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Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: Enbridge Gas Distribution Inc. (Enbridge) – 2017 Cap and Trade Application
OEB File No. EB-2016-0300
TransCanada PipeLines Limited (TransCanada) Interrogatories

Enclosed are the interrogatories of TransCanada PipeLines Limited. Should you have any questions, please contact the undersigned.

Yours truly,
TransCanada PipeLines Limited

Original signed by

Matthew D. Ducharme
Counsel
Law, Canadian Pipelines

Attachment

cc: Mr. Andrew Mandyam, Enbridge Gas Distribution Inc. (electronic only)
Ms. Fiona Oliver-Glasford, Enbridge Gas Distribution Inc. (electronic only)
Mr. Dennis M. O’Leary, Aird & Berlis LLP (electronic only)
All Intervenors in EB-2016-0300 (electronic only)

Issue: Issue 1 – Cost Consequences

IR Number: Interrogatory #1

Reference:
1) EB-2016-0300, Application, Exhibit G, Tab 1, Schedule 1, Appendix A, Page 2 of 10
2) EB-2016-0300, Application, Exhibit G, Tab 1, Schedule 1, Appendix A, Page 1 of 10
3) EB-2016-0300, Application, Exhibit G, Tab 1, Schedule 1, Appendix A, Pages 9 and 10 of 10

Preamble: In Reference 1, Enbridge calculated the Company Use unit rate of 0.0018 cents/m^3. Footnote 5 states that it was calculated using the following formula:

> "Cost of CO2e emissions / Total customer-related volume = […]"

Reference 2 is a table titled "Table A1: 2017 Customer-related Volumes, Emissions, Cost of Emissions and Unit Rate". Table A1 does not include Rate classes 325, 330, 331 and 332 or their corresponding forecast volumes.

In Reference 3, Enbridge shows that Rate 325, 330, 331, and 332 are subject to the Company Use rate.

TransCanada has concerns regarding Enbridge's calculation of the Company Use unit rate.

Request:

a) Please confirm that Enbridge calculated the Company Use unit rate of 0.0018 cents/m^3 on the basis of total customer-related volumes, as noted in Reference 1.

b) Please provide the Company Use rate in cents per GJ.

c) For Rate classes 325, 330, 331, and 332:
   i. Please confirm that the total customer-related volume as calculated in Reference 2 does not include the forecast volumes of the noted rate classes. If not confirmed, please explain.
   ii. Please confirm that the noted rate classes are subject to the 0.0018 cents/m^3 company use charge as shown in Reference 3.
   iii. Please provide the 2017 budget forecast volumes for each noted rate class.

iv. Please confirm that by not including the forecast volumes of the noted rate classes in the calculation found in Reference 1, the Company Use unit rate is larger than necessary to recover Company Use costs. If not confirmed, please explain.

d) If appropriate given the responses to c), please provide the revised Company Use unit rate. If Enbridge believes the rate in Reference 1 is correct, please fully explain why.

Issue: Issue 4 – Deferral and Variance Accounts

IR Number: Interrogatory #2

Reference:

1) EB-2016-0300, Application, Exhibit C, Tab 3, Schedule 6, Page 1 and 7 of 13
2) EB-2015-0363, Report of the Board, Section 6.1, Page 30
3) EB-2016-0215, Application, Exhibit G2, Tab 1, Schedule 1, Page 9 of 28

Preamble:

In Reference 1, Enbridge states that administrative costs incurred until January 1, 2017 will be recorded in the Greenhouse Gas Emissions Impact Deferral Account ("GGEIDA"). Enbridge Gas forecasts 2016 Cap and Trade administrative costs of $1,772,000.

In Reference 2, the Ontario Energy Board states that "[…] administrative costs relating the implementation and ongoing operation of the Cap and Trade program will be allocated and recovered from all customers in the same manner as existing administrative costs."

In Reference 3, Enbridge states that "Administration and general costs are functionalized on the basis of the proportion of operating and maintenance costs forecast for each operating function."

TransCanada requests additional information on the Cap and Trade administrative costs that it may be expected to pay in 2017.

Request:

a) Please provide the balance as of January 1, 2017 for the deferral account noted in Reference 1.

b) Please confirm that Enbridge intends to recover Cap and Trade administrative costs in the same manner as existing utility administrative costs.

c) Does Enbridge expect to recover Cap and Trade administrative costs through a commodity charge or an increase to the demand charge?

d) Please provide the percentage of total utility O&M costs allocated to Rate 332 customers in 2017.

e) Please confirm that Cap and Trade administrative costs will be allocated to Rate 332 in the same proportion as c). If not, please explain on what basis Enbridge will allocate Cap and Trade administrative costs to Rate 332 customers.

f) Using the updated deferral account balance provided in a), please provide the estimated amount expected to be allocated to Rate 332 customers, as well as the resulting unit rate impact. If an updated deferral account balance is unavailable, please utilize the balance noted in Reference 1.

Issue: Issue 5.1 – Cost Recovery

IR Number: Interrogatory #3

Reference:
1) EB-2016-0300, Application, Exhibit G, Tab 1, Schedule 1, Appendix A, Page 2 of 10
2) EB-2016-0028, Application, Exhibit B, Page 5 of 13

Preamble: In Reference 1, Enbridge provides the following Cost of CO_2e Emissions:

Type	**Cost of CO_2e Emissions**
Company Use	
Fleet	$49,771.3
Buildings	$49,967.6
Boilers	$129,348.0
Total Company Use	**$229,086.9**

In the same Reference, Enbridge calculates the Company Use unit rate to be 0.0018 cents/m^3.

In Reference 2, Enbridge states that 1,200 TJ/d of capacity on the Albion Pipeline will be available for Rate 332 transportation customers. TransCanada subsequently contracted for the full 1,200 TJ/d of Rate 332 service.

TransCanada has concerns regarding the methodology used by Enbridge to recover Company Use emissions costs.

Request:

a) Please confirm that given the unit rate in Reference 1, and based on TransCanada's contract demand under Rate 332 in Reference 2, that TransCanada could be responsible for up to $211,710 of the $229,086.9 of forecast Company Use costs. If not confirmed, please provide the correct figure and explain the calculations.

b) Considering Enbridge's response to TransCanada Interrogatory #1 d), please provide the updated total forecast cost in 2017 to TransCanada associated with Enbridge Company Use emissions, based on:

  i. TransCanada utilizing its contract noted in Reference 2 at 100% load factor.

  ii. TransCanada utilizing its contract noted in Reference 2 in accordance with the forecast flow provided in Interrogatory #1 c) iii).

iii. Please state the figures provided in b) i) & ii) as a percentage of Enbridge's total Company Use costs for 2017.

c) Please provide the following information, fully explaining the responses:

i. The percentage of Enbridge fleet vehicle use caused by the Albion Pipeline, on which TransCanada has contracted for 60% of the throughput in accordance with Reference 2.

ii. The percentage of Enbridge office and building space dedicated to supporting Rate 332 service on a full-time basis.

iii. The boiler use incurred, described in terms of cost of CO_2e emissions, by Enbridge as a result of Rate 332 service.

iv. The total percentage of Company Use emissions costs that Enbridge forecasts will be incurred as a direct result of the operation, administration, and maintenance for the Albion pipeline, of which 60% is attributable to Rate 332.

v. The dollar amount of Enbridge O&M expense allocated to Rate 332 customers for recovery in 2017.

vi. Enbridge's total forecast O&M expense for 2017.

vii. The percentage share of Enbridge's total O&M expense allocated to Rate 332 customers in 2017.