BOARD STAFF INTERROGATORY #1

Interrogatory

Ref: EB-2016-0028 / Exhibit B / Pages 7-8
EB-2016-0028 / Exhibit B / Attachment I

Preamble:

Enbridge noted that the contract demand charge for firm transportation service on the Albion Pipeline is based on the recovery of 60% of the annual revenue requirement of the pipeline in accordance with the EB-2012-0451 and EB-2012-0459 decisions.

Enbridge also noted that the contract demand charge calculation assumes the costs of the Albion Pipeline as indicated in the EB-2012-0451 and EB-2012-0459 proceedings.

Enbridge calculated the contract demand charge on the basis that the total contracted capacity will be the full 1,200 TJ/day that is available for transportation service on the Albion Pipeline.

Enbridge stated that in the unlikely event that the total contracted capacity on the Albion Pipeline is lower than the 1,200 TJ/day that is available for transportation service it will file a proposal to vary the OEB's order in this proceeding.

Questions:

a) Please provide the calculation for the contract demand charge set out at Exhibit B / Attachment I. Please include references to previous OEB decisions to support the amounts used in the calculation.

b) Please confirm that if transportation service for the Albion Pipeline is undersubscribed, Enbridge will file its request for a vary order prior to the customers taking service on the pipeline.

Response

a) The 2016 daily contract demand charge is based on 60% of the annual revenue requirement for Segment A as determined in Enbridge Gas Distribution's EB-2015-0114 (2016) rate case. As shown at EB-2015-0114, Exhibit G2, Tab 5, Schedule 3, page 2, Line 3, the 2016 annual revenue requirement for Segment A is

$29,820,000. The billing determinant is the contract demand of 1,200,000 GJ/day. Therefore the contract demand charge is determined as follows:

2016 Segment A Total Revenue Requirement:	$29,820,000
Rate 332 Segment A Revenue Requirement @ 60%	$17,892,000
2016 Contract Capacity Available for Rate 332 (GJ/day)	1,200,000
Rate 332 Daily Contract Demand Charge ($17,892,000/1,200,000)/365	$0.04080 GJ/day

b) Confirmed. Please also see response to CCC Interrogatory #3 at Exhibit I.EGDI.CCC.3

BOARD STAFF INTERROGATORY #2

Interrogatory

Ref: EB-2016-0028 / Exhibit B / Page 8

Preamble:

Enbridge noted that TransCanada Pipelines Limited (TransCanada) confirmed that it intends to bid for all available transportation capacity on the Albion Pipeline in excess of the 800 TJ/day to be used by Enbridge for distribution purposes.

Questions:

a) If TransCanada is allocated all of the transportation capacity on the Albion Pipeline, is it Enbridge's understanding that capacity will be made available by TransCanada to parties such as Union Gas Limited (Union) and Gaz Metro Limited Partnership (Gaz Metro)? Please explain.

Response

Yes, if TransCanada is allocated all of the transportation capacity on the Albion Pipeline it will make that capacity available to any party which meets the terms of service under TransCanada's Tariff. In fact, as discussed at Exhibit B, page 12, paragraphs 65 to 69, TransCanada has already conducted open seasons for new capacity which are contingent on TransCanada being able to secure Transportation by Others ("TBO") capacity on the Albion Pipeline. Enbridge understands that both Union and Gaz Metro have bid into at least one of these open seasons. Enbridge has also bid into these open seasons in order to convert a portion of its TransCanada long haul capacity to short haul capacity.

Witness: J. LeBlanc

BOARD STAFF INTERROGATORY #3

Interrogatory

Ref: EB-2016-0028 / Exhibit B / Page 9

Preamble:

Enbridge noted that the Authorized Overrun Charge for Authorized Overrun Service (AOS) has been set at 120% of the rate for firm transportation service.

Questions:

a) Please provide rationale for setting the Authorized Overrun Charge at 120% of daily contract demand charge.

b) Please provide the Authorized Overrun Charges set by Union and TransCanada for similar transportation services. If necessary, please explain any differences.

Response

a) The Authorized Overrun Charge is proposed to be set at a premium over the 100% load factor unit charge. The 20% premium is put in place to provide an incentive for shippers to contract appropriately for their firm ongoing service requirements rather than rely on what is meant to be a temporary service. For shippers who require temporary or unforeseen short term needs the higher toll better reflects the temporary/discretionary nature intended for overrun service.

b) Enbridge understands that Union provides overrun service under its M12 tariff (which Enbridge sees as a similar service to its Rate 332 Service) at 100% of its M12 toll. Union applies higher fuel ratios/rates to its Authorized Overrun service and therefore overall delivery ends up being more expensive than M12 firm service.

   TransCanada does not offer overrun on FT service which Enbridge sees as comparable service to its Rate 332 service. Mainline FT shippers must contract for IT service to meet temporary requirements which is subject to tolling rates at the discretion of TransCanada and these tolling rates are often more than 100% of the FT toll.

Witnesses: A. Kacicnik
J. LeBlanc

The only Mainline service on which TransCanada offers overrun is its Storage Transportation Service ("STS"). Overrun on STS is currently tolled at 100% of its STS toll. TransCanada has applied to the National Energy Board for approval to charge a 25% premium[1] in order to incent STS shippers to contract for their annual service requirements rather than rely on overrun for their ongoing capacity needs.

Also, Enbridge currently charges a 20% premium[2] for IT service under its Rate 331 applicable to its Tecumseh to Dawn pipeline which is regulated and approved by the Board.

[1] https://docs.neb-one.gc.ca/ll-eng/llisapi.dll?func=ll&objId=2926844&objAction=browse&viewType=1 A-75561-1 Section 3.4

[2] https://www.enbridgegas.com/businesses/accounts-billing/gas-rates/large-volume-rates/rate-331.aspx

BOARD STAFF INTERROGATORY #4

Interrogatory

Ref: EB-2016-0028 / Exhibit B / Pages 9-10

Preamble:

Enbridge noted that the purpose of the 2016 Greater Toronto Area Incremental Transmission Capital Revenue Requirement Deferral Account (GTAITCRRDA) is to record the revenue requirement related to an incremental $55 million of forecast capital costs that resulted from the upsizing of the Albion Pipeline to an NPS 42 pipeline from an NPS 36 pipeline.

Enbridge stated that the revenue requirement recorded in the GTAITCRRDA represents revenue to be collected from transportation customers once they are able to take service on the Albion Pipeline in accordance with Rate 332.

Questions:

a) Please provide the amount forecast to be recorded in the GTAITCRRDA as of November 1, 2016. Please also provide the unit rate associated with the forecast balance in the GTAITCRRDA as of November 1, 2016. Please provide supporting documentation.

b) Does Enbridge intend to inform potential shippers of the anticipated additional charges, as of November 1, 2016, resulting from the disposition of the GTAITCRRDA as part of the open season? Please explain.

Response

a) In accordance with the EB-2015-0114 Decision and Accounting Order (please see responses to BOMA Interrogatory #11 at Exhibit I.EGDI.BOMA.11, Attachments 1 and 2), the forecast balance to be recorded in the 2016 GTAITCRRDA by December 31, 2016, assuming Rate 332 transportation service is not able to be provided during the entire 2016, is $4.9 million. This represents the 2016 revenue requirement associated with the incremental $55 million in forecast capital costs resulting from the upsizing of the Albion Pipeline (Segment A of the GTA project) from a 36” to 42” diameter pipeline. Should Rate 332 Transportation Service

Witnesses: A. Kacicnik
J. LeBlanc
R. Small

commence beginning November 1, 2016, charges to the 2016 GTAITCRRDA would end, and the recorded balance is expected to be $4.1 million.

A unit rate for the GTAITCRRDA is not relevant. The 2016 GTAITCRRDA will be cleared as part of Enbridge Gas Distribution's 2016 deferral account clearing; the balance would be collected in 2017 as a one-time billing adjustment from Rate 332 shipper(s). As an illustration, if a shipper holds x% of the subscribed capacity, the shipper will pay x% of the GTAITCRRDA balance.

b) Yes, Enbridge intends on informing potential shippers of the anticipated additional charges resulting from the disposition of the GTAITCRRDA as part of its open seasons. In its rate schedule, filed at Exhibit B, Attachment 1, page 1, Enbridge indicates that "Applicants taking Rate 332 transportation service will be required to pay any charges resulting from Board approved dispositions of Deferral and Variance account balances pertaining to Rate 332".

Witnesses: A. Kacicnik
J. LeBlanc
R. Small

BOARD STAFF INTERROGATORY #5

Interrogatory

Ref: EB-2016-0028 / Exhibit B / Attachment I

Preamble:

Enbridge provided the proposed Rate Schedule for Parkway to Albion King's North Transportation (Rate 332) Service at Exhibit B / Attachment I.

Questions:

a) Please explain why there are no rates or rules set out in relation to Unauthorized Overrun Charges in the rate schedule for Rate 332 service.

b) Please explain why there are no provisions for compressor fuel and fuel ratios set out in the rate schedule for Rate 332 service.

Response

a) As was discussed in more detail in the response to APPrO Interrogatory #1 at Exhibit I.EGDI.APPrO.1(c), at the direction of the Ontario Energy Board, Enbridge, Union Gas and TransCanada have worked together to ensure responsible and efficient development of the natural gas infrastructure in the Parkway to Maple area. As such, the transmission portion of the Albion Pipeline was developed to be a partial loop of the existing TransCanada Mainline pipeline from Parkway to Maple to help debottleneck the region and facilitate the development of short haul access from Dawn.

   The three companies have also agreed that under normal circumstances the most efficient way to operate in this area would be for Union to feed TransCanada's Mainline pipeline between Parkway and Maple as well as Enbridge's Albion pipeline using a common header allowing gas to flow freely on whichever pipeline path (TransCanada's Mainline or the Albion Pipeline) is favoured by the natural hydraulics of the overall combined system. In other words, both downstream pipelines will receive gas from a common source with common pressure from Union's Parkway facilities and the gas will not be directed onto one pipeline versus the other.

Witnesses: J. LeBlanc
K. Wirth

The alternative would be to feed these pipelines separately which would require Union to split flows according to the nominations it received for each pipe and would result in the inefficient use of compression at Parkway. This is the case because by splitting flows it will often be necessary to run more compressors more often to manage the differing flow requirement on each pipeline. This would result in all shippers on the combined system bearing increased fuel costs, which is not in the spirit of the direction given by the Board.

As described above, operating in this more efficient manner means that, while Union will control the amount of gas that flows through the overall system, it will intentionally not control which pipeline it flows on. As a result Enbridge believes it would be unreasonable to charge shippers for unauthorized overrun as they cannot choose to limit how much of their gas might flow on one pipeline or the other.

If required, Enbridge will throttle (manage to a target level) the flow into TransCanada's Mainline using Enbridge's flow control facilities at the interconnection point to limit flow into the Mainline system to the volumes contracted on the Albion Pipeline. If shippers request overrun and it can be accommodated, Enbridge will allow this additional flow and charge shippers according to the proposed Tariff. This will be Authorized Overrun rather than Unauthorized Overrun.

This mode of operation will not affect the flow into Enbridge's distribution system as it receives the gas it requires upstream of the interconnection point with TransCanada's Mainline.

b) As Enbridge does not have compression facilities as part of the Albion Pipeline, there is no need to provide for compressor fuel and/or fuel ratios in the Tariff at this time. Should this change in the future Enbridge would seek approval for revisions to its Tariff as needed.

Witnesses: J. LeBlanc
K. Wirth

BOARD STAFF INTERROGATORY #6

Interrogatory

Ref: Storage and Transportation Access Rule / Section 2.2.1

Preamble:

Section 2.2.1 of the Storage and Transportation Access Rule (STAR) sets out the requirements for conducting open seasons for firm transportation services.

Questions:

a) Please confirm that all of the requirements set out in Section 2.2.1 of STAR will be followed in the open season for Parkway to Albion King's North Transportation Service?

Response

a) Confirmed.

Witness: J. LeBlanc

BOARD STAFF INTERROGATORY #7

Interrogatory

Ref: EB-2016-0028 / Exhibit B / Attachment II / FT Service Schedule / Page 5

Preamble:

Enbridge set out its procedures for allocating capacity on the Albion Pipeline.

Questions:

a) Please discuss any differences between Enbridge's proposed capacity allocation procedures for Albion Pipeline capacity and Enbridge's understanding of Union's allocation procedures for a similar transportation service.

Response

Enbridge's proposed capacity allocation procedures for Albion Pipeline capacity were developed based on the capacity allocation procedures currently approved by the Board for Enbridge's Rate 331 service.

Based on its review, Enbridge understands that Union's capacity allocation procedures are not materially different from those proposed for the Albion Pipeline capacity.

- As per section 2.1.2 of STAR, both require that firm transmission service that becomes available as a result of a facility expansion will be offered through an open season and that existing capacity that is available or will become available for long-term firm transportation service will be offered through an open season.
- Both procedures award open season capacity based on the highest economic value based upon the net present value of the proposed per-unit rate and the proposed term of the contract without regard to the proposed quantity or volume of the contract.
- As per section 2.1.3 of STAR, both allow firm transmission service that has been offered in an open season, but not awarded in that open season, to be allocated by other means. Union's procedures are more complex, likely reflecting the complexity of its overall transmission system, with the intention to allocate capacity on a first come, first-served basis and a fair allocation when multiple requests are received. Enbridge's procedure at section 4.1(d) intends to achieve the same goals.

Witness: J. LeBlanc

- Enbridge notes that, as compared to Union's procedure, it has broken certain aspects of its procedure out into Section 2 of the proposed General Terms and Conditions found at Exhibit B, Attachment II, page 17of 65 of the pre-filed evidence. In this separate section Enbridge describes how requests for service will be handled including how notice of an award of capacity will be provided. These aspects are included within the section of Union's General Terms and Conditions titled "Allocation of Capacity" along with the other similar aspects contained in Section 4 of the FT Service Schedule (see Exhibit B, Attachment II, pages 54 and 55 of 65) of the proposed Tariff.

BOARD STAFF INTERROGATORY #8

Interrogatory

Ref: Storage and Transportation Access Rule / Section 2.3.2, 2.3.5 and 2.3.6
EB-2016-0028 / Exhibit B / Attachment II / FT Service Schedule / Appendix 1

Preamble:

Section 2.3.2 of STAR requires that the transmitter will ensure that each transportation service has its own standard form of contract and its own terms of service.

Section 2.3.5 of STAR requires posting of the standard form of contract on Enbridge's website.

Section 2.3.6 of STAR requires posting of any negotiated contracts on Enbridge's website.

Questions:

a) Please confirm that Appendix 1 to the FT Service Schedule, which is titled "Form of FT Service Agreement" is the standard form of contract.

b) Please confirm that Enbridge will comply with sections 2.3.5 and 2.3.6 of STAR.

Response

a) Confirmed.

b) Confirmed.

Witnesses: J. LeBlanc
K. Wirth

BOARD STAFF INTERROGATORY #9

Interrogatory

Ref: Storage and Transportation Access Rule / Section 2.3.4 EB-2016-0028 / Exhibit B / Attachment II

Preamble:

Section 2.3.4 of STAR sets out the required items to be addressed in a transmitter's standard terms of service. One of the required items is decontracting.

Questions:

a) Please advise whether decontracting is discussed in Enbridge's proposed terms of service for the Parkway to Albion King's North Transportation Service. If not, please explain why.

Response

Decontracting is provided for under section 6 (Renewal Rights) of the FT Service Schedule found at Exhibit B, Attachment II, page 57 of 65, where the FT Service Schedule describes what a shipper must do to renew existing service. If a shipper does not provide notice of renewal at least 24 months in advance of the existing service termination date then effectively the shipper will have decontracted as of that termination date.

Also related to decontracting, Enbridge intends to execute its open seasons in accordance with the Standards for Transportation Open Seasons provided in STAR as stated at Section 4.3 of the FT Service Schedule (Exhibit B, Attachment II, page 55 of 65). Section 2.2.1(iii) of STAR requires that a transmitter offering new capacity offer a reverse open season to allow existing FT shippers the opportunity to permanently turn back existing FT capacity in order to avoid unnecessary expansions.

Witness: J. LeBlanc