

EB-2017-0306
EB-2017-0307

Enbridge Gas Distribution Inc.
and
Union Gas Limited

**Application for approval to amalgamate Enbridge
Gas Distribution Inc. and Union Gas Limited
and
for approval of a rate-setting mechanism
and associated parameters from January 1, 2019 to
December 31, 2028**

**FRPO
SUPPLEMENTAL
COMPENDIUM**

MAY 14, 2018

For the last 4 calendar years, including calendar 2017 to this point, please provide:

- a) The monthly revenues generated from Dawn-Parkway optimization.
- b) The amount of Dawn-Parkway sold or utilized for optimization in the month.
- c) The maximum amount sold or utilized for optimization on any given day in each month.
- d) The resulting average \$/GJ/day of for each month.
- e) The number of days in each respective month where Union was required to turn down requests or IT service due to insufficient capacity.
- f) The total for each calendar year
- g) For those days where IT was unavailable, please provide the Union Gas communication to the party (not to be named for confidentiality purposes) indicating insufficient IT available to meet their request.

Response:

- a) - f) As Union had excess Dawn Parkway System capacity during the last four calendar years (2014-2017) Union did not optimize the Dawn Parkway System.
- g) IT was available each day for the last four calendar years (2014-2017). Therefore, Union did not communicate to any party that IT was unavailable during the last four calendar years (2014-2017).

UNION GAS LIMITED

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (“FRPO”)

For each of the last 2 calendar years (2017 year to date), please provide the total PDCI collected in rates and the amount of PDCI paid out to the parties who obligated volumes at Parkway.

Response:

The effective date of the PDCI credit payment to customers for obligated deliveries at Parkway was November 1, 2016.

In 2016, Union included \$2.8 million of PDCI costs in the Parkway Obligation Rate Variance deferral account (EB-2017-0091) related to the period November 1, 2016 to December 31, 2016 and paid out \$2.8 million of PDCI credit to customers with obligated deliveries at Parkway during that same time period.

Effective January 1, 2017, Union included \$17.6 million in rates related to the 2017 PDCI costs (EB-2016-0296) for the period January 1, 2017 to December 31, 2017. Union has paid out \$13.7 million of PDCI credit to customers with obligated deliveries at Parkway for the period January 1, 2017 to October 31, 2017. The amount of PDCI costs included in rates for the same time period is \$14.6 million. The difference between the amount paid out and the amount included in rates (approximately \$0.9 million) is a result of contract changes to the Parkway obligation deliveries that have occurred since the PDO forecast was approved as part of 2017 Rates.

UNION GAS LIMITED

Answer to Interrogatory from
Federation of Rental-housing Providers of Ontario (“FRPO”)

Reference: Exhibit A, Tab 1, Pages 44-46 and EB-2013-0365 Settlement Agreement and EB-2016-0245 Settlement Agreement pages 17-20

Preamble: We are interested in understanding better the application of principles from the EB-2013-0365 Settlement Agreement to the current situation and the deferral account 179-138.

Excerpt from the EB-2013-0365 read:

The ultimate objective of the modified proposal is to remedy an inequity. The guiding principle is to keep Union whole rather than to enhance or reduce its earnings during the operation of the Incentive Regulation Mechanism (“IRM”) to December 31, 2018. (emphasis added).

....

10. Union will include in its annual rate case filings a report on:

(a) Capacity that could become available, or could be made available, in the 2 years commencing with the test year, and could be used to further reduce the PDO in place at the time of the rate case filing on a more cost effective (i.e. lower revenue requirement) basis than the cost of the PDCI. Parties in the rate review process may explore any such options and advocate for further physical displacement of remaining PDOs to Dawn or other delivery points less costly to deliver to than Parkway.

(c) The measures that Union used and the costs incurred to manage the Parkway delivery shortfall (described in paragraph B.2) to acquire incremental resources, the costs of which are not already recovered in base rates, Y factors and/or existing deferral and variance accounts.

If the costs incurred to manage the Parkway delivery shortfall component of the PDO reduction in any year are less than the annual demand costs related to the shortfall in that year and actual fuel costs in that year for capacity equal to the shortfall capacity, then the entire amount of such cost savings will accrue to Union.

Conversely, if the actual costs in any year to manage the Parkway Delivery shortfall in that year exceed annual demand costs and actual fuel costs in that year for capacity equal to the shortfall amount, then Union will be entirely responsible for those excess costs. Parties further agree that ratepayers will be entitled to recover from Union that portion of the costs incurred by Union to manage the Parkway Delivery shortfall to the

extent that the cost of the measures used by Union to manage the shortfall are already covered in base rates, Y factors and/or existing deferral or variance accounts.

For the last 3 calendar years, please provide the monthly revenues generated from Dawn-Parkway optimization and the amount of Dawn-Parkway utilized and the resulting average \$/GJ/day of for each month.

Response:

For each of the last three calendar years, Union sold capacity on a short-term and interruptible basis throughout the year based on temporarily available capacity. The following tables provide the revenues, utilization and average rate by month from this activity on the Dawn Parkway System for the last three calendar years.

2014	January	February	March	April	May	June	July	August	September	October	November	December
Revenue (\$ millions)	\$ 1.09	\$ 0.96	\$ 0.87	\$ 0.13	\$ 0.03	\$ 0.09	\$ 0.13	\$ 0.12	\$ 0.11	\$ 0.12	\$ 0.43	\$ 0.57
Utilization (PJ)	8.49	8.09	7.78	2.53	0.69	2.00	3.24	4.14	2.92	3.07	5.45	8.34
Average Rate (\$/GJ/day)	\$ 0.13	\$ 0.12	\$ 0.11	\$ 0.05	\$ 0.05	\$ 0.04	\$ 0.04	\$ 0.03	\$ 0.04	\$ 0.04	\$ 0.08	\$ 0.07

2015	January	February	March	April	May	June	July	August	September	October	November	December
Revenue (\$ millions)	\$ 0.59	\$ 0.95	\$ 2.17	\$ 0.78	\$ 0.20	\$ 0.22	\$ 0.21	\$ 0.21	\$ 0.23	\$ 0.23	\$ 0.30	\$ 0.31
Utilization (PJ)	7.76	6.68	11.89	2.66	5.90	6.79	6.55	6.68	4.31	4.01	2.87	2.93
Average Rate (\$/GJ/day)	\$ 0.08	\$ 0.14	\$ 0.18	\$ 0.29	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.10	\$ 0.11

2016	January	February	March	April	May	June	July	August	September	October	November	December
Revenue (\$ millions)	\$ 0.46	\$ 0.53	\$ 0.43	\$ 0.28	\$ 0.20	\$ 0.13	\$ 0.16	\$ 0.18	\$ 0.68	\$ 0.18	\$ 0.41	\$ 0.95
Utilization (PJ)	5.81	5.18	3.34	3.79	1.95	0.70	1.62	2.77	1.23	1.49	2.19	5.88
Average Rate (\$/GJ/day)	\$ 0.08	\$ 0.10	\$ 0.13	\$ 0.07	\$ 0.11	\$ 0.18	\$ 0.10	\$ 0.07	\$ 0.55	\$ 0.12	\$ 0.19	\$ 0.16

The above tables include revenues earned on all Short-Term and Interruptible transportation contracts on the Dawn Parkway System. These revenues contain contracts which utilize various receipt and delivery points, as well as both westerly and easterly flow. As a result, the average rate (\$/GJ/day) is not comparable to a firm M12 Dawn to Parkway rate.

MONTHLY M12 TRANSACTIONS

2014	January	February	March	April	May	June	July	August	September	October	November	December	Total
Revenue (\$ millions)	1.09	0.96	0.87	0.13	0.03	0.09	0.13	0.12	0.11	0.12	0.43	0.57	\$ 4.65
Utilization (PJ)	8.49	8.09	7.78	2.53	0.69	2.00	3.24	4.14	2.92	3.07	5.45	8.34	56.74
Average Rate (\$/GJ/day)	0.13	0.12	0.11	0.05	0.05	0.04	0.04	0.03	0.04	0.04	0.08	0.07	\$ 0.08

2015	January	February	March	April	May	June	July	August	September	October	November	December	Total
Revenue (\$ millions)	0.59	0.95	2.17	0.78	0.20	0.22	0.21	0.21	0.23	0.23	0.30	0.31	\$ 6.40
Utilization (PJ)	7.76	6.68	11.89	2.66	5.90	6.79	6.55	6.68	4.31	4.01	2.87	2.93	69.03
Average Rate (\$/GJ/day)	0.08	0.14	0.18	0.29	0.03	0.03	0.03	0.03	0.05	0.06	0.10	0.11	\$ 0.09

2016	January	February	March	April	May	June	July	August	September	October	November	December	Total
Revenue (\$ millions)	0.46	0.53	0.43	0.28	0.20	0.13	0.16	0.18	0.68	0.18	0.41	0.95	\$ 4.59
Utilization (PJ)	5.81	5.18	3.34	3.79	1.95	0.70	1.62	2.77	1.23	1.49	2.19	5.88	35.95
Average Rate (\$/GJ/day)	0.08	0.10	0.13	0.07	0.11	0.18	0.10	0.07	0.55	0.12	0.19	0.16	\$ 0.13

UNION GAS LIMITED
 Union South
 Ex-Franchise Customers
 Effective January 1, 2015

Line No.	Particulars	Billing Units	Adjustments to 2014 Base Rates									
			Current Approved Forecast Usage (1)	Current Approved Revenue (2)	Current Approved Rates (3)	2014 DSM (\$000's)	2014 Capital Pass-Throughs (\$000's)	One-Time Adjustments (4)	Upstream Transportation (\$000's)	Adjusted Revenue (\$000's)	Price Cap Index (\$000's)	Price Cap Index (%)
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h) = (b+d+e+f+g)	(i)	(j)
M12 Transportation Service												
<u>Demand:</u>												
Dawn to Kirkwall												
1	- 12 months	GJ/d/mo	419,318	11,487	2.042	-	(51)	18	-	11,453	94	
2	- 10 months	GJ/d/mo	304,563	6,219	2.042	-	(28)	10	-	6,200	51	
3	- 2 months	GJ/d/mo	18,365	75	2.042	-	(0)	0	-	75	1	
4	- F24-T - 12 months	GJ/d/mo	49,500	40	0.068	-	-	-	-	40	0	
Dawn to Parkway												
5	- 12 months	GJ/d/mo	3,226,050	102,589	2.420	-	(472)	164	-	102,281	839	
6	- 10 months	GJ/d/mo	65,000	1,573	2.420	-	(7)	2	-	1,568	13	
7	- 3 months	GJ/d/mo	2,000	15	2.420	-	0	0	-	15	0	
8	- F24-T - 12 months	GJ/d/mo	307,000	321	0.068	-	-	-	-	321	3	
M12-X Easterly (between Dawn, Kirkwall and Parkway)												
9	- 12 months	GJ/d/mo	391,011	11,354	2.420	-	(52)	18	-	11,319	93	
M12-X Westerly (between Dawn, Kirkwall and Parkway)												
10	- 12 months	GJ/d/mo	391,011	2,762	0.589	-	(15)	5	-	2,752	23	
Kirkwall to Parkway												
11	- 12 months	GJ/d/mo	88,497	401	0.378	-	(2)	1	-	400	3	
12	- 2 months	GJ/d/mo	174,752	132	0.378	-	(1)	0	-	132	1	
<u>Commodity:</u>												
13	Easterly - Providing Own Fuel	GJ	705,499,899	22,740		-	-	-	-	22,740	186	
	Westerly - Providing Own Fuel	GJ				-	-	-	-			
14	Parkway to Kirkwall/Dawn		905,475	12		-	-	-	-	12	0	
15	Kirkwall to Dawn		5,031,274	37		-	-	-	-	37	0	
16	Total Rate M12		<u>711,436,648</u>	<u>159,756</u>		<u>-</u>	<u>(629)</u>	<u>217</u>	<u>-</u>	<u>159,345</u>	<u>1,307</u>	<u>0.82%</u>

Notes:

- (1) EB-2011-0210, Rate Order, Working Papers, Schedule 14, column (a). Conversion factor of 37.75 GJ per 10³m³.
- (2) EB-2014-0271, Rate Order, Working Papers, Schedule 8, Page 2, column (e).
- (3) EB-2013-0208, Appendix A, rates effective October 1, 2014.
- (4) EB-2014-0271, Rate Order, Working Papers, Schedule 9, column (g).

UNION GAS LIMITED
 Union South
 Ex-Franchise Customers
 Effective January 1, 2018

Line No.	Particulars	Billing Units	Current Approved Forecast Usage (1)	Current Approved Revenue (2) (\$000's)	Current Approved Rates (3) (\$/ GJ)	Adjustments to 2017 Base Rates					Adjusted Revenue (h) = (b+d+e+f+g) (\$000's)	Price Cap Index 0.51% (i) (\$000's)	Price Cap Index (%) (j)
						2017 DSM (\$000's) (d)	2017 Capital Pass-Throughs (4) (\$000's) (e)	2017 Parkway		Upstream Transportation (\$000's) (g)			
								Delivery Obligation (5) (\$000's) (f)					
<u>M12 Transportation Service</u>													
<u>Demand:</u>													
Dawn to Kirkwall													
1	- 12 months	GJ/d/mo	419,318	16,118	2.865	-	(4,402)	-	-	11,716	60		
2	- 10 months	GJ/d/mo	304,563	8,726	2.865	-	(2,383)	-	-	6,343	32		
3	- 2 months	GJ/d/mo	18,365	105	2.865	-	(29)	-	-	76	0		
4	- F24-T - 12 months	GJ/d/mo	49,500	41	0.070	-	0	-	-	41	0		
Dawn to Parkway													
5	- 12 months	GJ/d/mo	3,920,130	172,578	3.402	-	(67,947)	-	-	104,630	534		
6	- 10 months	GJ/d/mo	65,000	2,211	3.402	-	(607)	-	-	1,604	8		
7	- 3 months	GJ/d/mo	2,000	20	3.402	-	(5)	-	-	15	0		
8	- F24-T - 12 months	GJ/d/mo	307,000	328	0.070	-	0	-	-	328	2		
M12-X Easterly (between Dawn, Kirkwall and Parkway)													
9	- 12 months	GJ/d/mo	391,011	15,963	3.402	-	(4,384)	-	-	11,579	59		
M12-X Westerly (between Dawn, Kirkwall and Parkway)													
10	- 12 months	GJ/d/mo	391,011	3,926	0.837	-	(1,110)	-	-	2,815	14		
Kirkwall to Parkway													
11	- 12 months	GJ/d/mo	138,940	896	0.537	-	(486)	-	-	409	2		
12	- 2 months	GJ/d/mo	174,752	188	0.537	-	(53)	-	-	135	1		
<u>Fuel and Commodity Charges:</u>													
Fuel													
13	Easterly - Providing Own Fuel	GJ	705,499,899	23,914		-	-	(652)	-	23,262	119		
14	Westerly - Providing Own Fuel	GJ	5,936,749	50		-	-	-	-	50	0		
15	Total Rate M12		<u>711,436,648</u>	<u>245,065</u>		<u>-</u>	<u>(81,408)</u>	<u>(652)</u>	<u>-</u>	<u>163,005</u>	<u>831</u>	<u>0.51%</u>	

Notes:

- (1) EB-2016-0245, Rate Order, Working Papers, Schedule 4, column (t).
- (2) Rate Order, Working Papers, Schedule 7, Page 2, column (e).
- (3) EB-2017-0278 Appendix A, rates effective October 1, 2017.
- (4) EB-2016-0245, Rate Order, Working Papers, Schedule 10, columns (d).
- (5) EB-2016-0245, Rate Order, Working Papers, Schedule 20.