currently offered by Enbridge.

In addition, Enbridge will modify its business systems in a manner that will accommodate future market access to additional transportation services from liquid market hubs. Enbridge will remain in communication with customers about the demand for additional transportation services and, if demand emerges for at least 50,000 GJ/day of transportation service¹⁶ from an additional liquid market hub, Enbridge will respond by consulting with market participants about the implementation of such a transportation service.

¹³ Note that, as set out above, Phase 2 will only be fully implemented when the Transition, if needed, has been completed.

¹⁴ The Assignments made under Phase 1 of the Dawn Access Settlement (that is, assignments of Dawn/CDA Capacity) are intended to effect an equivalent outcome to DTS (that is, a bundled direct purchase transportation service with a delivery point at Dawn) during the term of Phase 1. When DTS is fully implemented in Phase 2, the basis for Phase 1 Assignments will no longer exist.

¹⁵ The System Reliability Settlement Agreement is attached as Appendix A to the Board's EB-2012-0231 Decision and Order dated August 26, 2010.

¹⁶ As stated in section 2.3.2 above, the minimum threshold volume for a new transportation service to be offered by Enbridge is 50,000 GJ/day.

2.6 Transportation Charges for DTS

Costs will be recovered for DTS through a transportation unit rate derived as described below and charged to DTS customer bills through a Dawn to Enbridge Transportation Charge:

2.6.1 the unit rate will include all costs associated with providing DTS, including but not limited to the costs of transportation acquired by Enbridge from other service providers for the purposes of DTS and the proportionate cost of capacity on Segment A of the GTA Project required for the purposes of DTS;

2.6.2 the unit rate will recover only costs associated with providing DTS; and

2.6.3 the total costs associated with providing DTS will be recovered over the total volumes of DTS and all DTS customers will be charged the same transportation unit rate, regardless of their physical location within Enbridge's franchise areas.

The unit rate based on the total costs associated with providing DTS will be charged on bills rendered to customers taking DTS. The Dawn to Enbridge Transportation Charge will appear on Enbridge's portion of the customer's bill.

2.7 Recovery of Implementation Costs

One of the Phase 2 Preconditions is Board approval for recovery by Enbridge from customers of the costs of implementing DTS, including particularly the costs of required system changes. Prior to implementing Phase 2, Enbridge will apply to the Board for approval of recovery of these costs. All parties agree that Enbridge should recover the costs of implementing DTS from bundled customers because all bundled customers, regardless of whether they are system or direct purchase and regardless of the service to which they presently subscribe, have the option of taking DTS if they choose to do so.

Enbridge will determine the revenue requirement impact of implementing Phase 2 of the Dawn Access Settlement, including all incremental costs of implementation, and will record the revenue requirement impact in a Dawn Access Costs Deferral Account ("DACDA"). Recovery of the amount recorded in the DACDA will be allocated to the various rate classes based on the bundled annual deliveries of each rate class. This allocation method best matches the costs with the potential volumes customers will be flowing on the service, as well as the potential benefits customers will receive from the service. All parties support the establishment and operation of the DACDA, as described above.

In the event that Enbridge is not granted Board approval for recovery of the revenue requirement impact of implementing DTS, the implementation of DTS in accordance with this Settlement Agreement will not proceed and, subject to further agreement of the parties, the Dawn Access Settlement will be rendered null and void.

(3) Continuing Consultations

During the Working Group discussions, interest was expressed in some form of unbundled Dawn transport service or unbundled service changes. The Working Group recommended that a subset of stakeholder representatives continue to consult on unbundled service offering(s). Enbridge will continue to consult with the stakeholder representatives for unbundled customers. If new unbundled transport service(s) or unbundled transport service changes can be agreed

upon, Enbridge will review the proposed transport service(s) or transport service changes with affected parties and seek Board approval at the appropriate time.

IV. AGREEMENT OF THE PARTIES

All members of the Working Group agree with the settlement set out in this Settlement Agreement. The Company has received at this time, thirty-four communications of support of the agreement (including Working Group Members), seven communications of no position and zero communications of opposition to the agreement.

DATED at Toronto, Ontario, October 22, 2014.

Dawn Access Consultative Participants		
360 Energy	Delta Energy Services	Maple Leaf Foods Inc.
3M Canada	Direct Energy Marketing Limited	Metrolinx
Access Gas Services Inc.	E2 Energy Inc.	Navicomm Energy Group
Active Energy	ECNG Energy L.P.	Planet Energy Inc.
Ag Energy Co-op Ltd	Emerald Energy From Waste Inc.	Portlands Energy Centre
Aegent Energy Advisors Inc.	Energy Probe Research Foundation	Purdue Pharma Canada
Aleris International. Inc	Enwave Energy Corporation	RBC Capital Markets
Alta Gas Ltd.	Extrudex Aluminum	Repsol Energy Canada Ltd
Apotex Inc.	Fermar Paving Limited	Schenck Farms & Greenhouses Co Ltd
Association of Power Producers of Ontario (APPRO)	Fraser Energy Consulting	Schneider Electric
ASR Group	Federation of Rental-Housing Providers of Ontario (FRPO)	Shell Energy North America (Canada) Inc.
Atlantic Packaging	General Motors of Canada Limited	Siemens
Blackstone Energy Services Inc.	George Brown College	Stoneridge Energy Management
Building Owners and Managers Association Greater Toronto (BOMA)	Gerdau Long Steel North America	Strategic Energy Services Inc.
BP Canada	GO Energy	Summitt Energy
Brampton Brick Limited	Housing Services Corporation	Sundara Energy
Campbell Company of Canada	Humber College	Sunwave Gas + Power
Canadian Energy Strategies	Industrial Gas Users Association (IGUA)	Toronto Catholic District School Board
Canadian RiteRate Energy Corp.	IKO Industries Ltd	Toronto District School Board
Cascades Inc.	Jason Stacey	Toronto Transit Commission (TTC)
Centennial College	Jungbunzlauer Canada Inc.	TransAlta
City of Toronto	Just Energy Ontario L.P	TransCanada Pipelines Limited
Canadian Manufacturers & Exporters (CME)	KI Pembroke	Union Gas Limited
Comsatec Inc.	Kruger Inc.	Vale Ontario Operations – Power Services
Constellation Brands	London Property Management Association (LPMA)	Wainwright Consulting Ltd.
Consumers Council of Canada (CCC)	Magna International Inc.	Woodbine Entertainment
DELLenergy Corp	Managed Energy	

**Dawn Access Consultation
Final Stakeholder Presentation
with Updates Post October 8th**

**OEB Offices
September 24th, 2014**



Executive Summary



Dawn Access Consultative:

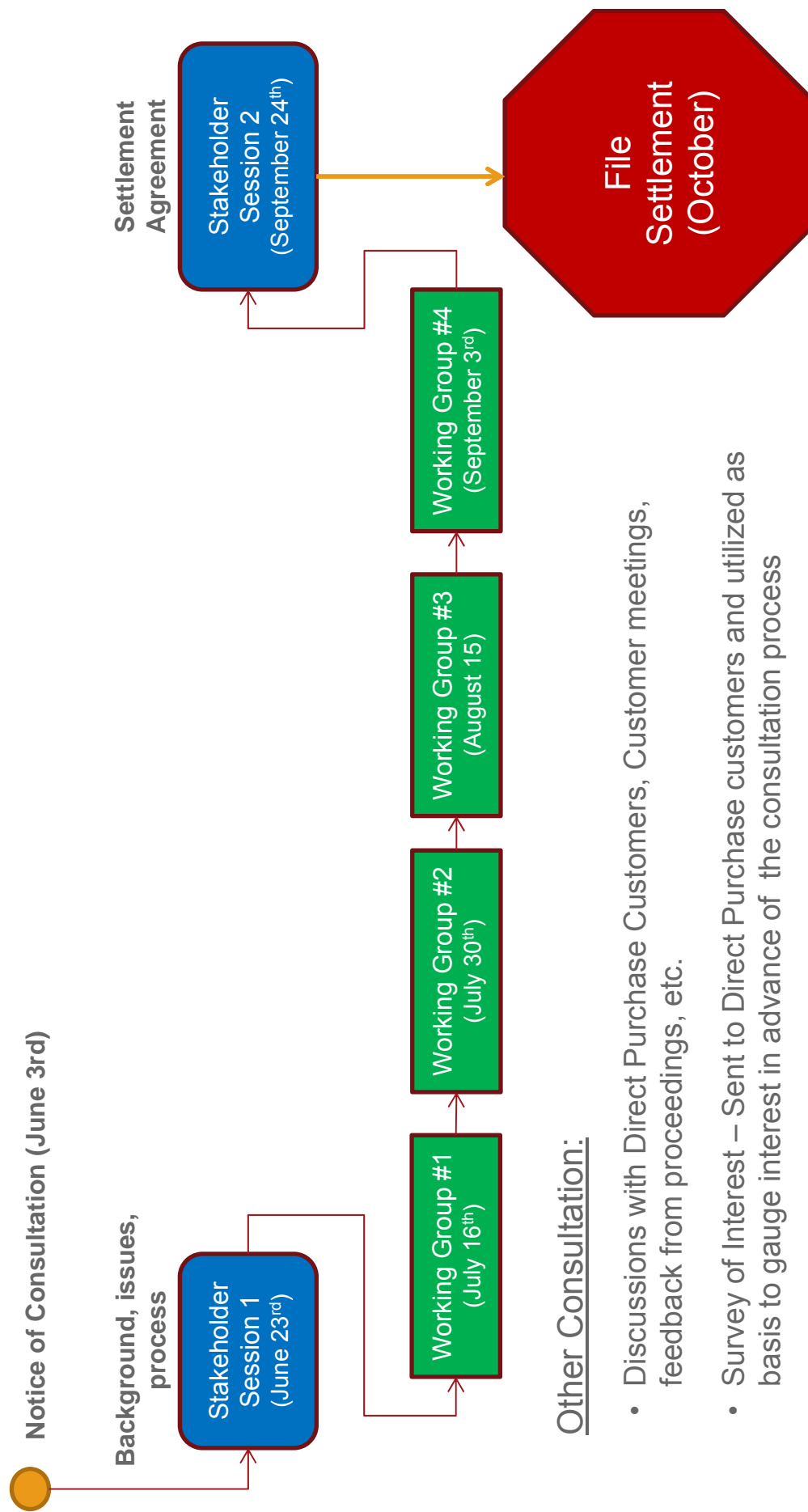
- Result fulfills GTA Project pledge on providing SH market access for Direct Purchase based on new facilities
- Final outcome: EGD to offer new T service option from Dawn
- Phased approach to transition to new T service, balances transitional costs and benefits
- Interim process captures benefits as new facilities are in service
- DP customers receive:
 - Market access to emerging supply basins
 - Significant savings over other transport alternatives
 - New T service will allow DP customers to benefit from new infrastructure, as envisioned in GTA Project proceeding
- Settlement agreement drafted for stakeholder approval at September 24th session

Agenda



Topic Area	Presenter / Facilitator	Time
Welcome	I. Macpherson	9:00 – 9:05am
Introductory Comments	B. Betts	9:05 - 9:15am
Overview of approach, key business drivers and timelines	C. Fernandes	9:15 – 10:15am
Coffee Break	15 min	
Phase 1 key items review	C. Fernandes	10:30 – 11:00am
Phase 2 key items review	C. Fernandes	11:00 – 11:30pm
Continuing commitments	C. Fernandes	11:30 – 12:00pm
Question period		

Consultation Process



Other Consultation:

- Discussions with Direct Purchase Customers, Customer meetings, feedback from proceedings, etc.
- Survey of Interest – Sent to Direct Purchase customers and utilized as basis to gauge interest in advance of the consultation process

➤ **Effort to Coordinate the Transition of improved Market Access**

Facilities review

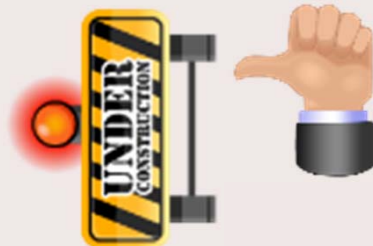
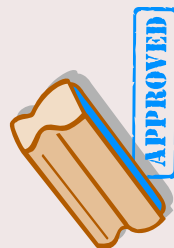


GTA Project and related facilities

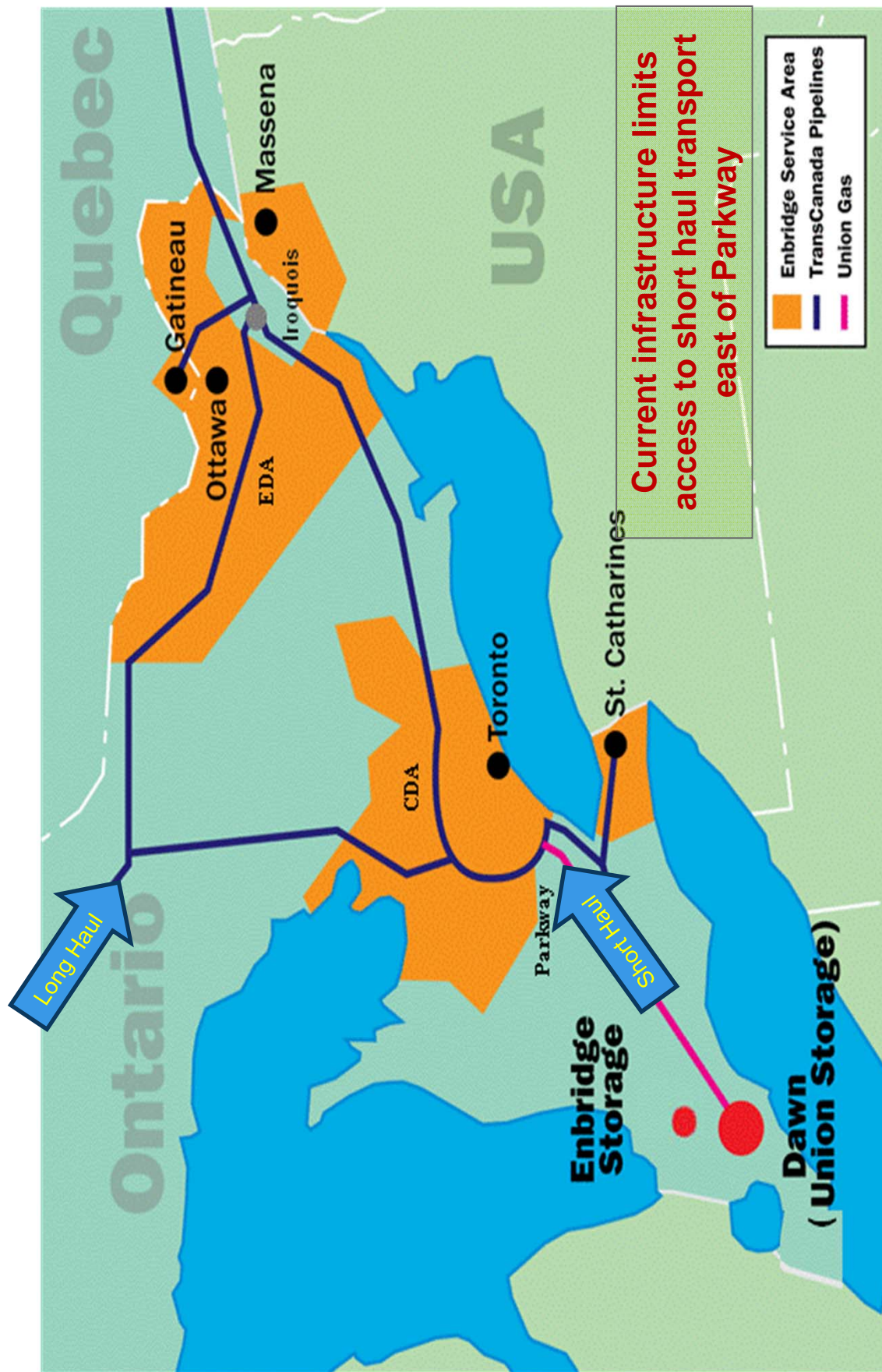


- Facilities application to upgrade the natural gas infrastructure around the GTA
- Among other things, is part of a coordinated build out of infrastructure to provide market access to incremental short haul transport
- Facilities and Open Seasons from Union Gas and TransCanada are required to achieve full capacity/capability

<u>Milestone</u>	<u>Forecast timing</u>
✓ File LTC Application	Dec 24 2012
✓ OEB Approval	Jan 30 2014
✓ Detailed Engineering	Aug 2013 - September 2014
Permitting	Spring-Fall 2014
Construction Start	Late 2014
In Service	October 2015
Post Construction Monitoring	Through Spring 2017

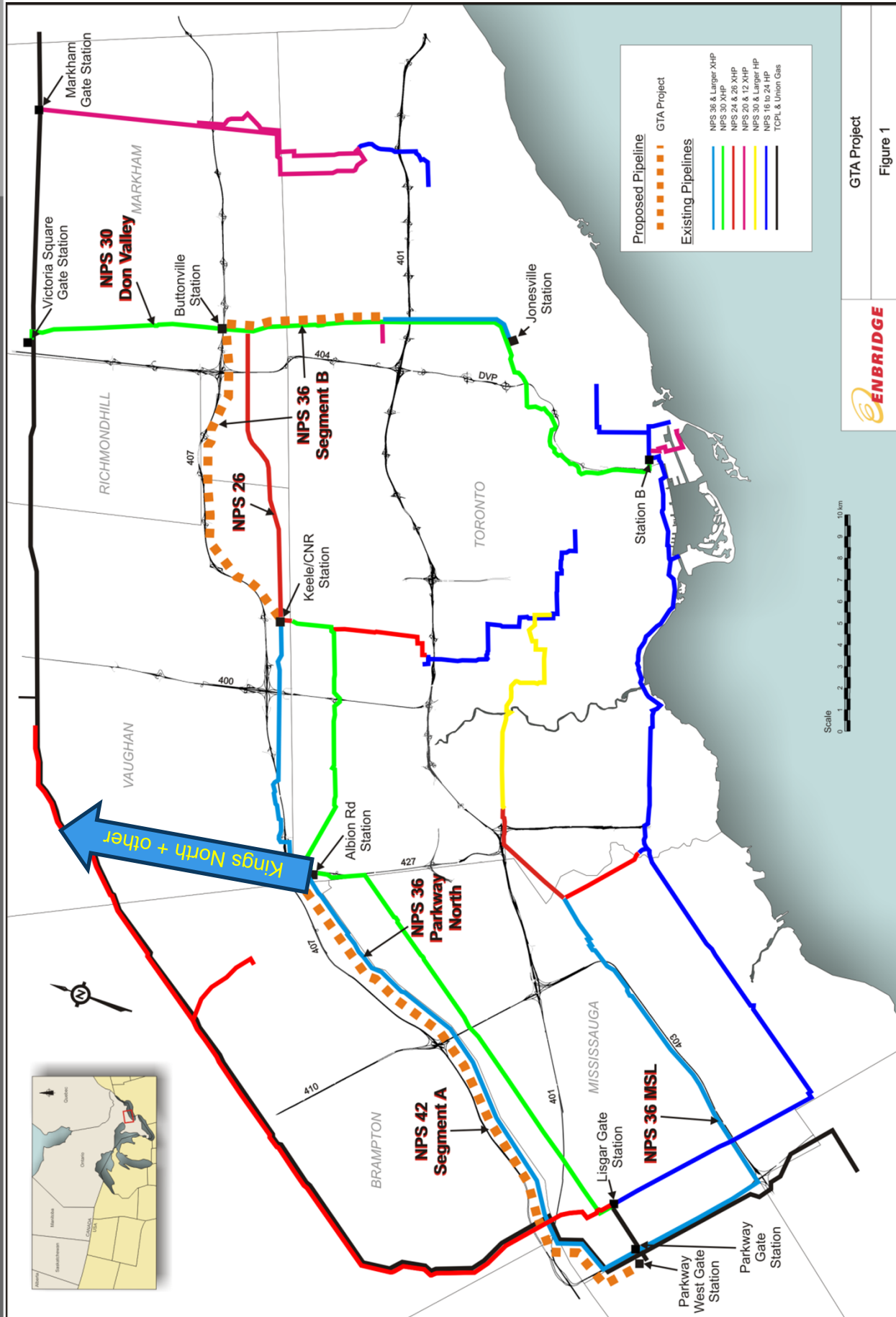


Transportation to the GTA



GTA PROJECT

Existing XHP GTA Grid



GTA Project

Figure 1



Other related facilities



Union:

- Parkway West and Compression
- Brantford to Kirkwall pipeline expansion
- Provides supply into Segment A

TransCanada:

- Kings North, additional looping along Parkway-Maple
- Segment A supplies Kings North for transport to Maple & points east (Enbridge CDA/EDA and other)

Guiding principles:

(What we heard from working group representatives)



- Dawn access should be available to all DP customers
- Dawn access (capacity from Segment A) allocated equitably/pro-rata
- Costs for transportation service should be allocated equitably/using cost causality principles as much as practical
- Additional services considered to extent that is practical
- Maximize Segment A utilization without stranding other assets in the process
- Eliminate/minimize 'clawing back' services/asset rights without due notice

Rationale for new Dawn Transport service



- GTA Project feasibility included 200,000 GJ/d placeholder for DP customers for SH market access
 - Based on proportional allocation of new SH capacity
- Some form of new service required to operationalize

DP customer feedback:

- Near universal support for Dawn as a delivery point
- Survey of interest points to demand significantly greater than 200,000 GJ/d

Rationale for Phased approach



Significant capacity available before a broader solution can be implemented:

- GTA facilities 200,000 GJ/d of capacity forecast in Nov/15
- Forecast in service date for facilities to meet EDA demand and CDA demand > 200,000 GJ/d is 2016/2017
- IT systems development timeline for DTS ~18 months

➤ Interim process to capture value (Phase 1):

- Keep it simple (low cost to implement)
- 2 year maximum life

➤ Final process implemented (Phase 2):

- Allows for coordinated market transition for all participants

Phased approach



Two phase approach

Phase 1 (interim):

- Interim assignment of SH transport
- Allow DP customers benefits of access to 200,000 GJ/d
- Interim business processes for allocation of capacity only
- No change to existing transport options

Phase 2 (final):

- Define and implement full market transition 'end state'
- Incorporate final business processes/IT system changes
- Acquire additional SH transport to meet total demand
- New Dawn Transport Service available

Review of Phase 1 Alternatives



Partial Dawn T-service for Phase 1

- End state business system modification timeline beyond Nov/15
- Partial implementation for Nov/15 creates incremental costs for system changes for both Phase 1 and Phase 2
- Partial implementation involves significant restrictions on process, impacting both company and customers
- Cannot split pool for more than one transport option
- Would require allocation process with all or none for Dawn service (Lottery or highest bidder) → seen as unfair
- Cannot provide EDA service due to lack of incremental transport capacity
- Renewal notice requirements for parties to manage existing transport requires long lead time

➤ Proposed interim process balances availability/distribution of capacity/benefits with cost/complexity to implement solution

Background summary



- Required facilities expected to be in service at different times, starting Nov 2015 (forecast)
- Phased approach adopted to capture value as transition occurs
- End state requires new DP T service to operationalize the DP SH capacity of 200,000 GJ/d
- DP customer demand significantly greater than 200,000 GJ/d
- Final System changes to be implemented for 2017

Phase 1 – Interim



Phase 1: Interim Process



Timing: Implement with 1st available capacity (Nov 2015)

Method: System Gas to 'substitute' SH transport for GTA capacity to mimic Dawn delivery for DP customers:

- Assignment of Dawn-CDA transport to DP customers means no change to business processes for Phase 1
- Phase 1 assignment is limited to Ontario CDA customers only
- Western Transport service will not receive assignment in Phase 1, but will benefit through lower WACT

- Utilizes available capacity as per guiding principles
- Balances cost/complexity with interim/short term nature of Phase 1 (2 year period)

Apportionment of 200,000 GJ/d: Illustrative example (ref: section 1.2)



Sept 24th labeled
'Allocation'

Acceptance Point	CDA MDV (G/J)	Proportions	Apportionment
Ontario	279,250	74.3%	148,628
Western	96,521	25.7%	51,372
Grand Total	375,771	100.0%	200,000

Phase 1(interim): Apportionment of 200, 000 GJ/d DP capacity between Ontario and Western customers

- Western T-Service/System gas customers receive benefit from reduced weighted average cost of transport (WACT)
- Ontario CDA customers to receive assignment of Dawn to CDA capacity

Note - Apportionment shown is illustrative based on July 2014 volumes, the actual apportionment will be calculated based on future volumes during 2015 ref: section 1.2

Phase 1 (interim) - Terms



- Proportional assignment to bundled OTS-CDA customers
- Up to 149,818 GJ/d¹ Dawn to CDA to be assigned
 - Current system reliability assignment (~31,000 GJ/d) intended to be a floor for the agents, however, not realistic for the allocation to be lower
 - Ontario Apportionment to be allocated to all CDA customers electing for an assignment of transport capacity
- Assignee to directly pay transport service provider for assigned capacity – no EGD recovery (cost recovery basis)
- No change in pool structure required
- No change in billing requirements

¹ – 149,818 GJ/d is the maximum for Phase 1 apportionment to Ontario customers, as this is the total currently contracted capacity available for assignment

Phase 1 (interim) - Election process (ref: sections 1.3 – 1.7)



- Company to invite all eligible customers to elect for an allocation of the Phase 1 apportionment volume in 1Q15
- Customers:
 - Elect volumes up to 100% of Ontario CDA volumes
 - Submit credit information (for assignment costs)
 - Election is for entire Phase 1 term (2 years), no future election for the remainder of the Phase 1 term
- Valid elections receive a proportional allocation

Illustrative example: Estimate of Phase 1 Apportionment and Allocation (ref. section 1.3.2)



Note: The following example is illustrative and based on volumes from July 2014, although actuals will be determined by the volumes that occur at future dates as set out in the settlement agreement

- Apportionment of 200, 000 GJ/d based on Ontario CDA volumes to Ontario transport = 148, 628 GJ/d
- Ontario CDA MDV = 279,250 GJ/d
- Allocation at:
 - If 100% of CDA volumes elected – allocation is 53.2% of MDV
 - If 80% of CDA volumes elected – allocation is 66.5% of MDV

Point of reference: Survey of Interest had ~90% of customer volume interested in a Dawn service

Phase 1 (interim) – Terms



- Phase 1 open to current¹ Ontario T service CDA customers
- Western T service and system gas customers receive benefit through lower WACT on proportional basis
- Bundled service customers only
- 2 year term
- assigned capacity will not change during term
- Assignee's to sign assignment Terms & Conditions
 - TransCanada standard assignment terms plus;
 - Sub-assignment of capacity requires written EGD pre-authorization (ref. section 1.5.2)
 - Subject to credit conditions

¹ – Current refers to customers on Ontario T service at the time of the Phase 1 election

Phase 1 (interim) – Advantages



Phase 1 assignment process significantly limits changes to the business processes that impact the company and customers:

- Normal EnTRAC business rules apply for account drop/adds and MDV re-establishment
- New pools or existing OTS pools can be used
- No additional pools will be required to be created.
- Existing pools with start date other than November 1 can also be used
- EDA accounts do not have to be transferred out of OTS pools
- No change to BGA balancing transactions

Phase 2



Phase 2 (final) - Terms



- Bundled Dawn transportation service open to all customers
- Ontario and Western service to continue unaltered subject to minimum volumetric requirements¹
- Dawn transportation service based on cost recovery of the transport elements utilized for meeting service requirements
 - Include all required transportation costs, including proportional costs of Segment A from GTA Project, in numerator
 - Include total DP Dawn transport volume in denominator
 - All DP customers (both CDA & EDA) on service pay same transport service charge (i.e. will be a postage stamp rate)

¹ – Ref: section 2.3

Dawn T-service rate calculation: Illustrative example



Example: Demand of 330,000 GJ/d for CDA and 30,000 GJ/d for EDA for Dawn T-service

Segment	Unit rate	Volume	Total costs	Reference
Union M12	\$0.0910			Union forecast rates post 2015 expansion
Segment A	\$0.0462			EGD 2014-2018 rate application ¹
Total costs - for GTA transport	\$0.1372	200,000	\$10,012,285	
Dawn to CDA	\$0.3638	130,000	\$17,262,310	TCPL Mainline settlement agreement 2nd amended Appendix D
Union M12	\$0.0910			Union forecast rates post 2015 expansion
Parkway to EDA	\$0.4888			TCPL Mainline settlement agreement 2nd amended Appendix D
Total cost Dawn to EDA	\$0.5798	30,000	\$6,348,810	
Total	\$0.256	360,000	\$33,623,405	

Illustrative Unit rate = \$0.256/GJ/d – actual rate will vary

Note: Example does not show fuel costs that typically fall in 0.65% to 0.85% range

¹ - Calculated by taking forecast annual revenue requirement of GTA facilities (\$13.477MM=40% of Segment A) over 800,000 GJ/d in capacity, for average daily unit rate of \$0.0462/GJ/d

Phase 2 (final) – Terms



- Assignments from EGD to customers will cease (Phase 1, and System Reliability assignment specifically)
- Post Phase 2 implementation, turn back rules will apply for all migration of transport services (Dawn analogous to Western)
- EGD to seek recovery of IT system change costs from all rate payers aligned with 1st year of service implementation
 - Early preliminary estimate of \$6 million for system changes
 - Enbridge to proceed with development following Board approval of deferral account for implementation costs
- Election process for the Dawn service to start Phase 2
 - Commence election process ~27 months prior to start of Dawn service
 - Customers to make a binding election for the transport service type
 - Company to pursue migration of all customers to elected transport service for Phase 2

Note: Oct 8th update changes Phase 2 election timing, reference slide 35

- Service may transition over period dependent on constraints:
 - Physical facilities in service to support required transport
 - Term structure of existing system gas portfolio and capability to de-contract
 - Capability to contract/timing of new transportation services for short haul
 - DP customer constraints (e.g. term of existing transport, other items)
 - Minimum Long Haul requirement for system diversity
- Phase 2 Transition allocation process¹ (*if required*) will be developed by consultation process with DP customers and other stakeholders
- Current forecast is Phase 2 transition period is not required, but to be determined once Phase 2 election completed & evaluated

¹ – Enbridge does not currently forecast Phase 2 transition period will be required. If it is required Enbridge expects to develop a plan for transition consistent with the guiding principles

Dawn Access T Service: Implementation requirements



Changes to multiple IT systems required for Dawn T Service:

- EnTRAC changes to contract management functionality and gas management functionality, including:
 - Detailed Business Requirements gathering
 - Business documentation updates
 - Transaction Rule updates
 - Technical design
 - Technical document updates
 - System integration testing
 - UAT script development and execution
 - Cutover
- CIS SAP develop and implement new billing schemas in order to bill new transportation rates for new delivery points
- OpenLink requires new nomination point configurations, changes to pool metadata, modification of EnTRAC interface and testing of processes
- All other downstream systems that utilize revenue class to be configured and tested to accommodate a new 4 digit revenue class

- EGD to seek deferral account to recover the costs
 - Preliminary high level estimate of \$6MM
 - Detailed estimate to be created post approval of settlement
 - Detailed cost estimate will be converted into an annual revenue requirement comprising cost of capital including return, operating costs and income taxes
 - Recovery through the Dawn Access Cost Deferral Account (ref. section 2.7 in settlement agreement)

Continuing Consultation



- Communication on status of:
 - Facilities forecast in service dates
 - Election process and aggregate outcomes
- Stakeholder consultation on unbundled service
 - Smaller working group to review potential for unbundled SH transport service or other unbundled transport service changes

Update Post September 24th session



Notes for material:



- Previous slides unaltered from September 24th
 - Exception: Slide 19 – Table heading updated from ‘Allocation’ to ‘Apportionment’ for clarity (as noted on slide), same table update within the settlement
- Settlement agreement changes:
 - Several small changes for clarity only, with no change to the substance of what was presented Sept. 24th
 - Timing of Phase 2 election was altered (section 2.2):
 - Allows for a floating schedule, rather than fixed dates
 - Same milestones and relative timing as previous
 - Allows for EGD to work with Union/TransCanada on open season timing for 2017 capacity required for Dawn T-service

Illustrative example of WACT: Notes



- The following slides are based upon EGD's best efforts to meet a request from stakeholders
- The effort requires assumptions to be made about future items, such as volumes and transportation tolls, that are inherently variable
- Assumptions were made at a specific point in time, with incomplete information available regarding future events and outcomes such as regulatory outcomes and future facility builds, and the corresponding impacts on volumes and tolls that could materially impact the assumed values
- Therefore, the examples are intended to be illustrative only and are not intended as a forecast for any specific item or value contained within the examples

Illustrative Example: Assumptions on Transportation & Gas Supply Costs (2016)



	Cost (\$/GJ)	Reference
Supply at Empress	3.8	EB-2012-0459, Ex. D5, Tab 3, Schedule 2, Line 1.2
Long Haul Transport to CDA/EDA	1.7	Blend of forecasted long haul tolls
Supply at Dawn	4.4	EB-2012-0459, Ex. D5, Tab 3, Schedule 2, Line 5.
Deemed Transport Component of Dawn Supplies	0.6	= Supply at Dawn – Supply at Empress
Dawn to CDA/EDA (Short Haul Transport)	0.4	Blend of forecasted short haul tolls
Implied Transportation Charge for Dawn Supplies	1.0	= Deemed transport at Dawn + Short Haul Transport

Illustrative Example: Transportation Charge Calculation
 – Current Supply Portfolio weights at future assumed transport costs
 (at same 2016 volume)



	Volume (GJs)	Transportation Cost (\$000)	Reference
Volume Shipped on Long Haul	259,158,637	456,326.5	Volume x \$1.7/GJ
Volume Purchased at Dawn	33,266,798	33,634.3	Volume x \$1.0/GJ
Total	302,425,435	489,960.9	

	Transportation Charge (\$/GJ)	Reference
Blended Transportation Charge	1.62	= 489,960.9/ 302,425.4

Illustrative Example: Transportation Charge Calculation
 – Future assumed Supply Portfolio at future assumed transport costs



	Volume (GJs)	Transportation Cost (\$000)	Reference
Volume Shipped on Long Haul	212,275,435	359,887.8	Volume x \$1.7/GJ
Volume Purchased at Dawn	90,150,000	91,146.0	Volume x \$1.0/GJ
Total	302,425,435	451,033.8	
	Transportation Charge (\$/GJ)	Reference	
Blended Transportation Charge	1.49	= 451,033.8/ 302,425.4	

Update Post October 8th conference call



Summary of changes Post October 8th conference call



- Slides 40 through 44 were added based on input received from stakeholders during the October 8th conference call
- No changes have been made to the previous slides *except* a note was added on slide 28 as requested to refer to slide 35 regarding the change in the Phase 2 timing

Dawn T-service rate calculation: Illustrative example



Example: Demand of 330,000 GJ/d for CDA and 30,000 GJ/d for EDA for Dawn T-service

Segment	Unit costs	Reference
Union M12		Union forecast rates post 2015 expansion
Segment A		EGD 2014-2018 rate application ¹
Total costs - for CDA transport	\$10,012,285	
Dawn to CDA	\$0.3638 130,000 \$17,262,310	TCPL Mainline settlement agreement 2nd amended Appendix D
Union M12	\$0.0910	Union forecast rates post 2015 expansion
Parkway to EDA	\$0.4888	TCPL Mainline settlement agreement 2nd amended Appendix D
TCPL Mainline settlement agreement 2nd amended Appendix D		
TCPL Mainline settlement agreement 2nd amended Appendix D		

Correction: Reference should be EB-2012-0451/EB-2012-0433/EB-2013-0073, Exhibit I.D5.EGD (Update).EP.102 page 1 of 2

Reference Line No. 18, under 2016 column with value of \$36,692.9(\$000's)
40% of this value is \$13.477MM

Illustrative Unit rate = \$0.256/GJ/d – actual rate will vary

Note: Example does not show fuel costs that typically fall in 0.65% to 0.85% range

¹ - Calculated by taking forecast annual revenue requirement of GTA facilities (\$13.477MM=40% of Segment A) over 800,000 GJ/d in capacity, for average daily unit rate of \$0.0462/GJ/d

Illustrative Example: Transportation Charge Calculation

- Current Supply Portfolio weights at future assumed transport costs (at same 2016 volume)



	Volume (GJs)	Transportation Cost (\$/GJ)	Reference
Volume Shipped on Long Haul	259,158,637	450	Correction: 269,158,637
Volume Purchased at Dawn	33,266,798	33,634.3	Volume x \$1.0/GJ
Total	302,425,435	489,960.9	

	Transportation Charge (\$/GJ)	Reference
Blended Transportation Charge	1.62	= 489,960.9/ 302,425.4

Clarification



- Section 2.1 states that Phase 2 elections can be made by all direct purchase customers
- Current processes already allow for system gas customers to change to direct purchase
- Eligibility requirement in section 2.1 is not intended to preclude any customer from the service, however Dawn T-service is a direct purchase transport option
- Therefore Phase 2 Election Notices will only be sent to direct purchase designated contacts as stated in section 2.2.1

EXECUTIVE SUMMARY

ENBRIDGE GAS DISTRIBUTION INC.

DAWN ACCESS SETTLEMENT

SEPTEMBER , 2014

The purpose of this document is to provide a brief overview of the Dawn Access Consultative (DAC) settlement. Reference should also be made to the Dawn Access Settlement Agreement and the Dawn Access Consultative Stakeholder final presentation (Appendix B of the Dawn Access Settlement Agreement).

The DAC is intended to fulfill Enbridge's pledge to consult with customers regarding changes to delivery arrangements, specifically with respect to the 200, 000 GJ/d of capacity on Segment A of the GTA project facilities that would be made available to Direct Purchase (DP) customers for incremental access to short haul transport. At the time of writing this document, the forecast in service date for the GTA project facilities was November 1st, 2015.

Enbridge has consulted with customers on their upstream transport needs, through individual discussions, customers meetings and also through a survey of interest that was undertaken in 2Q 2014. The consultations indicated a near universal support for a Dawn receipt point option for direct purchase gas deliveries.

The DAC was initiated in June, 2014. During the first meeting the consensus of the participants was that a smaller group (the "Working Group") should be created to represent the large number of stakeholders. The Working Group would continue discussions about operationalizing the DP capacity related to the GTA Project facilities with hopes of presenting a settlement agreement for acceptance by stakeholders. The Settlement Agreement is the result of the Working Group discussions.

The settlement proposes a new transport service option be created, Dawn T-service (DTS). Stakeholders indicated demand that significantly exceeds the 200, 000 GJ/d of capacity available from the GTA Project facilities. Enbridge agreed that if DP customer demand exceeds the capacity available, Enbridge would procure additional transport capacity in the market to meet the demand of all DP customers, subject to availability and the principles outlined in Dawn Access Consultative Stakeholder final presentation. In order to achieve this end state, the settlement proposes a phased introduction of Dawn access.

The rationales for the phased approach are outlined in the Dawn Access Consultative Stakeholder final presentation. In summary, introduction of an interim phase (Phase 1), allows for the GTA Project capacity to be utilized as the facilities come in service. In order to meet the expected demand for DTS, procurement of additional short haul transport will be required from Union and TransCanada. Full market implementation of DTS (Phase 2) is dependent on facilities that are not expected to be in service until 2016 and/or 2017. The interim phase (Phase 1) allows the benefits of the first tranche of capacity, from the GTA Project facilities, to be distributed to a large group of customers at a forecast date of November 1, 2015. Implementation of the DTS service requires significant changes to Enbridge's business systems, and the estimated timeline for these changes extends beyond November 1, 2015. A phased approach allows appropriate time for the business systems and processes to be developed, tested and implemented. Finally, the phased approach allows parties the required time to manage the transition of contracts within their respective gas supply portfolios, limiting the potential for stranded costs.

During the interim phase (Phase 1), the 200, 000 GJ/d will be apportioned to Western and Ontario customers to ensure each group benefits from an appropriate share of the capacity.

During Phase 1, benefits of Dawn access will be provided to Ontario T-service CDA direct purchase customers via an assignment model, where Enbridge's currently contracted Dawn to CDA transportation capacity is assigned to DP customers to allow those customers to meet their CDA delivery obligation. Customers will be required to elect for a proportional assignment during Phase 1 and customers whom do not elect will not receive any assignment of capacity throughout the Phase 1 term. Customers electing and receiving an assignment of capacity under Phase 1, as part of the assignment, will be responsible for payment of the cost of the transport directly to the transportation service provider. Enbridge will not recover any other amounts, and therefore the assignment will be on a cost recovery basis.

Western T-service customers will receive benefits from the GTA facilities, as their apportioned capacity will lower the weighted average cost of transport (WACT) in the gas supply portfolio. As currently, Western T-service will continue to be provided on a cost recovery basis.

During Phase 1 there are no changes to existing business processes outside of the election and assignment process for Ontario T-service CDA customers that are described in further detail in the settlement agreement.

Phase 2 will implement the final, or end state solution. This entails providing a new transport service option, the bundled Dawn T-service, or DTS, and includes all of the systems and business process changes required to implement the service.

DTS will be analogous to Western T-service, but with a Dawn delivery point, with the transport from Dawn to the franchise being provided by Enbridge on a cost recovery basis.

Phase 2 will have an election process so that all customers have an opportunity to utilize the new transport service when the DTS commences in November, 2017. Enbridge will work with customers to migrate them to their elected transport service option. Post migration turn back rules will apply, with turn back rules for DTS being analogous to Western T-service.

Enbridge will continue to offer an existing bundled Transportation Service only if there is at least a minimum aggregate threshold volume of 25,000 GJ/day for that service. If there is not enough aggregated demand to meet the threshold, customers will be informed of the discontinuation of the service, and arrangements will be made to have the customer elect for another transport service to which they will be migrated, with appropriate notification timelines as outlined in the settlement agreement.

Enbridge will consider offering new bundled transportation services, such as DTS, from a liquid market hub only if there is at least a minimum threshold volume of 50,000 GJ/day for that bundled service.

The following assignments will cease as at the time of full implementation of Phase 2:

- all Assignments for Phase 1; and
- all assignments under the System Reliability Settlement Agreement (EB-2010-0231)

In addition to seeking approval of the settlement agreement, Enbridge will seek Board approval for establishment of a deferral account, the Dawn Access Consultative Deferral Account (DACDA). The incremental costs for implementation of the Phase 2 settlement terms, specifically including the incremental costs associated with the system changes for DTS

implementation, will be included in the DACDA. Enbridge will not ask for approval of the DTS service charge at this point in time, but will seek approval for the manner in which the service charge will eventually be calculated.

Enbridge, in a separate application prior to DTS implementation in Phase 2, will seek Board approval for the required changes to the Rate Handbook, including the actual DTS service charge based on the associated actual costs and actual volumes for providing the DTS service. Enbridge will seek clearing of the actual costs in DACDA at this time, and recovery of the costs from all bundled customers.

During the Working Group discussions, interest was expressed in some form of unbundled Dawn transport service or unbundled service changes. Enbridge will continue to consult with the stakeholder representatives for unbundled customers. If new unbundled transport service(s) or unbundled transport service changes can be agreed upon, Enbridge will review the proposed transport service(s) or transport service changes with affected parties and seek Board approval at the appropriate time.

The Settlement Agreement is a package: the individual aspects of the settlement are inextricably linked to one another. Thus, Phases 1 and 2 of the Dawn Access Settlement are linked elements of the package settlement and are not severable from one another.