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VIA COURIER

December 14, 2016

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

Dear Ms. Walli:

Re: EB-2016-0326 Enbridge Gas Distribution Inc.
Q4 QRAM – Interrogatory Responses

Further to Enbridge Gas Distribution's January 1, 2017 QRAM Application dated December 9, 2016, attached please find interrogatory responses by Enbridge.

Please contact the undersigned if you have any questions.

Sincerely,

[original signed]

Lorraine Chiasson
Regulatory Coordinator

cc: David Stevens (Aird & Berlis)

BOARD STAFF INTERROGATORY #2

INTERROGATORY

Ref: Q1-3/T1/S1 page 1, Item # 6

a) Please provide a detailed explanation regarding the 9.3% increase in the unit cost for Niagara Supplies.

RESPONSE

As described in response to Board Staff Interrogatory #1 filed at Exhibit I, Tab 1, Schedule 1, the average annual forecast of Dawn prices has increased between the October 2016 and January 2017 QRAM forecasts.

Also impacting the forecasted cost of Niagara supplies is the applicable pricing discounts. The supply arrangements described at Exhibit Q1-2, Tab 1, Schedule 1, page 1, paragraph 3, identify an average discount of $0.40/US/Mmbtu on annual Niagara/Chippawa supply arrangements. The supply arrangements depicted expire October 31, 2017 and for purposes of the January 2017 QRAM the Company has assumed acquiring the supplies in November and December of 2017 with no premium or discount applied to the forecasted Dawn price.

The QRAM Reference Price is based upon a forecast of pricing at the time of the preparation of the applicable QRAM. Any variation between actual and forecasted costs will be captured in the Purchased Gas Variance Account (PGVA) and disposed of to the customer through the Rider C mechanism as part of a future QRAM.

Witness: D. Small

BOARD STAFF INTERROGATORY #1

INTERROGATORY

Ref: Q1-3/T1/S1 page 1, Item # 5

a) Please provide a detailed explanation regarding the 20.2% decrease in the unit cost for Delivered Supplies, including an explanation of the supply sources included in the item.

RESPONSE

Included in the derivation of the October 2016 QRAM was a forecast of Dawn prices for the 12 month period October 2016 to September 2017. The January QRAM included a forecast of Dawn prices for the January 2017 to December 2017 period. Average Dawn prices have increased over this period as well as increases in the forecasted average US exchange rate. All other things being equal this would have caused an overall increase in the unit rates between the two QRAM's of approximately 5%.

There are two elements that need to be considered when comparing the October 2016 and the January 2017 average Delivered supply unit rates. As described above the straight average of monthly pricing has increased. However, the 2017 gas supply plan assumes purchases of delivered supplies at Dawn throughout the entire year as opposed to the 2016 gas supply plan which assumed purchases at Dawn throughout the winter months. The average unit rate depicted in the October 2016 QRAM is essentially an average of winter pricing. Because summer pricing at Dawn is typically lower than winter prices the overall average of the costs when comparing the two QRAM's is a decline. Next in both the 2016 and 2017 gas supply plans the Company has an arrangement with a third party whereby via an exchange agreement Enbridge Gas Distribution receives gas on a daily basis in the CDA and provides an equal volume to the counter party Dawn throughout the winter months. For this service Enbridge pays a monthly demand charge which has been included in the derivation of the Delivered supply cost. The applicable demand charge for 2017 is significantly lower than that the demand charge associated with service provided in 2016 in the order of $20.0 million

The QRAM Reference Price is based upon a forecast of pricing at the time of the preparation of the applicable QRAM. Any variation between actual and forecasted costs will be captured in the Purchased Gas Variance Account (PGVA) and disposed of to the customer through the Rider C mechanism as part of a future QRAM.

Witness: D. Small