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September 24, 2015

VIA RESS, EMAIL and COURIER

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

Dear Ms Walli:

**Re: Enbridge Gas Distribution Inc. (“Enbridge”)
EB-2015-0242 - QRAM Application
Response to CME**

On September 18, 2015 Enbridge Gas Distribution (“Enbridge”) received a letter from Canadian Manufacturers & Exporters (“CME”) asking for an explanation why transportation costs appear to be increasing for Enbridge but decreasing for Union.

Union Gas calculates an Ontario Landed Price which is based upon a forecasted Alberta Border price plus applicable TCPL long haul tolls and a forecast of associated fuel costs for a total forecasted landed price of \$5.140/GJ.

Enbridge on the other hand calculates a Purchased Gas Variance Account (“PGVA”) Reference Price which is based upon the forecasted monthly commodity cost of all supplies from all supply hubs and all transportation contracts on all transportation paths to Enbridge’s franchise that make up the [gas](#) supply portfolio for 2015.

For example while the simple average of the forecasted monthly Empress price as per Exhibit Q4-3, Tab 1, Schedule 4 is \$3.0362/GJ however when the monthly forecasted prices are applied to monthly supply portfolio the forecasted average price payable for Empress supplies is \$3.092/GJ – see Exhibit Q4-3, Tab 1, Schedule 1, Item 1.2, Column 4. Also, within the forecasted supply costs of Enbridge is the impact of forward pricing for Chicago and Dawn Delivered supplies, as well as, a portion of Alliance and Vector transportation contracts, which are payable in US\$ and as such are subject to forecasted changes in US exchange rates. The forecasted US exchange rate included in the October QRAM is 1.3146 compared to the forecasted exchange rate in the July QRAM of 1.2211.

Also the TCPL toll for Empress to Union CDA is lower than the Empress to Enbridge CDA toll and included within the Enbridge PGVA reference is also the transportation toll from Empress to the Enbridge EDA which is higher still.

Ms. Kirsten Walli

2015-09-24

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To provide a proper comparison to the Union Ontario Landed Price the comparable numbers are

\$/GJ	Union	Enbridge
Alberta Border Price	3.066	3.092
Add Fuel	0.135	0.124
Add TCPL Toll	1.939	1.971
Ontario Landed Cost	5.140	5.187

Please do not hesitate to contact me with any questions.

Yours truly,

[original signed]

Andrew Mandyam
Director, Regulatory Affairs and Financial Performance

cc: EB-2015-0242 Interested Parties