

BOMA INTERROGATORY #1

Interrogatory

Ref: General

What will the take away capacity of TCPL's King North Pipeline be?

Response

TransCanada has indicated that:

In order to provide the necessary capacity to meet the new service commitments, TransCanada is proposing the [King's North] Project, in conjunction with a Transportation by Others (TBO) arrangement on Enbridge's Segment A pipeline. Enbridge's GTA Project has received approval from the Ontario Energy Board (OEB) and includes the Segment A pipeline and the Albion Station expansion. Together, the Project and the TBO act as a partial loop of TransCanada's Mainline facilities between Parkway and the Maple Compressor Station (Station 130).¹

and

The capacity of the Segment A pipeline, in conjunction with the [King's North] Project, is anticipated to be approximately 2000 TJ/d of which Enbridge requires approximately 800 TJ/d. Further upstream of Enbridge's Segment A pipeline, Union will construct the Branford-Kirkwall Project and Parkway West Project.²

From the above two quotes, Enbridge understands that the takeaway capacity of the King's North Project is 1200 TJ/d, the difference between the 2000 TJ/d and the 800 TJ/d Enbridge requires.

¹ TransCanada PipeLines Limited - King's North Connection Pipeline Project Application (A62302) Section 1, Application, Adobe p.13.

² TransCanada PipeLines Limited - King's North Connection Pipeline Project Application (A62302) Section 1, Application, Adobe p.36.

Witness: J. LeBlanc

BOMA INTERROGATORY #2

Interrogatory

Ref: Exhibit B, Attachment II, Page 34 of 65, Paragraph 10.2

How are linepack changes that occur on a daily basis on the Albion Pipeline determined? Please discuss fully.

Response

Linepack will change daily and will depend on the hydraulic operation of the Albion pipeline. Linepack is determined by subtracting daily deliveries and any lost and unaccounted volumes from daily receipts and then adding the previous day's linepack balance. Interconnect Operating Agreements will be in place with the interconnecting pipelines at both ends of the pipe to manage linepack.

Witnesses: J. LeBlanc
K. Wirth

BOMA INTERROGATORY #3

Interrogatory

Ref: Exhibit B, Attachment II, Page 12 of 65

Please provide a copy of the Operating Agreement(s) among TCPL, Union Gas, and EGD in relation to the Albion pipeline.

Response

The operating agreements referred to above set out the operating terms among connecting pipelines at the interconnection points between their discrete transmission system assets. They are arrangements on operating parameters such as pressure control, balancing, measurement and notification. The arrangements have not been finalized.

Enbridge is not seeking approval of the operating agreements.

Witness: J. LeBlanc

BOMA INTERROGATORY #4

Interrogatory

Ref: Exhibit B, Attachment II, Page 41 of 65, Paragraph 14.3

What is meant by the phrase "unjustly discriminatory"?

Response

The use of this phrase in the Default and Termination provision of the tariff is to indicate that Transporter would only waive compliance with the Service Agreement so as not to be unjustly discriminatory against other shippers taking similar services.

Witness: J. LeBlanc

BOMA INTERROGATORY #5

Interrogatory

Ref: Exhibit B, Attachment II, Page 55 of 65, FT Service Schedule, Section 4.4

Why should EGD not be obliged to apply to the OEB for any authorization to construct and operate any additional Albion Pipeline Expansion Facilities? Please discuss fully.

Response

Section 4.4 of the tariff indicates that Transporter shall not be obligated to construct new facilities in order to serve prospective shippers. If new facilities are planned, Enbridge Gas Distribution will apply to the Ontario Energy Board for authorization.

Witness: J. LeBlanc

BOMA INTERROGATORY #6

Interrogatory

Ref: General

Please advise when construction of the Albion line will be completed and in service.

- (a) Has the line been completely built? If not, when will it be completely built?
- (b) What is your best estimate of when the line will commence transportation of gas from Parkway to and into the King's North line?
- (c) Are all necessary connections completed with Union facilities at Parkway

Response

- a) The Albion Pipeline was energized on March 22, 2016.
- b) November 1, 2016.
- c) Yes.

Witness: J. LeBlanc

BOMA INTERROGATORY #7

Interrogatory

Ref: General

Please provide the forecast, and actual cost, or currently estimated actual cost of the Albion line.

Response

Please refer to the response to CCC Interrogatory #4, at Exhibit I.EGDI.CCC.4.

Witnesses: A. Kacicnik
R. Small

BOMA INTERROGATORY #8

Interrogatory

Ref: Exhibit B, Attachment 1, Page 1

Please advise that the proposed demand charge and AOS charge for transportation on the Albion line, as provided at Exhibit B, Attachment I, Page 1, reflect a 12/20ths share of the actual cost of construction of the line. If not, please explain why. Please discuss fully.

Response

Please see response to Board Staff Interrogatory #1 at Exhibit I.EGDI.BS.1 for the derivation of the Rate 332.

Witness: A. Kacicnik

BOMA INTERROGATORY #9

Interrogatory

Ref: General

Please confirm that, in the event of any revenue shortfalls caused by less than 100% of the transmission portion of the Albion line (1,200 TJs/day) Albion line being contracted by shippers, will not be for the account of EGD's ratepayers. Please explain fully

Response

Please see response to CCC Interrogatory #3 at Exhibit I.EGDI.CCC.3.

Witness: A. Kacicnik

BOMA INTERROGATORY #10

Interrogatory

Ref: EB-2015-0114, Accounting Order, Pages 38, 39, 40

What is the current balance, if any, in the 2016 GTA ITCRRDA?

Response

The balance recorded in the 2016 GTAITCRRDA, as at April 30, 2016, is \$543.7 thousand.

Witnesses: A. Kacicnik
R. Small

BOMA INTERROGATORY #11

Interrogatory

Ref: EB-2015-0114, Accounting Order, Pages 38, 39, 40

Please explain how the two deferral accounts, the 2016 GTA ITCRRDA and the 2016 R332DA, operate to protect EGD's distribution customers from liability for any cost overruns or unutilized capacity requirement relating to the transmission portion of the Albion line.

Response

The 2016 GTAITCRRDA and R332DA deferral accounts are not related to cost variances or unutilized capacity. Rather, their purpose is to ensure that the 2016 forecast revenue requirement associated with the Albion Pipeline (shared Segment A of the GTA project) will be recovered from the appropriate customer groups. Further details can be found in the description of the deferral accounts provided in the 2016 rate application (EB-2015-0114, Exhibit D2, Tab 1, Schedule 2) and the December 10, 2015 Decision and Accounting Order of the same application, pages 38 to 40. These are included as Attachments 1 and 2 with this response.

Witnesses: A. Kacicnik
R. Small

RATE 332 DEFERRAL ACCOUNT

1. This evidence sets out the Company's request to establish a 2016 Rate 332 Deferral Account ("R332DA").
2. The 2016 R332DA is being requested due to uncertainty as to whether Enbridge will be able to offer Rate 332: Parkway to Albion Transportation Service during 2016 on Segment A of its GTA Project. Segment A of the GTA Project is designed to provide capacity and benefits to Rate 332 customers and Enbridge's bundled customers. The ability to provide Rate 332 transportation service is, however, dependent on the completion of TransCanada's King's North Project. At this time, Enbridge is uncertain as to whether TransCanada's King's North project will be completed and in-service at any point during 2016. As such, the Company has forecast no Rate 332 revenues for 2016.
3. As a result of forecasting that Rate 332 transportation service on Segment A will not be available during 2016, the Company is forecasting that it will recover \$4.9 million from appropriate customers (likely eventual Rate 332 transportation customers), through the 2016 GTA Incremental Transmission Capital Revenue Requirement Deferral Account ("GTAITCRRDA"), while the remainder of the Segment A revenue requirement will be recovered from the Company's bundled customers. The \$4.9 million is the 2016 revenue requirement in association with \$55 million of incremental Segment A capacity upsizing costs. The Board's Decision and Order in Enbridge's GTA Project Leave to Construct proceeding, EB-2012-0451, indicated that the Company's bundled customers should not automatically bear the costs associated with the incremental capacity to serve Rate 332 transportation customers, and that once Segment A is in service, if there are no Rate 332 transportation customers, the revenue requirement impact of \$55 million (representing the cost difference between the NPS 36 pipeline and the NPS 42

Witnesses: A. Kacicnik
R. Small

pipeline) will be recorded in a deferral account for eventual recovery from appropriate customers. The Board subsequently approved the creation of the GTAITCRRDA for this purpose, through the issuance of the Accounting Order in the EB-2012-0451 proceeding.

4. Within this proceeding, the Company is requesting the establishment of the 2016 R332DA. The purpose of the R332DA will be to record for refund to the Company's bundled customers, any Rate 332 revenues collected from Rate 332 transportation customers, net of any reduction in the amount forecast to be recovered through the 2016 GTAITCRRDA, should Rate 332 transportation service on Segment A of the GTA project become available at some point during 2016, as a result of the completion of all associated interconnected third party facilities. The R332DA will ensure that the Company's bundled customers only pay for the revenue requirement for the transportation component of Segment A revenue requirement, net of the revenue requirement on the incremental \$55 million, until such time as Rate 332 transportation service is available. The R332DA will also ensure the Company does not over recover the forecast revenue requirement for Segment A of the GTA Project.
5. Should Rate 332 transportation service become available at some point during 2016, then Rate 332 customers will be charged the monthly proportion of 60% of the Segment A revenue requirement from that point onward. However, at the same time, the monthly allocation of the \$4.9 million forecast to be recovered through the 2016 GTAITCRRDA will stop. As such, the amount actually recovered through Rate 332 customers from the time Rate 332 transportation service becomes available net of the amount forecast to be recorded in the 2016 GTAITCRRDA for that same time period, will be credited to the Company's bundled customers through the R332DA.

Witnesses: A. Kacicnik
R. Small

ACCOUNTING TREATMENT FOR A
GREATER TORONTO AREA INCREMENTAL TRANSMISSION CAPITAL REVENUE
REQUIREMENT DEFERRAL ACCOUNT
("2016 GTAITCRRDA")

For the 2016 Fiscal Year
(January 1, 2016 to December 31, 2016)

The purpose of the 2016 GTAITCRRDA is to record the revenue requirement related to an incremental \$55 million of forecast capital costs which resulted from the upsizing of Segment A of the GTA project to an NPS 42 pipeline from an NPS 36 pipeline. The account will only be required in the event that at the time Segment A is put into service there are no transportation customers, or there is no ability for transportation customers to utilize Segment A. The revenue requirement will represent revenue to be collected from appropriate (likely transportation service) customers once they are able to take service under Rate 332. The rationale for calculating the revenue requirement associated with the incremental \$55 million is to determine the annual impact of the incremental costs to be paid by transportation customers as a result of upsizing the pipeline for transportation purposes.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate hearing.

Accounting Entries

1. To record the revenue requirement related to incremental capital costs:

Debit:	2016 GTAITCRRDA	(Account 179. 146)
Credit:	Transportation revenue	(Account 570. 000)

To record the revenue requirement impact of \$55 million of incremental capital associated with the transmission customer use of the GTA Segment A pipeline.

2. Interest accrual:

Debit:	Interest on 2016 GTAITCRRDA	(Account 179. 156)
Credit:	Interest expense	(Account 323. 000)

To record simple interest on the opening monthly balance of the 2016 GTAITCRRDA using the Board approved EB-2006-0117 interest rate methodology.

ACCOUNTING TREATMENT FOR A RATE 332 DEFERRAL ACCOUNT ("2016 R332DA")

For the 2016 Fiscal Year
(January 1, 2016 to December 31, 2016)

The purpose of the 2016 R332DA is to record for refund to the Company's bundled customers, any Rate 332 revenues collected from Rate 332 transportation customers, net of any reduction in the amount forecast to be recovered through the 2016 GTAITCRRDA, should Rate 332 transportation service on Segment A of the GTA project become available at some point during 2016 as a result of the completion of all associated interconnected third party facilities. The R332DA will ensure that the Company's bundled customers only pay for the revenue requirement for the transportation component of Segment A, net of the revenue requirement on the incremental \$55 million, until such time as Rate 332 transportation service is available. The R332DA will also ensure the Company does not over recover the forecast revenue requirement for Segment A of the GTA Project.

Should Rate 332 transportation service become available at some point during 2016, then Rate 332 customers will be charged the monthly proportion of 60% of the Segment A revenue requirement from that point onward. However, at the same time, the monthly allocation of the \$4.9 million forecast to be recovered through the 2016 GTAITCRRDA will stop. As such, the amount actually recovered through Rate 332 customers from the time transportation service becomes available, net of the amount forecast to be recorded in the 2016 GTAITCRRDA for that same time period, will be credited to the Company's bundled customers through the R332DA.

Simple interest is to be calculated on the opening monthly balance of this account using the Board approved EB-2006-0117 interest rate methodology. The balance of this account, together with carrying charges, will be disposed of in a manner to be designated by the Board in a future rate hearing.

Accounting Entries

1. To record for refund to bundled customers, a portion of 2016 Rate 332 revenues collected:

Debit:	Transportation revenue	(Account 570. 000)
Credit:	2016 R332DA	(Account 179. 926)

To record for refund to bundled customers, any 2016 Rate 332 revenues collected, net of any reduction in the 2016 amount forecast to be recovered through the 2016 GTAITCRRDA, in the event that Rate 332 transportation service on Segment A of the GTA project become available during 2016.

2. Interest accrual:

Debit:	Interest expense	(Account 323. 000)
Credit:	Interest on 2016 R332DA	(Account 179. 936)

To record simple interest on the opening monthly balance of the 2016 R332DA using the Board approved EB-2006-0117 interest rate methodology.

BOMA INTERROGATORY #12

Interrogatory

Ref: Attachment III

Why is the draft TCPL contract or service description included in the evidence?

Response

Exhibit B, Attachment III is not a draft TCPL contract. It is TransCanada's Transportation Access Procedure. It sets forth the process by which TransCanada administers requests for service to ensure fair and equitable treatment to all applicants.

As stated in the pre-filed evidence (Exhibit B, pages 12 and 13), TransCanada has committed to bid for all of the transmission capacity on the Albion Pipeline. TransCanada has already offered and received bids for short-haul capacity on its Mainline system that includes the use of Albion pipeline capacity in the form of Transportation by Others ("TBO"). The purpose of the inclusion of TransCanada's Transportation Access Procedure was to demonstrate that capacity contracted for by TransCanada would be offered to the market (as part of their Mainline system) in an open and non-discriminatory manner consistent with the stated purpose of STAR.

Witness: J. LeBlanc