

REF: Exhibit B, Tab 1, Schedule 3, Page 2

Preamble: We would like to understand better the contributors to the Utility Normalized Earnings. The reference states: *“The distribution margin decrease of \$6.1M was driven primarily due to a lower than forecast average number of customer unlocks attributable to lower than forecast customer additions, and, lower than forecast gas in storage carrying charges reflected in rates as a result of lower than forecast PGVA reference prices approved through the 2016 Quarterly Rate Adjustment Mechanism (“QRAM”) proceedings.”*

- 1) Please provide an explanation of how lower storage carrying charges as a result of lower than forecast PGVA reference charges leads to lower distribution margins.
 - a) Please provide the calculation that demonstrates this effect.

REF: Exhibit B, Tab 2, Schedule 4, Page 2 and Exhibit D, Tab 1, Schedule 3 and
EB-2012-0459, Exhibit I.B18.EGDI.STAFF.58, Page 2

Preamble: We would like to understand better the incremental costs for the WAMS project and the drivers behind those costs.

Part c) of the STAFF.58 in the above reference states: *... “Enbridge made the decision to use an “in-house” approach for several reasons including that it aligns well with current industry practices, has worked effectively for recent major business systems such as CIS, and that it enables Enbridge to have a direct relationship with the product vendor and therefore more influence on sustainability of the product to meet Enbridge’s future needs. These factors, plus the ability to reduce additional vendor related costs, make the proposed approach more cost effective. A review of this approach was conducted by Sync Energy (Exhibit B2, Tab 8, Schedule 2, Attachment 1) and was deemed to be in alignment with current trends for the utility industry.*

The above references in the instant proceeding provide the following reasons for the overrun: *“Longer duration of solution design and increased scope to ensure quality of design” and “The cost variances are mostly the result of timing delays due to the competitive bid processes, and a greater level of detail in relation to technology and business complexities within the design, construct and quality assurance phases as noted above”.*

- 2) Please provide more specific information on the increased scope to ensure quality of design and quality assurance phases ensuring the following information is provided:
 - a) The initial scope and cost of quality assurance

- b) The final scope and cost of quality assurance
 - c) What new information came to light that drove the difference between initial and final scope
- 3) Please file the SYNC Energy report referenced.
- 4) What incentives were put in place to incent cost containment in the project
- a) Were any management personnel financially incented to strive for cost containment?
- 5) Given the \$20 million overrun, what is EGD's view of the cost effectiveness of the WAMS project?

REF: Exhibit B, Tab 4, Schedule 2, Page 2 and
EB-2016-0142 Exhibit I.B.EGDI.FRPO.9

Preamble: We are interested in understanding how STIP is being budgeted, measured and paid out and its impact on Earnings Sharing Mechanism.

- 6) For the years 2014, 2015 and 2016, for each of the Components of STIP (Company Wide, Business Unit Performance, Individual Performance), please provide:
- a) The amount of dollars budgeted
 - b) The amount of dollars paid out
 - c) The respective measures of performance
 - d) The key drivers for the better than forecasted and budgeted performance (baseline of 1.0)

REF: Exhibit B, Tab 2, Schedule 4, Page 3

Preamble: We are interested in understanding allocation of capital costs between the utility and non-utility for storage enhancements.

- 7) For the storage investments in 2016, please provide the amount of capital allocated to the non-utility, market-based storage.
- a) Please provide the rationale for the allocation.

REF: Exhibit B, Tab 5, Schedule 2, Page 1

Preamble: We would like to understand better the revenues, costs and benefits associated with EGD's storage.

- 8) Please provide the amount of income derived from storage in line 3.
 - a) Please describe how that revenue is generated?
- 9) Please provide the cost associated with storage in line 9.
 - a) Please provide the breakdown between the storage cost between company-owned and market-priced storage for:
 - i) Space
 - ii) Unit cost of space
 - b) Please provide how Enbridge ensures that the Affiliate Relationships Code is respected in the acquisition of market-based storage from Enbridge Inc.
 - c) Is the same approach used with market-based storage purchased from Union Gas?
 - i) If not, why not?
- 10) Please confirm that Enbridge has filed the Enbridge Gas Storage Assessment Study produced by ICF.
 - a) Please confirm that Enbridge will be submitting evidence for Board review and approval prior to increasing the amount of storage utilized in providing load-balancing services for in-franchise customers?
 - i) If not, please provide Enbridge's assessment of the alternative of forward purchasing Dawn-delivered gas for the winter months during the prior summer once the Gas Supply plan is completed.
 - ii) Please confirm that with the reduction in TCPL long-haul reduces the UDC price risk for in-franchise customers.
 - (1) Was this perspective considered in Enbridge's Gas Supply plan or in the ICF Storage Assessment?

REF: Exhibit C, Tab 1, Schedule 5 incl. Appendix A and
EB-2016-0142 Exhibit C, Tab 1, Schedule 5 incl. Appendix A and
EB-2016-0142 Exhibit.I.B.EGDI.FRPO.7

Preamble: We are interested in understanding better the derivation of the Actual Average Use True Up Variance Account and the process that developed the balance applied for disposition.

Supplemental to Exhibit B, Energy Probe 7.

11) Please replicate the table found in EB-2016-0142 Exhibit.I.B.EGDI.FRPO.7.

12) Please provide a detailed calculation which shows the derivation of the “Unit Rates for the Revenue Impact, exclusive of gas costs” found in column 10 of Table 1.

- a) Please provide the unit rates for the years 2012 to 2016 to three significant figures.
- b) Please provide the drivers for any material changes in components that contribute to the significant change in unit rates.
- c) Please reconcile those unit rates to those used in Table 1 of EB-2016-0142 Exhibit C, Tab 1, Schedule 5, Appendix A.

13) Please provide all studies Enbridge has undertaken by its own staff or consultants that demonstrate that this estimation of normalized annual volumes is appropriate for the purposes of comparing actual volumes to target NAC's and determining volume variances that result in a true-up of recovery for normal weather in the year of determination.

REF: Exhibit C, Tab 1, Schedule 5

Preamble: We are interested in ensuring that all costs that are requested for recovery from the implementation of the Carbon, Cap and Trade regime are not also contributing to a reduction in Earnings Sharing.

14) Please confirm that the \$0.840 million requested for recovery has been removed from the O&M costs that contribute to the determination of Earnings Sharing.

REF: Exhibit C, Tab 1, Schedule 15

Preamble: We would like to understand better EGD's position on the cost overruns for Segment A of GTA project.

15) Please confirm that EGD will be seeking recovery of the incremental costs of Segment A in the rebasing proceeding. If not confirmed, please describe EGD's intent.

- a) What is EGD's position on whether Rate 332 customers ought to bear a proportional increase associated with these incremental costs? Is there another approach that EGD is considering for allocation of costs to Rate 332?

REF: Exhibit D, Tab 2, Schedule 1, page 6, paragraph 13

Preamble: We would like to understand better the impetus for this change and resulting costs.

The above reference states: *"Incremental costs to service new customers represent the costs to carry out Fuel Safety Branch Inspections ("FSBIs") which are required when gas is introduced to a premise for the first time. These costs were higher than budgeted as a result of an Operations policy change effective January 1, 2016 requiring builders to contact Enbridge for residential construction heat activation as 3rd party activations are no longer permitted. Costs were \$0.1 million in excess of the committed level."*

16) Was this change in inspection requirements driven by the Technical Standards and safety authority?

- a) If so, please provide the TSSA bulletin or directive that established this requirement.
 - i) Please provide EGD's understanding of the reasons behind this change.
- b) If not, please provide the policy or practice change made by EGD to effect this requirement.
 - i) Please provide EGD's reasons behind this change.