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VIA COURIER AND RESS

June 16, 2017

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

Dear Ms. Walli:

Re: EB-2017-0181 Enbridge Gas Distribution Inc.
Q3 QRAM – Interrogatory Responses

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

Please contact the undersigned if you have any questions.

Sincerely,

(Original Signed)

Bonnie Jean Adams
Regulatory Coordinator

FRPO INTERROGATORY #1

INTERROGATORY

REF: Exhibit Q3-3, Tab 1, Schedule 1
and EB-2016-0215, Exhibit D1, Tab 2, Schedule 2, Page 22, Paragraph 3.2.5

Preamble: We would like to understand better the process undertaken in making purchasing decisions on behalf of ratepayers.

- 1) Please produce a copy of the Open Season held by TCPL for Dawn LTFP.
 - a) Please provide the analysis that Enbridge undertook to determine the economics of the Dawn LTFP path in comparison with other sources of gas to Dawn.
 - b) Please confirm that while the project was targeted at Western Canadian Producers, there was no conditions in the Open Season that Enbridge precluded from submitting a bid.
 - c) Please provide the Enbridge rationale in choosing not to bid any volumes from this service as part of its Gas Supply portfolio.

RESPONSE

One purpose of the QRAM process is to capture changes in market prices on a forward 12 month basis as it applies to the Board Approved volume forecast. The 2017 Board Approved volumetric forecast was prepared prior to TransCanada PipeLines Limited ("TCPL") issuing an open season for Dawn LTFP and as such was not contemplated and therefore not included in the July 2017 QRAM process.

While the Company believes that this discussion is better addressed as a part of a Gas Supply Memorandum review that will form part of its 2018 rate application, the Company is prepared to provide the following comments.

TCPL has conducted two Long Term Fixed Price ("LTFP") open seasons from Empress to Union SWDA ("Dawn LTFP"). The first Dawn LTFP open season was conducted from October 12, 2016 to November 10, 2016 and the second Dawn LTFP open season was conducted from February 22, 2017 to March 9, 2017.

The Company submitted a conditional bid into the first Dawn LTFP open season that included, among other things, the elimination of a condition of service that obligated shippers to not oppose TCPL's pricing discretion with respect to services such as Interruptible Transportation ("IT") or Short Term Firm Transportation ("STFT") for a period of 10 years following commencement of the service contract. Another condition

Witness: D. Small

of service that the Company eliminated in its bid was the requirement for prospective bidders to support any regulatory proceeding required to implement or continue the Dawn LTFP service. The Company did not agree with this condition and wanted to reserve the right intervene to fully understand the service and any impacts to our customers.

TCPL did not accept the Company's bid in the first Dawn LTFP Open Season due to concerns of non-conformance. When the second Dawn LTFP open season was issued, it contained similar conditions to the first Dawn LTFP open season. The Company did not bid into the second Dawn LTFP open season because the Company would have submitted a similar conditional bid to the first Dawn LTFP open season which was not accepted by TCPL.

FRPO INTERROGATORY #2

INTERROGATORY

REF: Exhibit Q3-3, Tab 1, Schedule 1
and EB-2016-0215, Exhibit D1, Tab 2, Schedule 2, Page 22, Paragraph 3.2.5

Preamble: We would like to understand better the process undertaken in making purchasing decisions on behalf of ratepayers.

- 2) Please confirm that Nexus does not have FERC approval to proceed with construction.
 - i) If so, please provide Enbridge's approach to acquiring gas for this winter if Nexus cannot deliver until spring of 2018?
 - ii) Are ratepayers at risk for any additional costs if Nexus cannot deliver for this winter? Please provide the basis for this response.
 - (1) If ratepayers are at risk for additional costs, please describe Enbridge's mitigation efforts.

RESPONSE

As discussed in response to FRPO Interrogatory# 1 filed at Exhibit I, Tab 1, Schedule 1, the QRAM captures the impact of changes in market prices as they pertain to the Board Approved volume forecast. The 2017 supply portfolio included purchases via NEXUS in the months of November and December. To the extent that there are updates in the forward market prices for these supplies they are captured in the derivation of the July QRAM Reference Price just like they are for any of the other Board Approved forecasted volumes.

It is the Company's understanding that NEXUS has not received FERC approval and that NEXUS anticipates to be in-service within the fourth quarter of 2017.

The Company has contracted to transport 110,000 Dth per day on NEXUS from Kensington, Ohio to the Milford Junction interconnect with Vector. The Company will then use a portion of its existing 175,000 Dth per day of Vector capacity to transport the NEXUS supply from Milford Junction to Dawn. As part of the Company's risk management strategy, the Company has restructured its Vector agreement with a provision to coordinate the change of receipt point from Chicago to Milford Junction with the in-service date of NEXUS. As a result, if NEXUS is delayed, the Company will maintain its ability fill the Vector capacity designated for NEXUS supply with supply from Chicago.

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