STAFF INTERROGATORY #11

INTERROGATORY

Ref: A/3/1 page 31 / para 79

Please explain the role played by the NEB-approved TransCanada Mainline Settlement Agreement in the Company's decision to sign the Precedent Agreement with NEXUS?

RESPONSE

Enbridge decided to sign the NEXUS PA primarily to provide increased diversity of path and supply source within its gas supply portfolio. Supply delivered on NEXUS will replace supply historically accessed via the Vector pipeline. Another significant consideration to signing was to support greater supply diversity to Dawn. The health of the Dawn hub is very important to Enbridge given where its storage assets are located and given both its reliance and its direct purchase customer's reliance on Dawn as a supply source going forward.

The TransCanada Mainline Settlement Agreement paved the way for Eastern Canadian and Northeastern US markets to gain greater access to Parkway and points upstream thereof including Dawn and Niagara. Greater access is expected to create greater demand at Dawn. With greater demand being pointed at Dawn, Enbridge believes Dawn will need greater and more diverse access to supplies to help ensure future price stability and liquidity at Dawn. NEXUS will help accomplish that.

Witnesses: J. LeBlanc
A. Welburn

STAFF INTERROGATORY #12

INTERROGATORY

Ref: A/3/1 page 32 / para 83

Enbridge states that it has 175,000 Dth/d contracted on Vector from Joliet to Dawn.

Please provide a table that shows all upstream transportation capacity that Enbridge has contracted to Dawn as of November 1, 2015 and November 1, 2017 (assuming it receives OEB pre-approval of the gas consequences associated with the NEXUS transportation agreement).

RESPONSE

The tables below list all of the upstream transportation capacity that Enbridge has contracted to Dawn as of November 1, 2015 and November 1, 2017 respectively. Additional information for the contracting changes related to Enbridge's Vector capacity can be found in the response to Board Staff Interrogatory #13 at Exhibit I.T2.EGDI.STAFF.13.

Witnesses: J. LeBlanc
A. Welburn

November 1, 2015 Transportation Capacity to Dawn

Transportation Company	Receipt Point	Delivery Point	Contracted Volume	Units
Union Gas Limited	Parkway[1]	Union Dawn	236,586	GJ/d
Union Gas Limited	Parkway[2]	Union Dawn	200,000	GJ/d
Vector Pipeline	Joliet	Union Dawn	101,285	GJ/d
Vector Pipeline	Joliet	Union Dawn	83,349	GJ/d

November 1, 2017 Transportation Capacity to Dawn

Transportation Company	Receipt Point	Delivery Point	Contracted Volume	Units
Union Gas Limited	Parkway[1]	Union Dawn	236,586	GJ/d
Union Gas Limited	Parkway[2]	Union Dawn	200,000	GJ/d
Vector Pipeline	Milford	Union Dawn	116,056	GJ/d
Vector Pipeline	Joliet	Union Dawn	68,579	GJ/d

Footnotes

[1] C1 Capacity

[2] M12X Capacity

Witnesses: J. LeBlanc
A. Welburn

STAFF INTERROGATORY #13

INTERROGATORY

Ref: A/3/1 page 32 / para 83

Enbridge states that it intends to restructure its existing Vector contract to segment the 110,000 Dth/d of 175,000 Dth/d transportation capacity by changing the receipt point to Milford Junction.

When will Enbridge complete the restructuring?

What provisions, if any, have been made for the restructuring of the Vector contract should there be a delay in the start-up of the NEXUS project?

RESPONSE

The restructuring of Enbridge's existing Vector contract must be completed no later than November 30, 2015. If this does not occur, then the current offer provided by Vector Pipeline will expire. Enbridge does not plan to move forward with the restructuring until after a decision has been released by the Ontario Energy Board with respect to this pre-approval application.

The restructuring of the Vector contract includes provisions that permit the start date of the restructuring to coincide with the later of November 1, 2017 or the in-service date of NEXUS, but in any case no later than November 1, 2019. If NEXUS is delayed beyond November 1, 2019 then Enbridge has the right to terminate the NEXUS contract and will maintain the full capacity on Vector from Joliet to Union-Dawn.

Witnesses: J. LeBlanc
A. Welburn

STAFF INTERROGATORY #14

INTERROGATORY

Ref: A/3/1 page 32 / table 4

The table indicates that by 2018 Enbridge will have shifted 42.4 PJ from Chicago to NEXUS.

Please explain how there is an increase in liquidity at Dawn arising from Enbridge shifting 42 4 PJ from Chicago via the Vector pipeline to the NEXUS pipeline?

RESPONSE

The increased liquidity at Dawn is not the result of Enbridge shifting natural gas supplies from Chicago to NEXUS. Increased liquidity at the Dawn Hub comes from the construction of a greenfield pipeline that will establish a direct link into Dawn Hub from the Appalachian basin. This will provide market participants, in particular other parties who have contracted on NEXUS, with the ability to transport supplies from additional basins to the Dawn Hub. Increases in the number of counterparties at Dawn can be expected to have a positive impact on the hub's liquidity as discussed by Sussex in more detail in the response to APPrO Interrogatory #5 to Union at Exhibit T1.UNION.APPrO.5.

Witnesses: J. LeBlanc
A. Welburn

STAFF INTERROGATORY #15

INTERROGATORY

Ref: A/3/1 page 33 / para 85 / 86

Enbridge has indicated that the NEXUS capacity will allow it to displace Western Canadian Sedimentary Basin (WCSB) supplies that are becoming less economic over time.

a) In its assessment of the landed costs for the NEXUS alternative, has Enbridge included the cost impact of any capacity turnback related to TransCanada's Mainline and Alliance Pipelines tolls?

b) If there are capacity turnback costs related to the discontinued pipeline capacity, has Enbridge assessed the corresponding cost impact on its ratepayers? If not, please quantify these costs and update the landed cost assessment to include these costs. Please state all assumptions used.

RESPONSE

a) The NEXUS PA does include the flexibility to increase transportation capacity at Enbridge's discretion that could be used to meet increased demand or displace other transportation capacity within its portfolio. As indicated in the above reference, Enbridge has not determined what changes it will make to its transportation portfolio after 2020 and is currently assuming status quo.

   Enbridge has not included any cost impacts that would result from future capacity turnback on TransCanada's Mainline or the Alliance Pipeline tolls. In all scenarios that were evaluated, the landed cost analysis that was used by Enbridge is based on existing tolls that were approved by the respective regulators at the time that the analysis was being completed.

   Enbridge does not believe that it would be prudent to speculate on the level of capacity turnback. Although significant amounts of capacity turnback could have implications on the level of tolls, there are a number of other factors that would also have to be taken into account. These factors include capacity turnback for other shippers, TransCanada's commitment to apply for a new segmented tolling methodology effective 2020, and the impact of TransCanada's proposed Energy East Project. Enbridge has attempted to analyze the landed cost implications in an unbiased manner based on current market conditions by not speculating on any specific or combination of future market outcomes.

b) Given the significant amount of uncertainly related to future market conditions and that the TransCanada Mainline assets and tolling methodology post-2020 are not known at this time as discussed in part a), Enbridge does not believe it would be prudent to speculate on cost implications. In any case, Enbridge does not have sufficient information to perform the requested calculations.

Witnesses: J. LeBlanc
A. Welburn

BOMA INTERROGATORY #23

INTERROGATORY

Question on Comparison with Niagara

Please provide a comparison of the costs to ratepayers of Union making a similar fifteen year contract for the same annual volume with TCPL from Niagara via Kirkwall, and purchase the gas at Niagara/Chippewa, or at some point farther upstream in the Marcellus field with a transportation contract with one of the pipeline projects which will transport Marcellus gas to the border.

RESPONSE

The landed cost analysis conducted by Enbridge includes the Niagara to Dawn path (via Kirkwall). Details of the landed cost analysis can be found at Exhibit A, Tab 3, Schedule 1, Appendix B and Appendix C (updated).

The response to TransCanada Interrogatory #5 at Exhibit I.T2.EGDI.TransCanada.5, and the other interrogatories referenced in that response, explain why such an approach is not appropriate or feasible for Enbridge.

Witnesses: J. LeBlanc
A. Welburn

BOMA INTERROGATORY #25

INTERROGATORY

Question on Comparison with Niagara

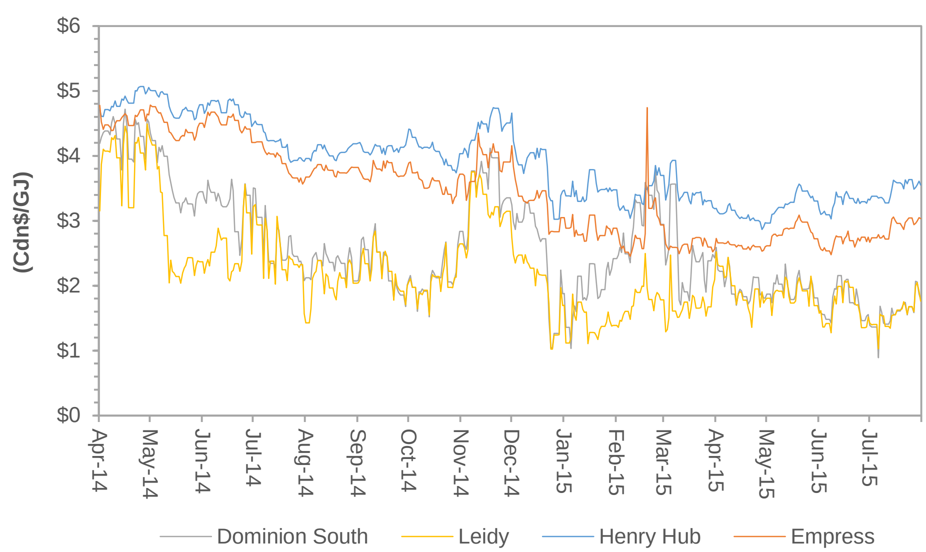
(a) Please provide an extension of the graph to July 31, 2015.

(b) Please confirm that the graph uses daily Canada/US exchange rates for the three US supply basins, exchange rates. If not, please discuss what exchange rate is being used over the period covered by the graph.

RESPONSE

a) Please see the updated Figure 4.1 below. Please note that the original Figure 4.1 is located in Exhibit A, Schedule 3, page 35 of 64.

Updated Figure 4.1: Daily Spot Prices (April 2014-July 2015)



b) Confirmed. The three U.S. natural gas price indices in Figure 4.1 (i.e., Dominion South, Leidy, and Henry Hub) were converted from U.S. dollars per MMBtu to Canadian dollars per GJ using daily currency exchange rates obtained from SNL Financial.

Witness: J. Stephens

BOMA INTERROGATORY #27

INTERROGATORY

Ref: Ibid, Page 15

Does EGD agree that while, under its existing 200,000 GJ purchase agreement at Niagara, the vendor is not "required" to use Marcellus/Utica supply, as a practical matter, and as EGD has stated elsewhere in its evidence, the relatively low cost of gas at Marcellus/Utica Hubs, the proximity of Marcellus/Utica to EGD Central and Niagara regions, and the fact that the multiple transportation routes exist or will soon from Marcellus/Utica to Niagara, the gas is in fact coming from the Marcellus/Utica basin. Does it agree that EGD already has access to Marcellus/Utica via shorter, less costly route, than that provided by NEXUS? Please discuss.

RESPONSE

Enbridge has indicated in its evidence that it considers supply at Niagara to be Appalachian supply, a majority of which is likely produced in the Marcellus and Utica formations. Enbridge agrees, as seen in the landed cost analysis, that the transportation path from Niagara to Enbridge Parkway CDA is less expensive than the NEXUS path.

However, the NEXUS commitment provides important additional benefits to Enbridge's customers. These benefits include increased diversification, reliability, flexibility and access to cost competitive sources of supply directly from the Appalachian basin. These benefits do not accrue to the Enbridge supply portfolio absent inclusion of NEXUS supply. As discussed at Exhibit A, Tab 3, Schedule 1, page 6, paragraph 14, Enbridge's gas supply planning considers four interrelated principles, one of which is landed cost. See the response to Board Staff Interrogatory # 7 at Exhibit I.T1.EGDI.STAFF.7 for more information around the diversification of Enbridge's gas supply portfolio for system gas customers with and without the NEXUS project. In addition, the pre-filed evidence discusses at length the benefits of the NEXUS project to Enbridge's customers at Exhibit A, Tab 3, Schedule 1, pages 26 to 30.

See also the discussion of the limitations of procuring additional transportation or supply at or through Niagara/Chippawa found in response to Board Staff Interrogatory #9 at Exhibit I.T1.EGDI.STAFF.9. See also the response to TransCanada Interrogatory #5 at Exhibit I.T2.EGDI.TCPL.5.

Witnesses: J. LeBlanc
A. Welburn

ENERGY PROBE INTERROGATORY #9

INTERROGATORY

Ref: Exhibit A, Tab 3, Schedule 1, Page 30

a) Please provide a table that shows a breakdown of Enbridge's natural gas supply portfolio by gas supplier, contract length, volume purchased, services, supply source, price, effective date and expiration date for each supply contract.

b) Please provide a map that shows the delivery points and the areas that will have direct access to the new supplies.

RESPONSE

a) The provided reference relates to Enbridge's forecasted natural gas portfolio starting November 1, 2016. With the exception of some of the natural gas supplies that have been contracted for at Niagara and Chippawa as discussed in response to BOMA Interrogatory #15 at Exhibit I.T1.EGDI.BOMA.15, Enbridge has not completed the execution of contracts for natural gas supply over this period and therefore cannot provide the requested table.

b) Exhibit A, Tab 3, Schedule 1, page 25 includes a map that illustrates the location of the supply hubs and the transportation pipelines that link them to the delivery points that are included in the above reference.

Witnesses: J. LeBlanc
A. Welburn

ENERGY PROBE INTERROGATORY #10

INTERROGATORY

Ref: Exhibit A, Tab 3, Schedule 1, Page 7, Paragraph 17

Enbridge indicates it has chosen not to renew contracts.

a) Please summarize the contracts that will not be renewed, the supply amount, and the customers impacted.

b) Please discuss any cost implications of not renewing these contracts.

c) How will these costs be allocated and recovered?

RESPONSE

a) Please see response to VECC Interrogatory #14 at Exhibit I.T1.EGDI.VECC.14.

b) There are no costs incurred for non-renewal.

c) See response to b) above.

Witnesses: J. LeBlanc
A. Welburn

SEC INTERROGATORY #4

INTERROGATORY

[Ex.A-3-1, p.15]

Please describe how Enbridge currently accesses shale gas supply from Utica/Marcellus.

RESPONSE

Enbridge does not have any current supply contracts for gas supply from Utica/Marcellus. However, the Company assumes that some of the gas that it procures at Dawn and at Niagara is produced at Utica/Marcellus.

Witnesses: J. LeBlanc
A. Welburn

SEC INTERROGATORY #5

INTERROGATORY

[Ex.A-3-1, p.25]

Please provide a similar map showing all major existing and planned pipelines that flow into Niagara.

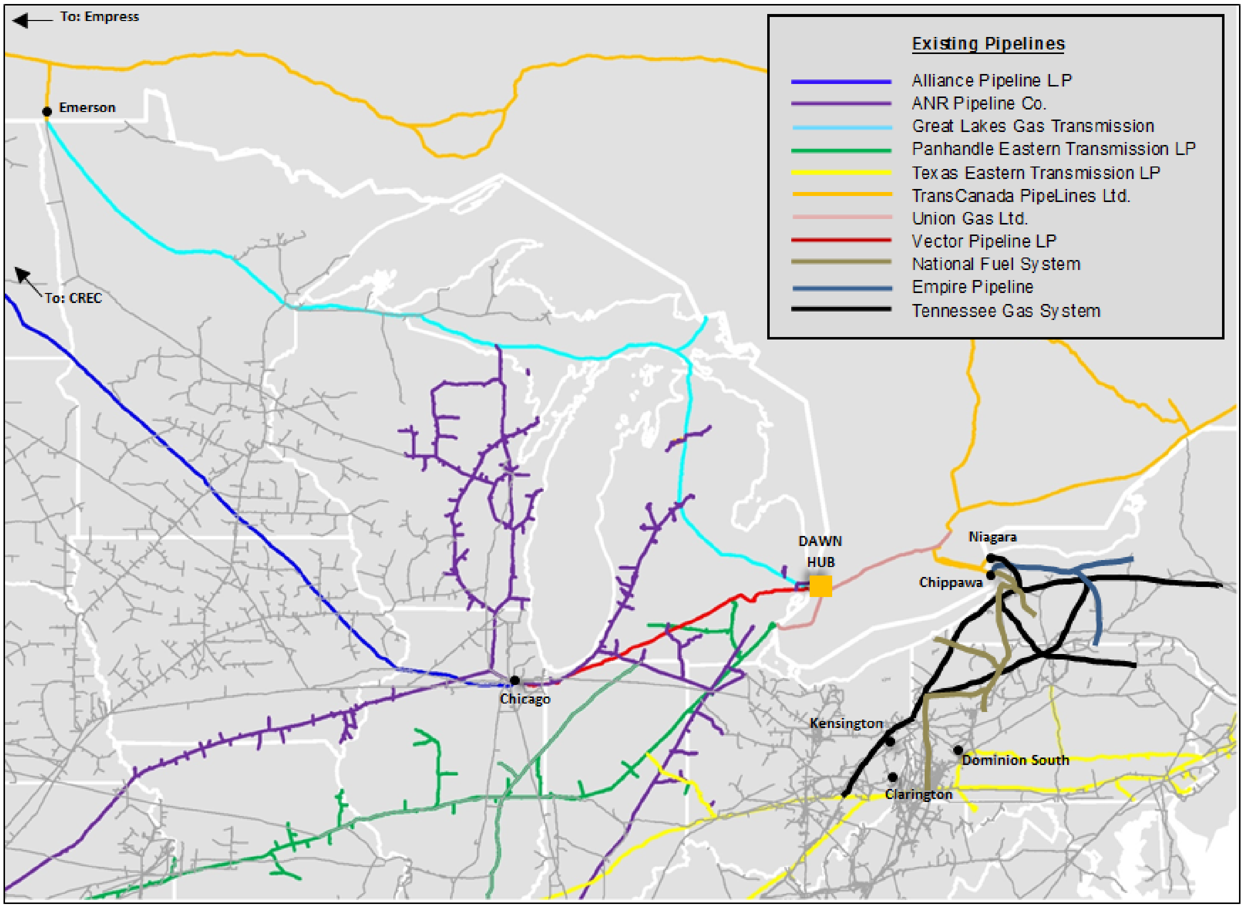
RESPONSE

The major existing pipelines that flow into Niagara and/or Chippawa are the National Fuel, Empire Pipeline and Tennessee Gas Pipeline. These pipelines are illustrated on the map below. Depending on where a purchaser decides to procure gas these pipelines can provide direct access to supply from the Marcellus and Utica supply basins

Enbridge is not aware of any new pipelines planned to flow into Niagara.

As discussed in the response to Board Staff Interrogatory #7 at Exhibit I.T1.EGDI.STAFF.7, Enbridge chose not to increase supply acquisition at Niagara. See also the discussion of the limitations of procuring additional transportation or supply at or through Niagara/Chippawa found in response to Board Staff Interrogatory #9 at Exhibit I.T1.EGDI.STAFF.9. See also the response to TransCanada Interrogatory #5 at Exhibit I.T2.EGDI.TCPL.5.

Witnesses: J. LeBlanc
A. Welburn



Witnesses: J. LeBlanc
A. Welburn

SEC INTERROGATORY #6

INTERROGATORY

[Ex.A-3-1, p.26]

What paths provide direct access from Utica and Marcellus shale basins to Niagara instead of Dawn? Please explain why Enbridge did not consider these options to increase its supply sourced from Utica and Marcellus share basins.

RESPONSE

Please see the response to SEC Interrogatory #5 at Exhibit I.T2.EGDI.SEC.5.

Witnesses: J. LeBlanc
A. Welburn

TRANSCANADA INTERROGATORY #4

INTERROGATORY

Reference:

i) EB-2015-0010, letter written on behalf of Consumers Council of Canada ("CCC"), Canadian Manufacturers & Exporters ("CME"), the Building Owners and Managers Association, Greater Toronto ("BOMA"), the Federation of Rental-housing Providers of Ontario ("FRPO"), Vulnerable Energy Consumers Coalition ("VECC"), London Property Management Association ("LPMA") and School Energy Coalition ("SEC"), August 5, 2015

Preamble:

On August 5, 2015, several intervenors in the OEB EB-2015-0100 proceeding wrote a letter to the Board requesting that a comprehensive gas supply and transportation review for Union and Enbridge take place as soon as possible, or as part of the EB-2015-0166 / EB-2015-0175 proceeding.

Request:

a) Considering the significant impacts of NEXUS to the overall supply portfolios of both Union and Enbridge, would Enbridge support undertaking a comprehensive gas supply and transportation review before the close of this proceeding?

RESPONSE

Enbridge’s August 21, 2015 response to the referenced letter is attached.

Witnesses: J. LeBlanc
A. Welburn

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Enbridge Gas Distribution
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Canada

August 21, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, Ontario, M4P 1E4

Ms. Walli:

Re: EB-2015-0010, Union Gas Limited, 2014 Disposition of Deferral Account Balances and 2014 Earnings Sharing Amount

Enbridge is providing these comments in response to the letters to the Board from the Canadian Manufacturers & Exporters (“CME”) on August 5, 2015, the Industrial Gas Users Association (“IGUA”) on August 11, 2015 and Union Gas on August 19, 2015.

CME’s letter, supported by IGUA, indicates that both Union Gas and Enbridge are “required to file their Gas Supply Plans as part of their annual applications for the Disposition of Deferral and Variance Accounts and Earnings Sharing Amounts or ESM Applications”. This statement is incorrect as there was no such requirement made by the Board within Enbridge’s Custom Incentive Regulation Model (“Custom IR”) Decision. Under its Custom IR plan, Enbridge will file an updated annual Gas Supply Plan within each of the 2015-2018 rate applications, monthly reporting in relation to certain aspects of its Gas Supply Plan and file a Gas Supply Plan Memorandum concurrent with other materials provided at an annual Stakeholder information day. The materials provided for the annual Stakeholder information day are to be consistent with what Union Gas prepares and files within its Stakeholder information day.

In fact, Enbridge filed an updated 2015 Gas Supply Plan within its EB-2014-0276, 2015 Rate Proceeding, which was reviewed by the Board and all other parties to the proceeding. Enbridge will be filing an updated 2016 Gas Supply Plan within its 2016 Rate Application in September, 2015 which again will be available for review by all parties to that proceeding.

Enbridge does not agree that there is a need to convene any new forums or proceedings regarding gas supply planning. Enbridge agrees with Union Gas’ comment in its August 19, 2015 letter, that where there are any non-rate application specific related gas supply elements or issues, parties will have the opportunity, within the Board’s intended annual Natural Gas Market Review consultatives, to discuss issues or elements of gas supply-related matters that are not specific to rate applications. The first of these annual Natural Gas Market Review consultatives is scheduled for later this year. Further, in Enbridge's EB-2015-0122 proceeding Board Staff indicated in its submission on the settlement proposal that the OEB intends to conduct a review of gas supply planning this fiscal year. Non-rate application specific related gas supply elements and issues could be discussed in this forum as well.

Yours truly,

[original signed]

Joel Denomy
Manager, Regulatory Applications

cc: Mr. F. Cass, Aird & Berlis LLP
Mr. D. Stevens, Aird & Berlis LLP
All Interested Parties EB-2014-0276

TRANSCANADA INTERROGATORY #5

INTERROGATORY

Reference:

i) Application, Exhibit A, Tab 3, Schedule 1, Page 36 of 46, Paragraphs 93 - 94

Preamble:

In Reference i), Enbridge states that should demand exceed forecasts, “Enbridge has the option to procure gas seasonally at other supply points including Kensington, the Dawn Hub, Niagara, Chicago and the WCSB.”

Request:

a) In the event that the Board denies Enbridge’s application for NEXUS contract cost recovery, and assuming the NEXUS project is built regardless, how would Enbridge meet forecast demand no longer served by the applied-for NEXUS contract? Please provide any alternative supply plans and supporting documentation.

b) In the event that the NEXUS project does not proceed, how would Enbridge meet forecast demand no longer served by NEXUS? Please provide any alternative supply plans for this scenario and supporting documentation.

c) In either of the scenarios above (i.e. (1) the application in this proceeding is denied but NEXUS is constructed, and (2) NEXUS is not constructed), could incremental supply from Niagara / Chippawa be used to meet forecast supply requirements?

RESPONSE

a) In the event that pre-approval is not granted, Enbridge’s immediate plans, while it considers other options, would be to continue to fill its Vector capacity through purchases at Chicago.

b) See response to a) above.

c) Enbridge does not believe that scenario merits serious consideration, for the following reasons.

Witnesses: J. LeBlanc
A. Welburn

Enbridge recently accessed the TransCanada website and could not find any capacity from Niagara/Chippawa posted as available. Enbridge is not aware of any capacity available on the TransCanada Mainline from Niagara/Chippawa. Further, when Enbridge sought to fill the capacity it already has from Niagara/Chippawa it discovered that most parties bringing gas to Niagara also have transportation on TransCanada taking gas away from Niagara. As a result Enbridge found few counterparties with which to transact to fill its capacity. So even if capacity did exist or were to be created from Niagara/Chippawa, Enbridge would be hesitant to commit further to this path at this time. Finally, Enbridge is not aware of any capacity being available on the US side of the border and understands that any substantial new capacity would require significant new or expanded pipeline facilities.

Discussion of the limitations of procuring additional transportation or supply at or through Niagara/Chippawa is also found in response to Board Staff Interrogatory #9 at Exhibit I.T1.EGDI.STAFF.9. Discussion of the difficulties that Enbridge has encountered in procuring gas supply at Niagara is found in response to BOMA Interrogatory #15 at Exhibit I.T1.EGDI.BOMA.15 and FRPO Interrogatory #5 at Exhibit I.T1.EGDI.FRPO.5.

Enbridge believes that it has sufficient supply arranged from Niagara/Chippawa. Enbridge has contracted for 200,000 GJ/day of capacity from Niagara/Chippawa and expects to meet roughly 26% of its system gas customers' supply needs from these points. Enbridge has contracted for capacity on NEXUS in order to diversify its portfolio and does not believe that additional supplies from Niagara/Chippawa is an appropriate choice for its gas supply portfolio. See response to Board Staff Interrogatory #7 at Exhibit I.T1.EGDI.STAFF.7 for a greater discussion on Enbridge's supply portfolio and the diversification benefits provided by the NEXUS contract.

Witnesses: J. LeBlanc
A. Welburn