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VIA RESS, EMAIL and COURIER

March 16, 2016

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

Dear Ms. Walli:

Re: EB-2016-0021 - Enbridge Gas Distribution QRAM Application

Attached please find the responses to interrogatories from Board Staff in the above noted proceeding.

Exhibit I, Tab 1, Schedules 1 to 4.

Attached please also find the following corrected exhibits:

Exhibit Q2-2, Tab 4, Schedule 1, page 3 of 3; and
Exhibit Q2-3, Tab 1, Schedule 2, page 1 of 7.

Yours truly,

[original signed]

Lorraine Chiasson
Regulatory Coordinator

Attach.

cc: Mr. Fred Cass, Aird & Berlis LLP
All Interested Parties EB-2015-0114

BOARD STAFF INTERROGATORY #1

INTERROGATORY

Ref: Q2-2/T1/S1 page 2, paragraph 6

- a) Please provide the time period over which the 21-day strip was extracted for the current QRAM application.
- b) Please confirm that the reference to the October 2015 Utility Price of \$166.366/103 m³ should have been January 2016.

RESPONSE

- a) As stated in Q2-2/T1/S1 page 1, paragraph 2 the April 2016 QRAM was based upon the 21-day period February 1, 2016 to February 29, 2016.
- b) Confirmed. The reference should have been to the January 2016 QRAM.

Witness: D. Small

BOARD STAFF INTERROGATORY #2

INTERROGATORY

Ref: Q2-2/T4/S1 page 3 and Rider C Unit Rates (Rate Handbook page 55)

OEB staff observes that the gas cost adjustment rider (Rider C) unit rates are showing significant increases versus the January 2016 QRAM for customers on system supply.

- a) Please provide the annualized impact of the price changes and the effect of Rider C for a typical residential customer on system supply.
- b) How is Enbridge proposing to communicate to residential customer on system supply that on the one hand, the gas supply commodity costs are decreasing but the overall bill is going up?

RESPONSE

- a) Please see response to part b) which includes a draft of the Rate 1 system gas customer rate notice. The chart on page 2 depicts the annualized bill impacts resulting from the change in rates and Rider C from the April 1, 2016 QRAM versus the January 1, 2016 QRAM.
- b) The draft Rate 1 system gas customer rate notice which will accompany customers' April bills is depicted below. Paragraph 2 explains the annualized impact on a residential system gas customers' bill which includes the decrease in natural gas prices offset by the increase in the Rider C. This message will be consistent in each of Enbridge's communications including its press release, web content and call center scripts.

April 2016

Natural gas rates have changed

For **Residential Customers** who purchase their gas supply from **Enbridge Gas Distribution Rate 1**

The Ontario Energy Board (“OEB”) has approved changes to Enbridge Gas Distribution’s rates effective April 1, 2016. These rates are approved on an interim basis.

A typical residential homeowner will see an annual increase on their bill of about \$23 as a result of these changes. While natural gas prices have decreased in North America, the Cost Adjustment charge has increased. The Cost Adjustment charge reflects the difference between our forecast costs and actual costs from prior periods. The chart on the back provides a breakdown of the annualized changes. The total effect on your bill will depend on how much gas you use.

The Gas Supply and Transportation to Enbridge charges are based on North American market prices and established transportation prices. We pass these costs on to customers with no mark-up.

The Customer and Delivery charges recover fixed costs for infrastructure and customer service, as well as a regulated rate of return.

Gas Supply Charge

The Gas Supply Charge has decreased from 10.5327 cents per cubic metre (“¢/m³”) to 9.1760 ¢/m³. The Gas Supply component of the Cost Adjustment is currently a charge of 2.2088 ¢/m³. This charge, combined with the Gas Supply Charge, results in a new total effective Gas Supply rate of 11.3848 ¢/m³.

Transportation to Enbridge

The Transportation charge has increased by approximately \$6 per year for a typical customer due to higher costs for transporting natural gas to Ontario.

Delivery to You

The Delivery charge has increased by approximately \$4 per year for a typical customer due to higher delivery related costs.

Cost Adjustment

The total Cost Adjustment charge is 3.9018 ¢/m³, effective until March 31, 2017. Please see the chart on the reverse for the breakdown by component.

Site Restoration Clearance

The Site Restoration Clearance refund remains at 1.2315 ¢/m³, effective until December 31, 2016. It reflects changes in an estimate of ongoing and future site restoration costs. Site

Witness: J. Collier

restoration costs are incurred when gas distribution pipelines are replaced or retired over the life of the gas distribution system.

Residential Rates

Charges for gas used from April 1, 2016 will be calculated using the new approved rates as shown below. The annualized impact is based on a typical residential heating and water heating customer who uses 2,400 cubic metres (m³) per year.

MONTHLY CHARGES	MONTHLY RATES April 1, 2016	ANNUALIZED CHANGE Increase/(Decrease)
Customer Charge	\$20.00 Monthly fee	No Change
Delivery to You		\$4
Amount of gas used per month in m ³		
First 30 m ³	9.4943 ¢/m ³	
Next 55 m ³	8.9841 ¢/m ³	
Next 85 m ³	8.5846 ¢/m ³	
Over 170 m ³	8.2868 ¢/m ³	
Transportation to Enbridge	5.3338 ¢/m ³	\$6
Gas Supply Charge	9.1760 ¢/m ³	(\$33)
Cost Adjustment	3.9018 ¢/m ³	\$46
Components		
Gas Supply	2.2088 ¢/m ³	
Transportation	0.0208 ¢/m ³	
Delivery	1.6722 ¢/m ³	
Site Restoration Clearance	(1.2315) ¢/m ³	No Change
Total Annual Change		\$23

Enbridge Gas Distribution provides safe, reliable delivery of affordable natural gas. For more information about our prices, call 1-877-362-7434 or visit www.enbridgegas.com/rates.

Witness: J. Collier

BOARD STAFF INTERROGATORY #3

INTERROGATORY

Ref: Q2-2/T4/S1 page 3, paragraph 8

- a) Please confirm that the new annual bill impact for a typical residential customer on system supply will be \$797 instead of \$819. If so, please file a corrected exhibit.

RESPONSE

- a) Confirmed. The new annual bill for a typical residential customer on system supply is \$797. Please see the attached corrected exhibit.

load balancing costs, offset by a slight decrease in carrying costs of gas in inventory. The change in the utility price decreases the cost of lost and unaccounted for gas and results in a decrease in delivery charges.

8. The impact of the price changes discussed above on a typical residential customer on sales service (system gas) is an annualized decrease of approximately -2.8%, or \$23. The customer's new annual bill is \$797. On a T-service basis (total bill /c excluding commodity charges), a typical residential customer will see an increase of approximately 1.8% or \$10 annually.

PGVA Clearing

9. Effective January 1, 2010, Enbridge adopted its new PGVA clearing methodology as approved by the Board in the EB-2008-0106, QRAM generic proceeding. Through the new methodology, Enbridge identifies components of its PGVA that are attributable to commodity, transportation, and load balancing costs. Based on this breakdown, individual riders are determined and applied (where applicable) to Sales, Western T-service, and Ontario T-service customers. The PGVA balances attributable to commodity, transportation, and load balancing for the April 1, 2016 QRAM can be found at Exhibit Q2-3, Tab 1, Schedule 2. Exhibit Q2-2, Tab 1, Schedule 1, pages 2 to 6 provides an explanation of the amounts in the PGVA balance which are forecast to be cleared. Exhibit Q2-3, Tab 4, Schedule 8, pages 1 to 16 depicts the schedules supporting the derivation of each of the Rider C unit rates for commodity, transportation, and load balancing.
10. Effective from April 1, 2016 to March 31, 2017, the Rider C unit rate for residential customer's on sales service is 3.9018¢/m³, for Western T-service is 1.6930¢/m³ and /c for Ontario T-service is 1.6722 ¢/m³. /c

BOARD STAFF INTERROGATORY #4

INTERROGATORY

Ref: Q2-3/T1/S2 page 1

On the bottom half of the table, staff notes that the months listed are Jan-16 to Dec-16.

- a) Were the months intended to be April 2016 to March 2017 in keeping with the current QRAM 12 month period relative to this QRAM?
- b) Please file an updated schedule showing the corrected months.

RESPONSE

- a) and b) The intended months should have been April 2016 to March 2017. Please see corrected schedule attached.

Witness: D. Small

ENBRIDGE GAS DISTRIBUTION INC.
COMPONENT OF THE PURCHASED GAS VARIANCE ACCOUNT
GAS ACQUISITION COSTS

Item #	Particulars	Col. 1 Purchase Cost \$(000)	Col. 2 10 ³ m ³	Col. 3 Unit Cost \$/10 ³ m ³	Col. 4 Reference Price \$/10 ³ m ³	Col. 5 Unit Rate Difference \$/10 ³ m ³	Col. 6 Monthly Variance \$(000)	Col. 7 Forecast Clearance January 1, 2016 QRAM \$(000)	Col. 8 minus Col. 7 \$(000)	Col. 9 Commodity Component \$(000)	Col. 10 Transportation Component \$(000)	Col. 11 Load Balancing Component Delivered Supplies Peaking Supplies \$(000)	Col. 12 \$(000)
1	Apr-15	108,617.2	571,955.3	189.905	194.767	(4.862)	(2,760.9)	2,780.8	(0.1)	(0.0)	-	(0.0)	-
2	May-15	102,420.7	573,570.2	178.567	194.767	(16.200)	(9,291.8)	9,291.8	-	0.1	0.0	-	-
3	Jun-15	92,732.0	505,329.9	183.508	194.767	(11.259)	(5,689.5)	5,689.5	-	(0.0)	0.0	0.0	-
4	Jul-15	87,312.5	459,054.4	190.201	195.971	(6.770)	(2,648.6)	2,648.7	0.1	(0.0)	-	(0.0)	-
5	Aug-15	87,682.9	447,079.9	196.124	195.971	0.153	68.4	(68.4)	-	(0.0)	-	0.0	-
6	Sep-15	81,934.2	421,680.4	194.304	195.971	(1.667)	(702.9)	702.9	-	(0.0)	(0.0)	0.0	-
7	Oct-15	84,261.0	438,973.9	191.950	197.965	(6.015)	(2,640.4)	2,640.4	-	(0.0)	-	0.0	-
8	Nov-15	108,831.2	537,586.8	202.444	197.965	4.479	2,407.8	(3,843.8)	(1,436.0)	(1,703.9)	127.8	140.1	-
9	Dec-15	108,860.0	520,511.6	209.140	197.965	11.175	5,816.7	4,526.5	10,343.2	1,253.5	263.0	8,827.1	-
10	Jan-16	127,969.8	710,313.4	180.160	166.366	13.794	9,798.1	-	9,798.1	1,437.4	283.4	7,726.7	360.2
11	Feb-16	111,966.7	634,548.2	176.451	166.366	10.085	6,399.4	-	6,399.4	(3,136.7)	196.5	7,312.6	2,027.0
12	Mar-16	116,316.9	752,489.9	154.576	166.366	(11.790)	(8,871.8)	-	(8,871.8)	(8,992.3)	75.9	-	44.6
13	Total (Lines 1 to 12)	1,218,904.9	6,573,093.9	185.439			(8,135.5)	24,368.4	16,232.9	(11,141.9)	946.6	24,006.5	2,421.8
Current QRAM Period													
14	Apr-16	89,389.3	612,991.5	145.825	157.800	(11.975)	(7,340.6)	(7,340.6)					
15	May-16	88,029.2	637,537.1	138.077	157.800	(19.723)	(12,574.1)	(12,574.1)					
16	Jun-16	81,718.3	581,152.9	140.614	157.800	(17.186)	(9,987.7)	(9,987.7)					
17	Jul-16	81,885.0	594,074.6	140.196	157.800	(17.604)	(10,282.0)	(10,282.0)					
18	Aug-16	83,660.9	588,187.1	142.235	157.800	(15.565)	(9,155.1)	(9,155.1)					
19	Sep-16	86,517.3	593,092.4	145.875	157.800	(11.925)	(7,072.4)	(7,072.4)					
20	Oct-16	100,273.4	671,365.7	149.357	157.800	(8.443)	(5,668.3)	(5,668.3)					
21	Nov-16	96,559.5	565,084.1	170.876	157.800	13.076	7,389.0	7,389.0					
22	Dec-16	129,227.2	766,406.3	168.615	157.800	10.815	8,288.7	8,288.7					
23	Jan-17	177,422.8	1,047,691.5	169.346	157.800	11.546	12,096.6	12,096.6					
24	Feb-17	159,564.9	906,501.7	176.023	157.800	18.223	16,519.2	16,519.2					
25	Mar-17	117,094.1	629,312.1	186.067	157.800	28.267	17,786.7	17,786.7					
26	Total (Lines 14 to 25)	1,291,341.9	8,183,396.8	157.800			0.0	0.0					0.0

load balancing costs, offset by a slight decrease in carrying costs of gas in inventory. The change in the utility price decreases the cost of lost and unaccounted for gas and results in a decrease in delivery charges.

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