

**REF:** Exhibit C1, Tab 1, Schedule 1, Page 3, paragraph 9

Preamble: We would like to understand better the basis for the updates to the Transmission, Compression and Storage revenues. The reference states: *“Transmission, Compression and Storage revenues for the 2018 Updated Forecast are also developed on the basis of Final Rate Order in EB-2014-0276...”*

- 1) Please confirm or correct the basis for Transmission, Compression and Storage as being EB-2014-0276.
  - a) If correct, please explain why a more up-to-date basis is not used.

**REF:** Exhibit C1, Tab 2, Schedule 1, Figures 2 and 3

Preamble: Absent similar actual observations, we understand that 2016 actuals are anomalous, we would like to explore the impact of a simpler approach to forecasting the Normalized Average Use for the general rate classes. Page 8-9 of Schedule states: *“average use decline in 2016 was an anomaly as it was not consistent with the historical trend, declining from 2015 by -3.2%. No significant development occurred in 2016 that would allow direct causal inference with 2016 results. As a result, the Company is inclined to treat the 2016 experience as an anomaly until additional, similar actual observations constitute an indication of trend.”*

- 2) Please produce a linear regression extrapolation of the Actual Average Use values in Figure 2 from to 2007 to 2015 to project a forecasted value for 2018.
  - a) Please provide the resulting rate impact of using the linear regression forecast value as compared to the econometric value of 2,363.
- 3) Please produce a linear regression extrapolation of the Actual Average Use values in Figure 3 from to 2007 to 2015 to project a forecasted value for 2018.
  - a) Please provide the resulting rate impact of using the linear regression forecast value as compared to the econometric value of 28,656.

**REF:** Exhibit C2, Tab 1, Schedule 2, page 6

Preamble: We would like to understand better the mechanics behind the calculation of the Gas Supply degree days. The above reference contains the following description of this value: “*On the other hand, Gas Supply degree days are determined relative to average hourly temperatures within a 24-hour period.*”

- 4) Please explain how the Gas Supply degree days are determined (over what time frame, through what approach, etc.).
  - a) Please specify the source of the data for hourly temperatures if used.
  - b) Are the locations for temperature data the exact same as those used by Environment Canada?

**REF:** Exhibit D1, Tab 2, Schedule 3, page 4

Preamble: We would like to understand EGD’s approach to contingency planning that lead to the decision to contract for additional capacity from Chicago on Vector to replace the delayed capacity on Nexus. The above reference contains the following: “*In order to mitigate the impact of the NEXUS in-service delay, Enbridge will continue to fill its Vector capacity with supply from Chicago until the contracted capacity on NEXUS comes into service. For the purposes of 2018 the Company is proposing that any variances associated with a delay will be captured as a part of the 2018 PGVA.*”

- 5) How much capacity was purchased from Chicago on Vector to replace the Nexus capacity?
  - a) Please provide a schedule which shows the incremental impact of contracting for supply on Vector for the quantity contracted.
    - i) Please ensure any costs associated with mitigating Dominion supply arranged for Nexus and any incremental pipeline costs are included but highlighted separately.
    - ii) Who will bear responsibility for the above mitigation costs in i)?
  - b) What is the forecasted landed cost of the supply at Dawn of the incremental Vector capacity in C\$/GJ using the July 1, 2017 QRAM prices for each month in the time-frame that has been contracted for?
    - i) Using the same July 1, 2017, what is the forecasted cost for Dawn-landed supply for each of those same months?

- c) How was the decision to contract for incremental Vector capacity arrived at versus Dawn purchases?
  - i) Please provide the quantitative and potentially qualitative analysis including forecasted costs supporting this approach.
  
- d) In addition to Board Staff IR 7c), why were these costs not evidenced in this proceeding as opposed to deferring to the mechanistic QRAM proceeding?

**REF:** Exhibit D1, Tab 2, Schedule 3, Page 5-6 and Schedule 7

Preamble: We would like to understand better the company's views of the impact on Direct Purchase customers. The above reference states: *"The impact of Direct Purchase customers shifting from Western or Ontario T-Service to Dawn T-Service is twofold: firstly, peak day deliveries to the franchise area via Ontario T-Service customers will decline (Line 8 of the Peak Day Supply Mix schedule); secondly, the Company needs to increase volumes delivered to the franchise area to replace the decline in volume delivered by Ontario T-Service customers (currently that deficiency is mostly visible as an increase in Peaking Service in Line 11 of Schedule 7). The expectation is that over time as the Dawn T-Service option becomes more prevalent then it will no longer be necessary for new Direct Purchase customers to demonstrate firm transportation commitments. However, the Company reserves the right to review this on a case by case basis should the Ontario T-Service option begin to increase or should other service types become available in the future."*

- 6) Line 7 evidences a reduction in peaking service in 2018 from the 2017 Application.
  - a) Please provide any update to the values contained in Schedule 7.
  - b) What are the expected cost consequences of any such change?
  
- 7) What is Enbridge's current policy for review of existing customers demonstrating firm transportation commitments?
  - a) What criteria is used for acceptability for existing or new customers?
  - b) What criteria would provide a threshold to eliminate this requirement?

**REF:** Exhibit D1, Tab 2, Schedule 3, page 6 and Schedules 7&9 and  
EB-2015-0114 Exhibit D1, Tab 2, Schedule 6

Preamble: We would like to understand better the shift in EGD's transportation contract portfolio as it moves from Long-haul to Short-haul. A comparison of the Schedule for 2016 rates with the two Schedules referenced provides a comparison showing the amount of Long-haul reduction over the last few years.

- 8) Please confirm that the Peak Day demand for:
- a) 2015 was met, in part, by 795,165 GJ of FT Long-haul.
  - b) 2018 will be met, in part, by 265,000 GJ of FT Long-haul.
- 9) Please confirm that the total amount of westerly capacity held by EGD from Parkway to Dawn is the 436,586 GJ/day, a total of C1 Westerly and M12-X.
- a) Please confirm that this value has remained constant from 2015 to 2018. If not, please correct.
  - b) Please confirm that this westerly capacity is predominantly used to move excess in-franchise deliveries back to storage at Dawn.
  - c) Please provide the peak day nomination for westerly flow from Parkway to Dawn in 2017.
  - d) Given the significant reduction in Long-haul TCPL service delivered in-franchise, please explain why EGD has not reduced its westerly capacity from Parkway to Dawn?

**REF:** Exhibit D1, Tab 2, Schedule 3, page 8

Preamble: We would like to understand better the high deliverability seasonal exchanges referred to in the following evidence from the above reference: *"The Company is also reviewing shorter term high deliverability seasonal exchanges to meet a winter Dawn requirement. These hybrid arrangements provide economic benefit to customers and offer enhanced operational flexibility."*

- 10) At a high level, please describe these high deliverability seasonal exchanges including an explanation of the hybrid aspect of these arrangements.

- a) Please provide a brief summary of the anticipated economic benefits to customers and enhanced operational flexibility.
- b) Please compare and contrast these arrangements with a simple forward purchase of gas at Dawn delivered during the winter months that is purchased in a prior period (e.g., around July 1<sup>st</sup> with the forward prices available through QRAM processing).
- c) For the last four years starting July 2013/January 2014 and for this year July 2017/January 2018 , using information that was available in the July 1 QRAM filings, please provide the monthly prices forecasted for landed gas at Dawn for July and January of each respective year.

**REF:** Exhibit D1, Tab 2, Schedule 3, page 9, Table 1 and page 12, paragraph 35

Preamble: We would like to understand better the consideration of the total cost of supply from different sources. Paragraph 35 states: *“The shift from long haul capacity to short haul capacity is contributing to a lower cost gas supply portfolio, on a per unit basis. Landed cost was considered in all contracting decisions made for 2017, weighed against the other three gas supply principles.”*

- 11) For each of the sources of gas in Table 1, please provide the landed cost on a C\$/GJ basis.
  - a) Does this landed cost take into account redelivery to EGD franchise from storage in the winter (i.e., storage cost, M12, STS, etc.)?
    - i) If yes, please describe how those costs are calculated and provide the comparative costs for each source.
    - ii) If not, please describe how Enbridge makes the determination of buying at a Hub and piping to Ontario versus buying similar quantities landed in-franchise or at Dawn in the winter.

**REF:** Exhibit D1, Tab 2, Schedule 3, page 10, paragraph 29.

Preamble: We would like to understand better the cost of storage that EGD is expecting to contract for. Paragraph 29 states: *“Storage contracts for capacity with third party providers are valued at market based pricing. The magnitude of the contracted capacity and the term of the contracts vary such that every year Enbridge will enter the marketplace via an RFP process seeking to replace the contracted capacity scheduled to expire March 31 of that year. For purposes of the 2018 gas cost forecast, the Company has assumed the amount and value of storage set to expire be extended. As mentioned in paragraph 23 the Company intends to acquire an additional 2 to 3 PJ’s of storage effective April 1, 2018. For gas cost purposes in 2018 the Company has assumed a value for this incremental storage equivalent to the current value of the storage contracts scheduled to expire March 31, 2018. Any variation between the assumed storage costs and the actual cost of storage acquired will be captured in the 2018 S&TDA.”*

- 12) Please provide the per GJ space cost for the existing contracts of expiring storage space differentiated by deliverability (ie., different cost for different levels of deliverability, if applicable)
- a) For any replacement storage that starts April 1, 2018 that has already been contracted for, please provide the per GJ space cost of the replacement contract(s) differentiated by deliverability (if applicable).
  - b) For any new storage that has been contracted for starting April 1, 2018, please provide per GJ space cost of the new storage contract(s) differentiated by deliverability.
  - c) From a published source, please provide the April-October and November-March strip prices C\$ /GJ at Dawn for the number of years that EGD is contracting for the replacement and/or new storage.

**REF:** Exhibit D1, Tab 2, Schedule 6 and EB-2015-0114 Exhibit D, Tab 2, Schedule 6 and EB-2016-0215 Exhibit D, Tab 2, Schedule 6

Preamble: We would like to understand better the costs underpinning EGD existing Market-based Storage.

- 13) For the Market-based storage in Line 1.4 of Column 1, please provide the cost of the storage for Fiscal 2018 on a per GJ of storage space basis
- a) What is the average deliverability of the contracts whose costs are included.

- b) For the previous 2 applications referenced above, please provide the cost of the storage for Fiscal 2017 and Fiscal 2016 on a per GJ of storage basis and the average deliverability underpinning each.

**REF:** Exhibit D1, Tab 2, Schedule 8, page 2

Preamble: We would like to understand better how EGD is executing its Dawn purchases.

- 14) For the Dawn Delivered Supplies in Row 2.5, for each month, please provide the amount of supply that it is planned to be contracted for the entire month at least:
- a) one month ahead of delivery.
  - b) Six months ahead of delivery.

**REF:** Exhibit D1, Tab 2, Schedule 9, page 2

Preamble: We would like to understand better the cost of synthetic storage.

- 15) For the three contracts listed, please provide the cost per GJ basis for each of the contracts and number of daily GJ's of winter or peak monthly supply provided by that contract.

**REF:** Exhibit D1, Tab 2, Schedule 11, paragraphs 21 and 22

Preamble: We would like to understand better EGD's views on the Dawn LTFP project as it pertains to Gas Supply.

- 16) From a gas supply perspective, what are Enbridge's views on the impacts of Dawn LTFP on the Dawn market in terms of liquidity and price?
- a) What position did EGD take on this project in the NEB proceeding on behalf of its ratepayers? Please explain.

**REF:** Exhibit D1, Tab 2, Schedule 11, paragraph 37

Preamble: We would like to understand better the load balancing alternatives considered as part of the ICF study.

17) Did ICF evaluate the merits of advanced purchase (during the summer months) of monthly winter gas at Dawn as a substitute for storage acquisition? If not, why not?

- a) Drawn from actual values in responses provided to earlier interrogatories in our Information Requests above and QRAM data, please provide a detailed arithmetic assessment of the economic value of purchases of January and February gas purchased in June (at the time of the QRAM pricing) versus the cost of market-based storage currently in Enbridge's portfolio.
  - i) Please ensure that above ground availability of Dawn purchases are compared to deliverability available from storage.
  - ii) Please provide any reasons why the summer purchase of delivered winter gas should not be part of a diversified portfolio for a prudent LDC.

**REF:** Exhibit D1, Tab 2, Schedule 11, page 14

Preamble: We would like to understand better the cost consequences of accepting Direct Purchase deliveries at alternate points different from Empress or Dawn.

18) What was the forecasted final cost of the changes to Enbridge systems to facilitate Dawn Access?

- a) With the implementation of EGD's new Entrac/DP systems, what is the estimated cost of implementing a new receipt point for direct purchase?
- b) Was this estimate available and shared at the time of the Dawn Access proceeding?
- c) Based upon this estimated cost, notwithstanding the Dawn Access settlement agreement threshold of 50,000 GJ's, would EGD consider reducing the threshold to allow the receipt point capacity to build?
  - i) If not, why not?
  - ii) If so, what steps does EGD believe need to be taken to establish these alternate delivery points?

**REF:** Exhibit D2, Tab 2, Schedule 1

Preamble: We would like to better understand the credits calculated versus refunded during the IRM period to evaluate the EGD proposal.

- 19) Please place the approved credit and actual refund figures into a table by year.
- a) Please add an annual balance
  - b) Please include any interest accrued to either ratepayers or the company
  - c) Please provide the 2018/19 implications of either alternative as a forecast in the table if possible.

**REF:** Exhibit G1, Tab 1, Schedule 1, page 4

Preamble: We would like to understand better the cost recovery for Segment A of the GTA Reinforcement Project.

- 20) Please provide the peak day utilization of Segment A in terms of the GJ/day between Transportation by Others and Utility Peak Day requirements.
- 21) Please provide the components of Revenue requirement that contribute to the recovery of Segment A.
- a) Who is at risk for the recovery of under-utilized capacity on Segment A?
- 22) Please describe initiatives planned, undertaken or implemented to use excess capacity beyond the Transportation by Others and Utility Peak Day needs.

**REF:** Exhibit H1, Tab 2, Schedule 1

Preamble: We would like to understand better the opportunities available to mitigate peak day driven costs through the use of Interruptible Contracting.

- 23) Did EGD invite or survey all types of contract customers including firm? If not, why not?
- a) Did EGD invite customers who migrated from Interruptible to Firm in the last 5-10 years? If not, why not?
  - b) Did EGD ask what level of incentive would customers need to move from Firm to Interruptible?
    - i) If not, what are EGD's views on an appropriate approach to determining an appropriate economic incentive offered to customers to migrate to interruptible status to avoid future builds?
  - c) Does EGD see any potential in assessing these incentives in the context of the Carbon Cap & Trade regime? Please explain how the economics of these incentives could be improved for customers and/or the company.