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September 13, 2018

VIA EMAIL, RESS, and COURIER

Ms Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

Dear Ms Walli:

Re: Enbridge Gas Distribution Inc. (Enbridge)
Ontario Energy Board File No. EB-2018-0131
2017 Earnings Sharing Mechanism and Other Deferral and Variance Accounts Clearance Review – Interrogatory Responses

In accordance with the Ontario Energy Board's Procedural Order No.1 for the above noted proceeding, enclosed please find Enbridge's interrogatory responses.

The Application has been filed through the Board's Regulatory Electronic Submission System and will be available on the Enbridge website at: www.enbridgegas.com/ratecase.

Please contact the undersigned if you have any questions.

Yours truly,

[original signed]

Bonnie Jean Adams
Regulatory Coordinator

cc: Mr. D. Stevens, Aird & Berlis LLP
All Interested Parties EB-2017-0102 (via email)

STAFF INTERROGATORY #1

INTERROGATORY

Ref: Deferral and Variance Account Balance Summary
Exhibit A / Tab 2 / Schedule 1 / Appendix A

Preamble:

Enbridge provided a summary of the actual deferral and variance account balances at May 31, 2018 and the forecast for clearance amounts at January 1, 2019.

Question(s):

a) For the accounts that Enbridge is seeking to clear as part of this proceeding, please provide an updated version of the summary table that includes: (i) December 31, 2017 balances; (ii) explanations for the differences between the December 31, 2017 balances and the May 31, 2018 balances. In addition, for the accounts where the May 31, 2018 balance is different from the amount that Enbridge is seeking to clear in January 1, 2019, please explain those differences.

b) Please confirm that the December 31, 2017 balances are consistent with the account balances reported in Enbridge's 2017 RRR filing (2.1.7) and its 2017 audited financial statements. If any differences exist, please explain.

c) Please advise whether there are any deferral and variance accounts that are currently approved for use by Enbridge but have not been listed in the Deferral and Variance Account Balance Summary (with the exception of the QRAM-related deferral accounts). If so, please list each account name and the corresponding balance in the account as at December 31, 2017 (including interest). Please also explain the nature of each account and why it is not being brought forward for disposition as part of this proceeding. This should include any accounts that had been opened in previous years but never disposed.

d) Please advise whether there have been any adjustments made to non-QRAM related deferral and variance account balances that were previously approved by the OEB on a final basis during the current custom IR term. If so, please provide an explanation of the nature and amount of any adjustment and include any supporting documentation. Please also advise how such adjustments have been recorded and what accounts were used to record them.

RESPONSE

a) For the accounts requested for clearance, Attachment #1 to this response provides a summary of the December 31, 2017, May 31, 2018, and forecast January 1, 2019 account balances. The notes within Attachment #1 provide explanations for any changes in the principal balances at each of the above mentioned dates.

b) The December 31, 2017 balances are consistent with the account balances reported in Enbridge's 2017 RRR filing (2.1.7), and its 2017 audited financial statements.

c) The following accounts, with the exception of the PGVA which is cleared through the QRAM process, were approved for use by Enbridge during 2017, but were not listed in the Deferral and Variance Account Balance Summary because they had balances of $0 as at December 31, 2017.

- Customer Care Services Procurement Deferral Account (CCSPDA) – The purpose of the CCSPDA is to capture the costs associated with the benchmarking, tendering and potential transition of customer care services to a new service provider, to a maximum of $5 million. No balance was recorded in 2017 because no costs were incurred.
- Open Bill Revenue Variance Account (OBRVA) – The purpose of the OBRVA is to track and record the ratepayer share of net revenue for Open Bill Services. The account allows for net annual revenue amounts in excess of $7.389 million to be shared 50/50 with ratepayers, and allows for a credit to Enbridge in the event that net annual revenues are less than $4.889 million, equal to the shortfall between actual net revenues and $4.889 million. No balance was recorded in 2017 as net Open Bill revenue was within the established parameters, and therefore did not require an entry to the OBRVA.
- Ex-Franchise Third Party Billing Services Deferral Account (EFTPBSDA) – The purpose of the EFTPBSDA is to record and track the ratepayer portion of revenues, net of incremental costs, generated from third party billing services provided to ex-franchise parties. The net revenue is to be shared on a 50/50 basis with ratepayers. No balance was recorded in 2017 as EGD did not provide any third party billing services to ex-franchise customers.
- Lost Revenue Adjustment Mechanism (LRAM) – The purpose of the LRAM is to record the amount of distribution margin gained or lost when the Company's DSM programs are less or more successful than budgeted in the fiscal year. If required, the Company will record an amount in the account at the time draft annual results are filed with the OEB auditor. The clearance of DSM related accounts is determined through separate DSM related processes and proceedings.

- Demand Side Management Incentive Deferral Account (DSMIDA) – The purpose of the DSMIDA is to record the actual amount of the shareholder incentive earned by the Company as a result of its DSM programs. If required, the Company will record an amount in the account at the time draft annual results are filed with the OEB auditor. The clearance of DSM related accounts is determined through separate DSM related processes and proceedings.
- Relocation Mains Variance Account (RLMVA) – The purpose of the RLMVA is to record the cumulative revenue requirement impact of capital spending on mains relocation activities which varies from $12.6 million in each of 2017 and 2018 (which is the forecast capital cost for relocations included in each of the Board approved 2017 and 2018 capital budgets), if the cumulative revenue requirement impact is $5 million or greater. No balance was recorded in 2017 as the spending variance did not have a greater than $5 million revenue requirement impact.
- Replacement Mains Variance Account (RPMVA) – The purpose of the RPMVA is to record the cumulative revenue requirement impact of capital spending on miscellaneous mains replacement activities which varies from $5.1 million in each of 2017 and 2018 (which is the forecast capital cost for miscellaneous replacements included in each of the Board approved 2017 and 2018 capital budgets), if the cumulative revenue requirement impact is $5 million or greater. No balance was recorded in 2017 as the spending variance did not have a greater than $5 million revenue requirement impact.
- Demand Side Management Cost-Efficiency Incentive Deferral Account (DSMCEIDA) – The purpose of the DSMCEIDA is to record as a credit, any difference between Enbridge's approved DSM budget for the fiscal year, and the actual amount spent to achieve the fiscal year's total aggregate annual lifetime savings (cumulative cubic metres of natural gas, or CCM) target, made up of all 100% CCM targets across all programs, in accordance with the program evaluation results. Any OEB-approved DSMCEIDA amounts will be available to use in meeting the Company's targets in a subsequent year over the 2015 - 2020 DSM term. If required, the Company will record an amount in the account at the time draft annual results are filed with the OEB auditor. The clearance of DSM related accounts is determined through separate DSM related processes and proceedings.
- Greenhouse Gas Emissions Compliance Obligation - Facility Related Variance Account (GGECOFRVA) – The purpose of the 2017 GGECOFRVA is to record the variance between actual facility-related obligation costs and actual facility-related obligation costs recovered in rates as approved by the Board. No balance was reflected in the 2017 GGECOFRVA as the variance between actual facility related obligation costs, and the amount recovered in rates, was included within the amount reflected in the Greenhouse Gas

Emissions Compliance Obligation - Customer Related Variance Account (GGECOCRVA).

d) The TIACDA balance is the only balance for which a clearance amount is being requested, which the Board has previously approved on a final basis. Within EB-2011-0354 the Board approved the recovery of the TIACDA over a 20 year period, commencing in 2013. The final amount recorded in the TIACDA as of the end of 2012 was $88.716 million. That balance has subsequently been adjusted to reflect the recovery of the first five installments (for each of 2013 through 2017) of $4.436 million each (1 / 20 of $88.716 million), which were approved for recovery within the EB-2013-0046, EB-2014-0195, EB-2015-0122, EB-2016-0142, and EB-2017-0102 proceedings.

ENBRIDGE GAS DISTRIBUTION INC.
DEFERRAL & VARIANCE ACCOUNT
ACTUAL & FORECAST BALANCES

Line No.	Account Description	Account Acronym	Col. 1 Actual at December 31, 2017 Principal ($000's)	Col. 2 Actual at December 31, 2017 Interest ($000's)	Col. 3 Actual at May 31, 2018 Principal ($000's)	Col. 4 Actual at May 31, 2018 Interest ($000's)	Col. 5 Forecast for clearance at January 1, 2019 Principal ($000's)	Col. 6 Forecast for clearance at January 1, 2019 Interest ($000's)	Col. 7 May-18 vs. Dec-17 Principal Variance ($000's)	Col. 8 Jan-19 vs. May-18 Principal Variance ($000's)	
	Non Commodity Related Accounts										
1.	Deferred Rebate Account	2017 DRA	1,822.0	24.1	1,834.0	36.7	1,834.0	57.0	12.0	-	1
2.	Gas Distribution Access Rule Impact D/A	2017 GDARIDA	-	-	-	-	265.9	-	-	265.9	2
3.	Electric Program Earnings Sharing D/A	2017 EPESDA	(680.2)	-	(680.2)	(4.7)	(680.2)	(12.4)	-	-	
4.	Average Use True-Up V/A	2017 AUTUVA	(4,035.7)	-	(4,035.7)	(27.8)	(4,035.7)	(72.6)	-	-	
5.	Earnings Sharing Mechanism Deferral Account	2017 ESMDA	(23,700.0)	-	(23,700.0)	(163.5)	(23,550.0)	(423.4)	-	150.0	3
6.	Customer Care CIS Rate Smoothing D/A	2017 CCCISRSDA	(2,785.3)	(18.8)	(2,785.3)	(35.8)	-	(59.6)	-	2,785.3	4
7.	Customer Care CIS Rate Smoothing D/A	2016 CCCISRSDA	(779.9)	(2.9)	(779.9)	(7.6)	-	(14.6)	-	779.9	4
8.	Customer Care CIS Rate Smoothing D/A	2015 CCCISRSDA	1,124.2	4.1	1,124.2	11.0	-	20.8	-	(1,124.2)	4
9.	Customer Care CIS Rate Smoothing D/A	2014 CCCISRSDA	2,927.0	10.8	2,927.0	28.7	-	53.9	-	(2,927.0)	4
10.	Customer Care CIS Rate Smoothing D/A	2013 CCCISRSDA	4,634.9	17.0	4,634.9	45.4	-	85.3	-	(4,634.9)	4
11.	Transition Impact of Accounting Changes D/A	2017/2018 TIACDA	66,537.0	-	66,537.0	-	4,435.8	-	-	(62,101.2)	5
12.	Post-Retirement True-Up V/A	2017 PTUVA	(4,299.2)	(17.5)	(4,299.2)	(47.1)	(4,299.2)	(94.7)	-	-	
13.	Constant Dollar Net Salvage Adjustment D/A	2017/2018 CDNSADA	37,940.5	-	18,910.1	-	6,468.3	-	(19,030.4)	(12,441.8)	6
14.	OEB Cost Assessment V/A	2017 OEBCAVA	2,649.9	16.9	2,649.9	35.2	2,649.9	64.6	-	-	
15.	Dawn Access Costs D/A	2017 DACDA	-	-	-	-	(910.7)	-	-	(910.7)	7
16.	Total non commodity Related Accounts		81,355.2	33.7	62,336.8	(129.5)	(17,821.9)	(395.7)	(19,018.4)	(80,158.7)	
	Commodity Related Accounts										
17.	Transactional Services D/A	2017 TSDA	864.4	-	1,206.4	7.5	1,206.4	20.8	342.0	-	8
18.	Storage and Transportation D/A	2017 S&TDA	22,439.5	124.3	22,654.8	280.3	22,654.8	530.2	215.3	-	9
19.	Unaccounted for Gas V/A	2017 UAFVA	(12,383.7)	-	(1,129.9)	(21.9)	(1,129.9)	(34.5)	11,253.8	-	10
20.	Total commodity related accounts		10,920.2	124.3	22,731.3	265.9	22,731.3	516.5	11,811.1	-	
21.	Total Deferral and Variance Accounts		92,275.4	158.0	85,068.1	136.4	4,909.4	120.8	(7,207.3)	(80,158.7)	

Notes:

1 The change in the May 2018 versus December 2017 balance of the 2017 DRA was due to backdated billing adjustments, related to prior deferral account clearances, which were processed between January and May 2018.

2 The 2017 GDARIDA balance requested for clearance reflects the 2017 revenue requirement impact of prior capital additions, incurred as a result of Low Income Customer Service Rule changes caused by a GDAR amendment, which was not reflected in rates.

3 The variance between the forecast 2017 ESMDA January 1, 2019 balance requested for clearance, and the May 2018 balance, reflects the true-up of the 2017 year end estimated earnings sharing provision, to the final calculated amount examined in this proceeding.

4 In accordance with the EB-2011-0226 Settlement Agreement, the principal balance recored in each of the 2013 - 2017 CCCISRSDA's is not being requested for clearance. The net cumulative principal balance of the 2013 - 2018 CCCISRSDA's will be requested for clearance in a post 2018 true-up.

5 The balance in the 2017 TIACDA was rolled forward into the 2018 TIACDA at the beginning of the year. The balance forecast for clearance reflects 1/20th of the original TIACDA balance, which in EB-2011-0354 was approved for clearance evenly over a 20 year period.

6 The balance in the 2017 CDNSADA was rolled forward into the 2018 CDNSADA at the beginning of the year. The change in the May 2018 versus December 2017 balance reflects the impact of the true-up of December 2017 actual versus estimated site restoration cost refund amounts, as well as the impact of the approved 2018 draw down of the site restoration cost liability which was recorded during that period. The variance between the forecast January 1, 2019 balance requested for clearance, and the May 2018 balance reflects the remainder of the approved 2018 drawdown of the site restoration cost liability which is to be reflected over that time period.

7 The 2017 DACDA balance requested for clearance reflects the 2017 revenue requirement impact of capital additions, incurred as a result of implementing the Dawn Transportation Service and heat value conversion modification, which was not reflected in rates.

8 The change in the May 2018 versus December 2017 balance in the 2017 TSDA reflects the true-up between the estimated year end December 2017 transactional services results, and the final actual 2017 transactional services results.

9 The change in the May 2018 versus December 2017 balance in the 2017 S&TDA reflects the true-up between the estimated year end December 2017 storage and transportation costs, and the final actual 2017 storage and transportation costs.

10 The change in the May 2018 versus December 2017 balance in the 2017 UAFVA reflects the true-up between the December estimated UAF and the actual UAF amount.

STAFF INTERROGATORY #2

INTERROGATORY

Ref: Earnings Sharing Mechanism and Actual 2017 Results
Exhibit B / Tab 1 / Schedule 3 / Page 2
Exhibit B / Tab 1 / Schedule 4 / Pages 2-3

Preamble:

Enbridge noted that the distribution margin increase of $6.8 million was partially driven by higher than forecast customer unlocks attributable to higher than forecast customer additions.

Enbridge eliminated $0.2 million related to EGD / Union amalgamation transaction costs in calculating its 2017 utility income.

Question(s):

a) Please provide an explanation for the higher than forecast customer additions experienced in 2017 (Exhibit B / Tab 1 / Schedule 3 / p. 2).

b) Please explain the purpose of the Cap & Trade related adjustments (Exhibit B / Tab 1 / Schedule 4 / pp. 2-3).

c) Please advise whether the $0.2 million elimination of EGD / Union amalgamation transaction costs reflects the removal of all of the amalgamation-related costs incurred in 2017. If not, please provide the total amalgamation-related costs that were incurred in 2017, advise whether these costs impact the amount of earnings proposed to be shared with customers, and, if necessary, refile the earnings sharing calculation with all 2017 amalgamation-related costs removed.

RESPONSE

a) In the last quarter of 2016, Enbridge implemented the Work & Asset Management Solution (WAMS) system which records and maintains information regarding assets and work histories including those of new customers added to the system. The transition to WAMS affected record completion and resulted in lower reported customer counts in 2016. It is estimated that an additional 2,000 customers were connected in 2016, yet reported in 2017 following completion of WAMS implementation. This rollover from the previous year contributed to the higher than forecast customers in 2017.

b) The income statement impact of the Company's Cap and Trade activities, which net to $0 as Cap and Trade costs are being treated as a pass-through, have been eliminated (shown in Exhibit B, Tab 1, Schedule 4, pages. 2 to 3, and in Exhibit B, Tab 3, Schedule 1, page4 and Exhibit B, Tab 4, Schedule 1, page 5) from the presentation of the actual 2017 utility income statement, in order to provide line by line comparability/ consistency with the 2017 amounts approved in EB-2016-0215 which did not include forecast Cap and Trade impacts.

c) The $0.2 million represents the only amalgamation transaction related costs incurred for 2017.

STAFF INTERROGATORY #3

INTERROGATORY

Ref: Earnings Sharing Mechanism and Actual 2017 Results
Exhibit B / Tab 1 / Schedule 2

Preamble:

OEB staff understands that Enbridge changed its policy with respect to capital contributions for residential infill customers in 2015. OEB staff would like to better understand the policy change and its impact on the earnings sharing calculation.

Question(s):

a) Please provide a description of the capital contribution policy for residential infill customers prior to 2015.

b) Please provide a description of the capital contribution policy for residential infill customers after the policy change in 2015.

c) Please explain the rationale for the policy change.

d) Please provide the total amount of capital contributions that were collected from residential infill customers in each year 2010-2017. Please also provide the number of customers that were required to make a capital contribution in each of the noted years (and the average capital contribution collected).

e) Please explain how the change in policy has impacted utility earnings and the earnings sharing calculation.

f) If possible, please provide, for each year 2015-2017, the variance between the actual utility earnings amount and the utility earnings that would have occurred if the noted policy was not changed. At a minimum, please provide an illustrative example of the 2017 earnings sharing calculation using a reasonable estimate of the capital contributions that would have been collected under the previous policy (as opposed to the current policy).

g) Please explain what the impact will be on rate base and revenue requirement at the time of rebasing due to the change in the noted policy (relative to if the policy was not changed).

RESPONSE

a) Prior to 2015, Enbridge applied an approach to assess the economic feasibility of residential infill customers which assumed consistent or like circumstances for standard residential service connections. Standard residential services were deemed feasible to a certain threshold of length (i.e., 20 metres) or customers would pay a capital-contribution-in-aid of construction (CIAC) when the service length exceeded that threshold. The CIAC amount was determined at a rate of $32 per additional metre. This approach relied on the assumption that the revenue and associated costs of all or the majority of residential services would be sufficiently consistent.

b) Since 2015, Enbridge has refined its approach to determine feasibility using the "grid method" which uses actuals for each Forward Sorting Area (FSA). Under this approach, Enbridge is able to account for variability in customer circumstances when assessing the CIAC amount for residential infill service connections. The CIAC amount for residential infill customers is now determined by individually estimating the following for each service connection:

   i. Revenue allowance, which is driven by customer consumption and represents the amount of capital Enbridge can invest to achieve the required feasibility threshold (i.e. PI of 1.0).
   ii. Service cost estimate, which is typically a regionally tailored estimate based on historical data from similar services in the same area (FSA).

   The amount of service cost estimate in excess of the revenue allowance is the CIAC amount recoverable from a residential infill customer.

c) Enbridge's refined approach is intended to improve the accuracy of project feasibility assessment of residential services. Accurate project feasibility ensures that in cases where projects are not feasible new customers pay an appropriate amount of contribution (CIAC) as prescribed in EBO 188. The new cost estimation process reflects the impact of the regional diversity and resulting variability in costs being incurred across the franchise area.

d) Prior to 2016, Enbridge's capital tracking systems did not have the functionality to distinguish between capital contributions collected from residential infill customers and residential subdivision projects. Starting in the last quarter of 2016, the implementation of the Work and Asset Management System (WAMS) allows for the segregation of contributions by the aforementioned customer types. As a result, Enbridge can provide the requested data for a period limited to 2016 and 2017. This data is set out in the table below.

Year	Period	Customers	Total Contributions	Average Contributions
2016	**Partial Year**	986	$1,684,859	$1,709
2017	**Full Year**	3,655	$8,079,082	$2,210

e) f) & g)

As explained in the response above, Enbridge's refined feasibility analysis approach aims to improve the cost estimation process in order to more accurately assess the feasibility of new residential infill customers. Collection of the resulting CIAC serves to ensure that new customers bear the cost of providing new service without causing undue burden on existing customers, as prescribed by EBO 188 guidelines.

In general, Enbridge's refined approach to feasibility analysis results in higher contributions than its prior approach while adhering to the Board's EBO 188 guidelines. This means that, as compared to Enbridge's prior approach to feasibility analysis, the rate base amounts (for earnings sharing purposes) for new residential infill customers will be lower. This will result in a lower cost of service and higher earnings (assuming that revenues stay constant). In other words, the refined feasibility analysis will increase earnings sharing amounts (though it should be noted that the impact would be quite modest, as the total amount of customer contributions is small in relation to Enbridge's overall capital additions each year).

Upon rebasing, the refined approach to feasibility analysis will benefit ratepayers, because the new amounts being added to utility ratebase for residential infill customers will be lower than would be the case under the prior approach.

Absent Enbridge's refined approach to feasibility analysis, if the prior approach to feasibility meant that the Company was adding non-feasible projects then the opposite impacts would occur. That is the rate base would be higer, earnings would be lower and existing customers would be negatively impacted on re-basing.

STAFF INTERROGATORY #4

INTERROGATORY

Ref: Manufactured Gas Plant Deferral Account (MGPDFA)
Exhibit C / Tab 1 / Schedule 1 / Page 1

Preamble:

Enbridge noted that it is not requesting clearance of the MGPDA and the amounts recorded in the account will be requested for disposition in a future proceeding.

Question(s):

a) Please provide an update on the Cityscape Residential Inc. legal proceeding and advise when Enbridge expects to seek disposition of the balance in the noted account.

RESPONSE

The Cityscape Residential litigation is currently in abeyance while the parties engage in discussions to try to settle their disputes. If those discussions are successful, Enbridge expects that it will be able to seek clearance of the MGPDA in its 2018 Deferral and Variance Accounts proceeding. If the discussions are not successful, then Enbridge expects that the litigation will proceed over the next 12 months. In that event, Enbridge will provide a status update and an explanation of the future plans for the account within the evidence for the MGPDA in the 2018 Deferral and Variance proceeding.

STAFF INTERROGATORY #5

INTERROGATORY

Ref: Storage and Transportation Deferral Account (S&TDA)
Exhibit C / Tab 1 / Schedule 2 / Page 1 and Attachment 1
Exhibit A / Tab 2 / Schedule 1 / Appendix A

Question(s):

a) Please reconcile the $101.3 million Union transmission costs line item to the referenced schedule in Note 2 (EB-2016-0215 / Ex. D1 / Tab 2 / Schedule 6 / Item 2). Please explain the comment “excluding impact of Dawn T-Service.”

b) Please provide the detailed calculation for the $1.9 million Cap & Trade cost amount in Column 4 and explain why it forms part of the variance calculation in the account.

c) Please explain how the $0.7 million credit amount related to Enbridge’s share of Union’s disposition of deferral account balances / ESM is calculated.

d) Please explain the variance between the $21.9 million principal balance for the S&TDA calculated in Exhibit C / Tab 1 / Schedule 2 / Attachment 1 and the $22.6 million principal balance cited at Exhibit C / Tab 1 / Schedule 2 / p. 1 and shown in the summary table at Exhibit A / Tab 2 / Schedule 1 / Appendix A. Please advise which amount is correct and for which Enbridge is seeking clearance as part of the current proceeding.

RESPONSE

a) The $101.3 million represents the forecasted cost of EGD’s contracted capacity with Union Gas times the applicable toll in place at the time the 2017 gas cost budget was prepared. A portion of that transportation cost - $0.8 million – was the forecasted cost assumed to be attributable to the Dawn T-Service transportation cost which came into effect November 1, 2017. These costs are recovered separately. However, for purposes of calculating the impact in the 2017 S&TDA it is necessary to add back the applicable Dawn T-Service cost in order to calculate the difference between the total forecasted transportation cost and actual transportation cost payable to Union Gas.

b) The purpose of the S&TDA is to capture the difference between M12 tolls and market based storage costs assumed in the preparation of the gas cost budget that underpin rates and the actual M12 tolls and market based storage costs incurred by EGD throughout the year. This insures that neither the ratepayer nor EGD either benefit or are harmed by changes in OEB approved tolls or assumed market based storage costs. Included in Union's tolls in 2017 are a unit rate applicable to Cap and Trade costs that all shippers must pay. A copy of Union's M12 and C1 Toll Schedule has been attached. A breakdown of the Cap and Trade costs are as follows :

	GJ's Transport	$/GJ Toll	$ (millions)
Dawn to Parkway (TCPL/EGT)	114,684,661	0.009	1.0
Dawn to Parkway (Cons)/Lisgar/Kirkwall	110,562,367	0.006	0.7
Kirkwall to Parkway (TCPL/EGT)	8,531,723	0.005	0.0
Parkway to Parkway Cons	55,656,130	0.002	0.1
Parkway/Kirkwall to Dawn	22,822,981	0.003	0.1
			1.9

c) As a customer of Union Gas, EGD is entitled to a portion of the OEB approved disposition of Union Gas's 2016 Earning Sharing and Deferral Account disposition. The October 2017 Union Gas invoice received by EGD included a $0.7 million reduction resulting from Union's deferral account disposition. The amounts are broken down as follows:

EGD portion of Union Earnings Sharing	$ (000's)
2016 Deferral/Earnings Sharing Adjustment - M12	(858.5)
2016 Deferral/Earnings Sharing Adjustment - C1	139.9
2016 Deferral/Earnings Sharing Adjustment - M16	18.9
	(699.8)

d) EGD is seeking recovery of the balance in the 2017 S&TDA account in the amount $22.6 million (excluding interest). The difference of approximately $0.8 million is the amount attributable to Dawn T-Service costs identified in part a) of this response.

uniongas

TRANSPORTATION RATES

(A) Applicability

The charges under this schedule shall be applicable to a Shipper who enters into a Transportation Service Contract with Union.

Applicable Points
Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities), Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE).
Dawn as a delivery point: Dawn (Facilities).

(B) Services

Transportation Service under this rate schedule shall be for transportation on Union's Dawn - Parkway facilities.

(C) Rates

The identified rates represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

	Monthly Demand Charges (applied to daily contract demand)	Fuel and Commodity Charges			
		Union Supplied Fuel	Shipper Supplied Fuel		
	Rate/GJ	Fuel and Commodity Charge Rate/GJ	Fuel Ratio %	AND	Commodity Charge Rate/GJ (2)
Firm Transportation (1)					
Dawn to Parkway (Cons) / Lisgar	$3.402	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		$0.006
Dawn to Parkway (TCPL / EGT)	$3.402				$0.009
Dawn to Kirkwall	$2.865				$0.006
Kirkwall to Parkway (Cons) / Lisgar	$0.537				$0.002
Kirkwall to Parkway (TCPL / EGT)	$0.537				$0.005
M12-X Firm Transportation					
Between Dawn, Kirkwall and Parkway	$4.239	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		Note (2)
Limited Firm/Interruptible Transportation (1)					
Dawn to Parkway (Cons) / Lisgar – Maximum	$8.165	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		$0.006
Dawn to Parkway (TCPL / EGT) – Maximum	$8.165				$0.009
Dawn to Kirkwall – Maximum	$8.165				$0.006
Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar (3)	n/a	n/a	0.157%		$0.002

Authorized Overrun (4)

Authorized overrun rates will be payable on all quantities in excess of Union's obligation on any day. The overrun charges payable will be calculated at the following rates. Overrun will be authorized at Union's sole discretion.

	Fuel and Commodity Charges			
	Union Supplied Fuel	Shipper Supplied Fuel		
	Fuel and Commodity Charge Rate/GJ	Fuel Ratio %	AND	Commodity Charge Rate/GJ (2)
Transportation Overrun				
Dawn to Parkway (Cons) / Lisgar	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		$0.118
Dawn to Parkway (TCPL / EGT)				$0.121
Dawn to Kirkwall				$0.100
Kirkwall to Parkway (Cons) / Lisgar				$0.020
Kirkwall to Parkway (TCPL / EGT)				$0.023
Parkway (TCPL) Overrun (5)	n/a	0.704%		n/a
M12-X Firm Transportation				
Dawn to Kirkwall / Parkway (Cons) / Lisgar	Monthly fuel and commodity rates shall be in accordance with schedule "C".	Monthly fuel ratios shall be in accordance with schedule "C".		$0.145
Dawn to Parkway (TCPL / EGT)				$0.148
Kirkwall to Parkway (Cons) / Lisgar				$0.141
Kirkwall to Parkway (TCPL / EGT)				$0.144
Parkway to Dawn / Kirkwall				$0.142
Kirkwall to Dawn				$0.141

(C) Rates (Cont'd)

Unauthorized Overrun

Authorized Overrun rates will be payable on all quantities up to 2% in excess of Union's contractual obligation.

The Unauthorized Overrun shall be the higher of the reported daily spot price of gas at either Dawn, Parkway, Niagara or Iroquois in the month of or the month following the month in which the overrun occurred plus 25% for all usage on any day in excess of 102% of Union's contractual obligation.

Nomination Variances

Where Union and the shipper have entered into a Limited Balancing Agreement ("LBA"), the rate for unauthorized parking or drafting which results from nomination variances shall equal the "Balancing Fee" rate as described under Article XXII of TransCanada PipeLines Transportation Tariff.

Notes for Section (C) Rates:

(1) The annual transportation commodity charge is calculated by application of the YCRR Formula, as per Section (D). The annual transportation fuel required is calculated by application of the YCR Formula, as per Section (D).

(2) Includes cap-and-trade rates for facility-related greenhouse gas obligation costs for transportation of $0.006/GJ for Dawn to Kirkwall / Parkway (Cons) / Lisgar, $0.009/GJ for Dawn to Parkway (TCPL / EGT), $0.002/GJ for Kirkwall to Parkway (Cons) / Lisgar, $0.005/GJ for Kirkwall to Parkway (TCPL / EGT), $0.002/GJ for Parkway (TCPL / EGT) to Parkway (Cons) / Lisgar, $0.003/GJ for Parkway to Dawn / Kirkwall, and $0.002/GJ for Kirkwall to Dawn.

(3) This rate is for westerly transportation within the Parkway yard, from Parkway (TCPL) or Parkway (EGT) to Parkway (Cons) or Lisgar.

(4) For purposes of applying the YCRR Formula or YCR Formula (Section (D)) to transportation overrun quantities, the transportation commodity revenue will be deemed to be equal to the commodity charge of the applicable service as detailed in Section (B).

(5) This ratio will be applied to all gas quantities for which Union is obligated to deliver to Parkway (Cons) or Lisgar and has agreed to deliver to Parkway (TCPL) or Parkway (EGT) on an interruptible basis. This will be in addition to any rate or ratio paid for transportation easterly to Parkway (Cons) or Lisgar.

(6) A demand charge of $0.070/GJ/day/month will be applicable for customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for firm transportation service to either Kirkwall or Parkway

(D) Transportation Commodity

The annual fuel charge in kind or in dollars for transportation service in any contract year shall be equal to the sum of the application of the following equation applied monthly for the 12 months April through March (The "YCRR" or "YCR" Formula). An appropriate adjustment in the fuel charges will be made in May for the previous 12 months ending March 31st to obtain the annual fuel charges as calculated using the applicable "YCRR" or "YCR" Formula. At Union's sole discretion Union may make more frequent adjustments than once per year. The YCRR and YCR adjustments must be paid/remitted to/from Shippers at Dawn within one billing cycle after invoicing.

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(D) Transportation Commodity (Cont'd)

YCR = $\sum_{1}^{4}$ [(0.001570 X (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}] For June 1 to Sept. 30

plus

$\sum_{5}^{12}$ [0.001570 x (QT1 + Q3)) + (DWFxQT1) + F_{WT}] For Oct. 1 to May 31

YCRR = $\sum_{1}^{4}$ [(0.001570 x (QT1 + QT3)) + (DSFx(QT1 + QT3)) + F_{ST}]xR For June 1 to Sept. 30

plus

$\sum_{5}^{12}$ [(0.001570 x (QT1 + QT3)) + (DWFxQT1)+ F_{WT}]xR For Oct. 1 to May 31

where: DSF = 0.00000 for Dawn summer fuel requirements
DWF = 0.0020 for Dawn winter fuel requirements

in which:

YCR Yearly Commodity Required

The sum of 12 separate monthly calculations of Commodity Quantities required for the period from April through March.

YCRR Yearly Commodity Revenue Required

The sum of 12 separate monthly calculations of Commodity Revenue required for the period April through March.

QT1 Monthly quantities in GJ transported easterly hereunder received at Dawn at not less than 4 850 kPa but less than 5 860 kPa (compression required at Dawn).

QT3 Monthly quantities in GJ transported westerly hereunder received at the Parkway Delivery Point.

F_{WT} The individual Shipper's monthly share of compressor fuel used in GJ which was required at Union's Lobo, Bright, Trafalgar and Parkway Compressor Stations ("Lobo", "Bright", "Trafalgar" and "Parkway") to transport the same Shipper's QT1 monthly quantities easterly.

Lobo, Bright, Trafalgar and Parkway compressor fuel required by each Shipper will be calculated each month.

The monthly Lobo and Bright compressor fuel will be allocated to each Shipper in the same proportion as the Shipper's monthly quantities transported is to the monthly transported quantity for all users including Union.

The monthly Parkway and Trafalgar compressor fuel used will be allocated to each Shipper in the same proportion as the monthly quantity transported to Parkway (TCPL) for each user is to the total monthly quantity transported for all users including Union.

(D) Transportation Commodity (Cont'd)

F_{ST} The individual Shipper's monthly share of compressor fuel used in GJ which was required at Union's Lobo, Bright, Trafalgar and Parkway compressor stations to transport the same Shipper's quantity on the Trafalgar system.

Lobo, Bright, Trafalgar and Parkway compressor fuel required by each Shipper will be calculated each month.

R Union's weighted average cost of gas in $/GJ.

Notes

(i) In the case of Easterly flow, direct deliveries by TCPL at Parkway to Union or on behalf of Union to Union's Transportation Shippers will be allocated to supply Union's markets on the Dawn-Parkway facilities starting at Parkway and proceeding westerly to successive laterals until exhausted.

(E) Provision for Compressor Fuel

For a Shipper that has elected to provide its own compressor fuel.

Transportation Fuel

On a daily basis, the Shipper will provide Union at the delivery point and delivery pressure as specified in the contract, a quantity (the "Transportation Fuel Quantity") representing the Shipper's share of compressor fuel and unaccounted for gas for transportation service on Union's system.

The Transportation Fuel Quantity will be determined on a daily basis, as follows:

Transportation Fuel Quantity = Transportation Quantity x Transportation Fuel Ratio.

In the event that the actual quantity of fuel supplied by the Shipper was different from the actual fuel quantity as calculated using the YCR formula, an adjustment will be made in May for the previous 12 months ending March 31st.

Nominations

The Shipper will be required to nominate its Transportation Fuel Quantity in addition to its normal nominations for transportation services.

(F) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2010" for contracts in effect on or after October 1, 2010.

(G) Nominations

Nominations under this rate schedule shall be in accordance with the attached Schedule "B" for contracts in effect before October 1, 2010. Nominations under this rate schedule shall be in accordance with the attached Schedule "B 2010" for contracts in effect on or after October 1, 2010.

(H) Monthly Fuel Rates and Ratios

Monthly fuel rates and ratios under this rate schedule shall be in accordance with Schedule “C”.

(I) Receipt and Delivery Points and Pressures

Receipt and Delivery Points and Pressures under this rate schedule shall be in accordance with Schedule “D 2010” for contracts in effect on or after October 1, 2010.

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CROSS FRANCHISE TRANSPORTATION RATES

(A) Applicability

To a Shipper who enters into a Contract with Union for delivery by Shipper of gas to Union at one of Union's points listed below for redelivery by Union to Shipper at one of Union's points.

Applicable Points	(1)	(2)
	Ojibway	WDA
	St. Clair	NDA
	Dawn*	SSMDA
	Parkway	SWDA
	Kirkwall	CDA
	Bluewater	EDA

*Dawn as a receipt point: Dawn (TCPL), Dawn (Facilities), Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE).
*Dawn as a delivery point: Dawn (Facilities).

(B) Services

Transportation Service under this rate schedule is transportation on Union's pipeline facilities between any two Points as specified in Section (A), column 1.

(C) Rates

The identified rates (excluding gas supply charges, if applicable) represent maximum prices for service. These rates may change periodically. Multi-year prices may also be negotiated, which may be higher than the identified rates.

Transportation Service (1):

	Monthly Demand Charges (applied to daily contract demand) Rate/GJ	Fuel and Commodity Charges: Union Supplied Fuel: Fuel and Commodity Charge Apr.1-Oct.31 Rate/GJ (2)	Nov.1-Mar.31 Rate/GJ (2)	Shipper Supplied Fuel: Fuel Ratio Apr.1- %	Nov.1-Mar.31 %	AND	Commodity Charge Rate/GJ (2)
a) Firm Transportation							
Between:							
St.Clair & Dawn	$1.045	$0.012	$0.015	0.207%	0.266%		$0.004
Ojibway & Dawn	$1.045	$0.022	$0.016	0.447%	0.303%		$0.004
Bluewater & Dawn	$1.045	$0.012	$0.015	0.207%	0.266%		$0.004
From:							
Parkway to Kirkwall	$0.837	$0.015	$0.009	0.293%	0.157%		$0.003
Parkway to Dawn	$0.837	$0.015	$0.009	0.293%	0.157%		$0.003
Kirkwall to Dawn	$1.475	$0.008	$0.008	0.157%	0.157%		$0.002
Dawn to Kirkwall	$2.865	$0.019	$0.037	0.318%	0.756%		$0.006
Dawn to Parkway (Cons) / Lisgar	$3.402	$0.029	$0.048	0.571%	1.026%		$0.006
Dawn to Parkway (TCPL)	$3.402	$0.032	$0.051	0.571%	1.026%		$0.009
Kirkwall to Parkway (Cons) / Lisgar	$0.537	$0.019	$0.020	0.410%	0.427%		$0.002
Kirkwall to Parkway (TCPL)	$0.537	$0.022	$0.023	0.410%	0.427%		$0.005
b) Firm Transportation between two points within Dawn							
Dawn to Dawn-Vector	$0.029	n/a	n/a	0.339%	0.157%		$0.003
Dawn to Dawn-TCPL	$0.138	n/a	n/a	0.157%	0.351%		$0.004
c) Interruptible Transportation between two points within Dawn*							
*includes Dawn (TCPL), Dawn Facilities, Dawn (Tecumseh), Dawn (Vector) and Dawn (TSLE)				0.157%	0.157%		$0.002
d) Interruptible and Short Term (1 year or less) Firm Transportation:							
Maximum		$75.00					

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(C) Rates (Cont'd)

Authorized Overrun:

The following Overrun rates are applied to any quantities transported in excess of the Contract parameters. Overrun will be authorized at Union's sole discretion.

	Union Supplied Fuel		Shipper Supplied Fuel			
	Commodity Charge		Fuel Ratio			Commodity Charge
a) Firm Transportation	Apr.1-Oct.31 Rate/GJ (2)	Nov.1-Mar.31 Rate/GJ (2)	Apr.1- %	Nov.1-Mar.31 %	AND	Rate/GJ (2)
Between:						
St.Clair & Dawn	$0.047	$0.049	0.207%	0.266%		$0.038
Ojibway & Dawn	$0.057	$0.051	0.447%	0.303%		$0.038
Bluewater & Dawn	$0.047	$0.049	0.207%	0.266%		$0.038
From:						
Parkway to Kirkwall	$0.152	$0.147	0.910%	0.774%		$0.115
Parkway to Dawn	$0.152	$0.147	0.910%	0.774%		$0.115
Kirkwall to Dawn	$0.057	$0.057	0.157%	0.157%		$0.051
Dawn to Kirkwall	$0.138	$0.156	0.935%	1.373%		$0.100
Dawn to Parkway (Cons) / Lisgar	$0.166	$0.185	1.188%	1.643%		$0.118
Dawn to Parkway (TCPL)	$0.169	$0.188	1.188%	1.643%		$0.121
Kirkwall to Parkway (Cons) / Lisgar	$0.062	$0.062	1.027%	1.044%		$0.020
Kirkwall to Parkway (TCPL)	$0.065	$0.065	1.027%	1.044%		$0.023
b) Firm Transportation within Dawn						
Dawn to Dawn-Vector	n/a	n/a	0.339%	0.157%		$0.004
Dawn to Dawn-TCPL	n/a	n/a	0.157%	0.351%		$0.009

Authorized overrun for short-term firm transportation is available at negotiated rates.

Unauthorized Overrun:

The Unauthorized Overrun rate shall be the higher of the reported daily spot price of gas at either, Dawn, Parkway, Niagara, Iroquois or Chicago in the month of or the month following the month in which the overrun occurred plus 25% for all usage on any day in excess of 102% of Union's contractual obligation.

Notes for Section (C) Rates:

(1) A demand charge of $0.070/GJ/day/month will be applicable to customers contracting for firm all day transportation service in addition to the demand charges appearing on this schedule for all firm transportation service paths.

(2) Includes cap-and-trade rates for facility-related greenhouse gas obligation costs for transportation of $0.004/GJ between St. Clair / Ojibway / Bluewater and Dawn, $0.003/GJ from Parkway to Kirkwall / Dawn, $0.002/GJ for from Kirkwall to Dawn, $0.006/GJ from Dawn to Kirkwall, $0.006/GJ from Dawn to Parkway (Cons) / Lisgar, $0.009/GJ from Dawn to Parkway (TCPL), $0.002/GJ from Kirkwall to Parkway (Cons) / Lisgar, $0.005/GJ from Kirkwall to Parkway (TCPL), $0.003/GJ between Dawn to Dawn-Vector, $0.004/GJ between Dawn to Dawn-TCPL, and, $0.002/GJ between two points within Dawn.

(D) Terms of Service

The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A" for contracts in effect before October 1, 2010. The General Terms & Conditions applicable to this rate schedule shall be in accordance with the attached Schedule "A 2010" for contracts in effect on or after October 1, 2010.

(E) Nominations

Nominations under this rate schedule shall be in accordance with the attached Schedule "B" for contracts in effect before October 1, 2010. Nominations under this rate schedule shall be in accordance with the attached Schedule "B 2010" for contracts in effect on or after October 1, 2010.

(F) Receipt and Delivery Points and Pressures

Receipt and Delivery Points and Pressures under this rate schedule shall be in accordance with Schedule "C 2010" for contracts in effect on or after October 1, 2010.

STAFF INTERROGATORY #6

INTERROGATORY

Ref: Transactional Services Deferral Account (TSDA)
Exhibit C / Tab 1 / Schedule 2 / Attachment 2

Question(s):

a) Please discuss the variance year-over-year (2016 to 2017) related to storage optimization revenues.

RESPONSE

As described in EB-2012-0046, Exhibit C, Tab 1, Schedule 6 at page 8, Storage Optimization typically occurs when Enbridge stores gas on behalf of a third party. This gas is stored by Enbridge on behalf of that third party for a period of time during which the price spread exceeds the cost of storing gas for the period of time in question. An example of this type of transaction is provided on page 9 of the aforementioned evidence. In this example, a third party has supply at its disposal in April but does not have a market for that supply until August. The third party therefore approaches Enbridge about the possibility of storing their gas until August. If Enbridge can accommodate that request (i.e. an injection in April and a withdrawal in August) then Enbridge will do so. The fee for this service will be based upon the price differentials between April and August which will generate net revenue.

As described above, the ability for Enbridge to generate Storage Optimization is contingent upon storage capacity availability, market price spreads and upon third parties with gas wishing to take advantage of potential price spreads. During 2017, Enbridge entered into a total of 90 separate storage optimization deals for a combined volume of 9.4 PJs. This was considerably lower than 2016 when Enbridge entered into a total of 206 deals for a combined volume of 35.8 PJs. The reduction in the number of deals in 2017 is a reflection in the difference in summer seasonal price spreads between the two years. In 2016, the value or price spread for a May injection and an August withdrawal was approximately $0.35/GJ whereas in 2017 the similar spread was approximately $0.05/GJ.

STAFF INTERROGATORY #7

INTERROGATORY

Ref: Unaccounted for Gas Variance Account (UAFVA)
Exhibit C / Tab 1 / Schedule 3
EB-2017-0102 / Settlement Proposal / Page 14
EB-2017-0086 / Settlement Proposal / Page 18
EB-2017-0307 / OEB Staff Submission / Page 39

Preamble:

In OEB staff's submission in EB-2017-0307, OEB staff argued that the OEB should order Amalco to file the specified reporting on Unaccounted for Gas (UAF) during the deferred rebasing period that Enbridge agreed to file as part of its 2018 Rates proceeding. OEB staff did not see a response to this in the reply argument.

Question(s):

a) Please provide a brief update with respect to the UAF investigation that Enbridge agreed to undertake in its 2016 deferral account proceeding and its 2018 rates proceeding. Please advise whether Enbridge will provide the relevant evidence as part of its 2019 rates proceeding.

RESPONSE

a) Please see the response to Energy Probe Interrogatory #5 part (d) found at Exhibit I.C.EGDI.EP.5. As agreed in the EB-2017-0086, 2018 Rate Adjustment Settlement Proposal (Exhibit N2, Tab 1, Schedule 1, page 18) and confirmed in the OEB's Decision in EB-2017-0306/0307 (page 53), Enbridge will be providing additional information on its UAF investigations and plans as part of its 2019 rates proceeding.

STAFF INTERROGATORY #8

INTERROGATORY

Ref: Average Use True-Up Variance Account (AUTUVA)
Exhibit C / Tab 1 / Schedule 4 / Pages 1-2 and Appendix A
EB-2017-0102 / Tab 1 / Schedule 5 / Appendix A

Question(s):

a) Please provide a table showing the variance between 2016 and 2017 normalized actual average use for Rates 1 and 6 and provide an explanation for the variances.

RESPONSE

a)

Normalized Average Use		
	Rate 1	Rate 6
2016 Average Use (m^3)	2,421	28,480
2017 Average Use (m^3)	2,485	29,462
Variance (m^3)	64	982
Variance (%)	2.6%	3.4%
Note: Average Uses normalized to 2017 Degree Days.		

Actual average use increased for both Rate 1 and Rate 6 in 2017 as compared to actual average uses in 2016. Unlike 2016, the 2017 average use value is more consistent with the long-term trend observed since 1990. Charts 1 and 2 in the following pages show the normalized average use trends for Rate 1 and Rate 6, respectively. To ensure year over year comparability, average uses have been normalized to 2017 degree days.

The increase between 2016 and 2017 results from the off-trend average use level observed in 2016 which, for Rate 1 customers, represented a 4% decline rather than the relatively consistent 1% average decline observed from the long-term trend. For Rate 6, the decline was similarly at 4% although the trend has been increasing from the migration of large-volume customers to the rate class.

The lower starting point for 2016 and the return-to-trend result for 2017 caused the higher change in average use seen in 2017 for both Rate 1 and Rate 6.

As noted in the EB-2017-0102 and EB-2017-0086 proceedings, the 2016 actual average use value is anomalous and contributing factors can only be surmised as traditional drivers could not explain the result. On the other hand, the 2017 actual average use is in line with the overall trend and consistent with forecast model results. The 2017 actual average use exceeded the 2017 forecast value by 0.5% because actual economic conditions in the province were stronger than assumed at the time of the forecast.

CHART 1:

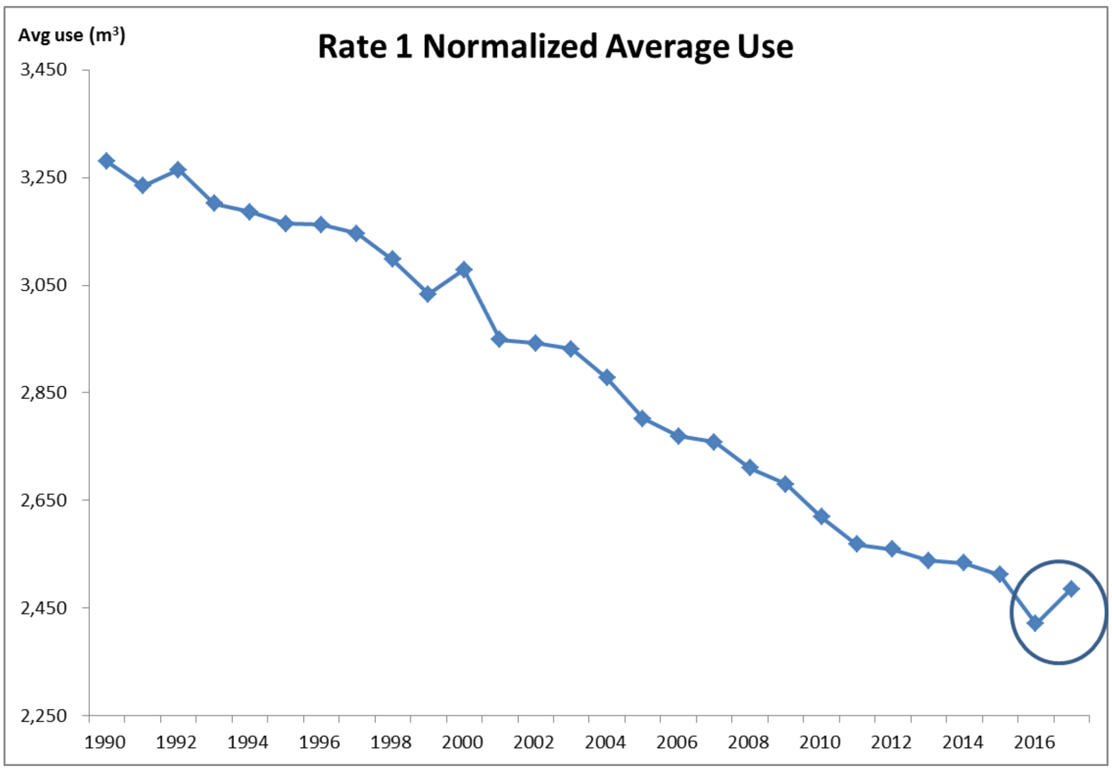
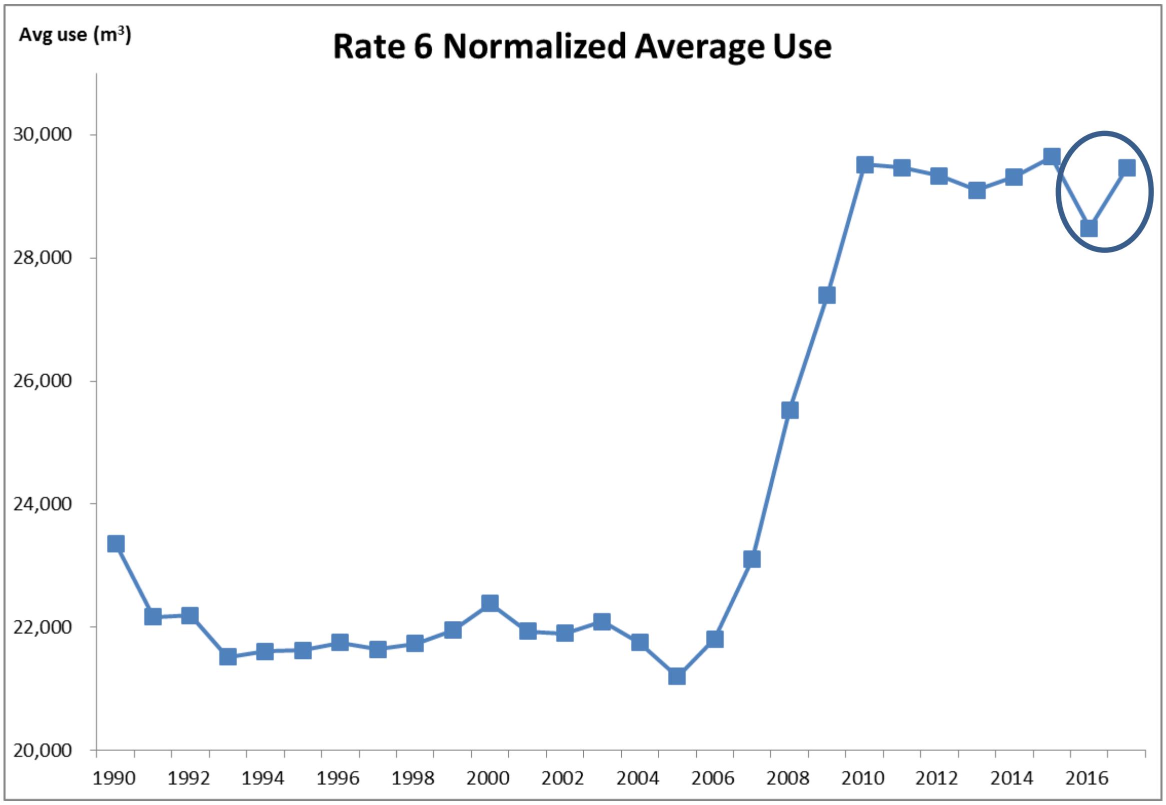


CHART 2:


Avg use (m^3)
Rate 6 Normalized Average Use
30,000
28,000
26,000
24,000
22,000
20,000
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016

STAFF INTERROGATORY #9

INTERROGATORY

Ref: Electric Program Earnings Sharing Deferral Account (EPESDA)
Exhibit C / Tab 1 / Schedule 10 / Page 1

Preamble:

Enbridge noted that the $0.7 million credit recorded in the account reflects the ratepayers 50% share of the net revenues generated by providing electric conservation and demand management (CDM) activities, using a fully allocated costs methodology.

Question(s):

a) Please provide a table showing a detailed breakdown of both the costs and revenues that comprise the net revenue balance in the account for each year 2014-2017.

RESPONSE

a) The table below shows the Electric Program Earnings Sharing Deferral Account (EPESDA) breakdown of revenue and costs for the years 2014 to 2017.

Electric Program Earnings Sharing Deferral Account ("EPESDA")					
		2014	**2015**	**2016**	**2017**
Revenue	($000's)				
HPNC 1 Program Revenue		214	0	0	0
HPNC 2 Program Revenue		1489	344	0	0
Energy Conservation Services		0	0	0	2315
		1703	344	0	2315
Costs					
HPNC 1 Program Costs		160	0	0	0
HPNC 2 Program Costs		1558	226	0	0
Energy Conservation Services		0	0	0	922
		1718	226	0	922
Net profit / (loss) prior to sharing		-15	119	0	1393
50% sharing		0	59	0	696
Net profit / (loss) after sharing		-15	59	0	696
Note: The net loss in 2014 resulted in no revenue sharing for that particular year					

STAFF INTERROGATORY #10

INTERROGATORY

Ref: Ontario Energy Board Cost Assessment Variance Account (OEBVCAVA)
Exhibit C / Tab 1 / Schedule 11 / Page 2

Preamble:

Enbridge noted that it utilized the average of the OEB's fiscal 2015/2016 quarterly invoiced amounts, under the previous CAM, as representative of the OEB costs embedded in 2017 rates.

Question(s):

a) Please confirm that this is the same comparator that was used for calculating the 2016 balance in the account.

RESPONSE

a) Confirmed. Consistent with the comparator in the calculation of the amount recovered through the 2016 OEBCAVA, the average of the OEB's fiscal 2015 / 2016 quarterly invoiced amounts under the previous CAM was also used as the comparator to calculate the amount sought for recovery through the 2017 OEBCAVA.

STAFF INTERROGATORY #11

INTERROGATORY

Ref: Constant Dollar Net Salvage Adjustment Deferral Account (CDNSADA)
Exhibit C / Tab 1 / Schedule 12 / Page 2
Exhibit C / Tab 1 / Schedule 12 / Attachment 1

Preamble:

Enbridge noted that, in accordance with the 2018 rates proceeding (EB-2017-0086) Amended Settlement Proposal, it requested the recovery of the $6.47 million final balance in the CDNSADA as part of the current proceeding.

Question(s):

a) Please provide the final balance in the CDNSADA that was forecasted as part of the EB-2017-0086 proceeding. Please explain why the balance sought for recovery as part of the current proceeding is different than the forecast that was made in the EB-2017-0086 proceeding.

b) Please provide additional evidence (volumes and unit riders) supporting the dollar amounts shown in Exhibit C / Tab 1 / Schedule 12 / Attachment 1.

RESPONSE

a) The final CDNSADA balance that was forecast as part of the EB-2017-0086 proceeding (excluding the impact of the Company's original proposal to remove the 2018 forecast Rider D tax deduction allowed revenue impact from 2018 allowed revenues, and to record it in the CDNSADA) was a receivable of approximately $4.07 million (EB-2017-0086, Exhibit D2, Tab 2, Schedule 1, Paragraphs 8, 10, and 13, and Exhibit I.D2.EGDI.APPrO.2, Page 10, Item 7, Col. 14). The balance reflected the Company's forecast that total Rider D refunds to customers from 2014 to 2017 would be approximately $383.8 million, as compared to the total 2014 to 2018 EB-2012-0459 approved refund amount of $379.8 million. The total forecast refund amount incorporated an 8&4 forecast (8 months of actual and 4 months of forecast results) of 2017 volumes and corresponding Rider D refund amounts. Within the current proceeding, the $6.47 million requested for recovery incorporates the effect of actual 2017 volumes and refund amounts, which were higher than the forecast used in the EB-2017-0086 proceeding, predominantly due to colder than forecast weather at the end of 2017.

b) Attachment #1 to this response includes tables which provide supporting details (annual approved forecast versus actual volumes, rate riders, and refunds by rate class) for the amounts shown in Exhibit C, Tab 1, Schedule 12, Attachment 1.

TABLE 1: 2014 (OCT - DEC) SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO		Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300	Col. 13 Rate 300 Int	Col. 14 Total
1.	Forecast Volumes (10^3m^3)	1,083,679	1,089,195	158	0	153,852	116,102	-	20,235	42,546	117,216	41,033	-	6,919	2,670,934
2.	Contract Demand Volumes Forecast (10^3m^3)	-	-	-	-	-	-	29,806	-	-	-	-	47	-	29,853
3.	Board-Approved Rates Rider D ($/m^3$)	0.065211	0.021419	0.007776	0.021419	0.006149	0.003543	0.032527	0.000390	0.004411	0.001383	0.002829	0.137590	0.004500	
4.	Approved Credit ($ '000)	$ 70,667	$ 23,341	$ 1	$ 0	$ 946	$ 411	$ 969	$ 8	$ 189	$ 162	$ 116	$ 6	$ 31	$ 96,849
5.	Actual Volumes (10^3m^3)	1,511,561	1,521,408	126	868	145,872	138,965	-	21,694	28,686	115,083	52,437	-	10,106	3,546,807
6.	Contract Demand Volumes Actual (10^3m^3)							29,806					47		29,853
7.	Actual Credit ($ '000)	$ 98,729	$ 32,650	$ 1	$ 19	$ 891	$ 480	$ 969	$ 8	$ 127	$ 159	$ 149	$ 6	$ 45	$ 134,233
8.	**Volumetric Variance (10^3m^3)**	**427,882**	**432,214**	**(32)**	**868**	**(7,980)**	**22,864**	**0**	**1,459**	**(13,860)**	**(2,133)**	**11,404**	**0**	**3,187**	**875,873**
9.	**Credit Variance ($ '000)**	**$ 28,061**	**$ 9,309**	**$ (0)**	**$ 19**	**$ (55)**	**$ 68**	**$ 0**	**$ 1**	**$ (62)**	**$ (3)**	**$ 32**	**$ 0**	**$ 14**	**$ 37,384**

TABLE 2: 2015 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO		Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300	Col. 13 Rate 300 Int	Col. 14 Total
1.	Forecast Volumes (10^3m^3)	4,673,421	4,662,431	510	0	477,711	504,807	-	56,056	133,192	471,137	169,087	-	30,000	11,178,352
2.	Contract Demand Volumes Forecast (10^3m^3)	-	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
3.	Board-Approved Rates Rider D ($/m^3)	0.014058	0.004754	0.002023	0.004754	0.001434	0.000815	0.007986	0.000138	0.001067	0.000336	0.000822	0.031701	0.000919	
4.	Approved Credit ($ '000)	$ 65,699	$ 22,164	$ 1	$ 0	$ 685	$ 411	$ 952	$ 8	$ 142	$ 158	$ 139	$ 6	$ 28	$ 90,392
5.	Actual Volumes (10^3m^3)	4,921,588	4,919,216	304	3,472	680,665	512,632	-	68,473	74,668	395,971	176,403	-	26,780	11,780,173
6.	Contract Demand Volumes Actual (10^3m^3)	-	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
7.	Actual Credit ($ '000)	$ 69,131	$ 23,553	$ 1	$ 17	$ 978	$ 416	$ 952	$ 9	$ 78	$ 134	$ 145	$ 6	$ 25	$ 95,444
8.	**Volumetric Variance (10^3m^3)**	**248,167**	**256,785**	**(206)**	**3,472**	**202,953**	**7,825**	**0**	**12,417**	**(58,524)**	**(75,165)**	**7,316**	**0**	**(3,220)**	**601,821**
9.	**Credit Variance ($ '000)**	**$ 3,432**	**$ 1,389**	**$ (0)**	**$ 17**	**$ 293**	**$ 5**	**$ (0)**	**$ 2**	**$ (64)**	**$ (24)**	**$ 6**	**$ (0)**	**$ (3)**	**$ 5,052**

TABLE 3: 2016 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO		Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300	Col. 13 Rate 300 Int	Col. 14 Total
1.	Forecast Volumes (10^3m^3)	4,870,006	4,796,209	510	0	703,348	517,078	-	59,278	88,566	325,657	170,837	-	34,992	11,566,480
2.	Contract Demand Volumes Forecast (10^3m^3)	-	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
3.	Board-Approved Rates Rider D ($/m^3$)	0.012315	0.004373	0.001838	0.004373	0.001396	0.001078	0.009120	0.000126	0.000829	0.000280	0.000914	0.030640	0.000788	
4.	Approved Credit ($ '000)	$ 59,974	$ 20,973	$ 1	$ 0	$ 982	$ 557	$ 1,087	$ 7	$ 73	$ 91	$ 156	$ 6	$ 28	$ 83,936
5.	Actual Volumes (10^3m^3)	4,621,553	4,601,819	177	3,375	825,884	495,797	-	63,821	48,321	306,694	169,647	-	21,095	11,158,184
6.	Contract Demand Volumes Actual (10^3m^3)	-	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
7.	Actual Credit ($ '000)	$ 56,963	$ 20,088	$ 0	$ 15	$ 1,160	$ 528	$ 1,087	$ 8	$ 40	$ 85	$ 155	$ 6	$ 17	$ 80,154
8.	**Volumetric Variance (10^3m^3)**	**(248,453)**	**(194,390)**	**(333)**	**3,375**	**122,536**	**(21,280)**	**0**	**4,543**	**(40,245)**	**(18,962)**	**(1,190)**	**0**	**(13,897)**	**(408,296)**
9.	**Credit Variance ($ '000)**	**$ (3,011)**	**$ (885)**	**$ (1)**	**$ 15**	**$ 178**	**$ (29)**	**$ (0)**	**$ 1**	**$ (33)**	**$ (6)**	**$ (1)**	**$ 0**	**$ (11)**	**$ (3,782)**

TABLE 4: 2017 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO		Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300	Col. 13 Rate 300 Int	Col. 14 Total
1.	Forecast Volumes (10^3m^3)	4,911,478	4,862,269	263	0	861,435	490,292	-	60,899	63,318	296,313	170,843	-	34,992	11,752,101
2.	Contract Demand Volumes Forecast (10^3m^3)	-	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
3.	Board-Approved Rates Rider D ($/m^3$)	0.011277	0.003975	0.002837	0.003975	0.001185	0.000974	0.008086	0.000114	0.000958	0.000207	0.000829	0.027992	0.000718	
4.	Approved Credit ($ '000)	$ 55,388	$ 19,327	$ 1	$ 0	$ 1,021	$ 478	$ 964	$ 7	$ 61	$ 61	$ 142	$ 5	$ 25	$ 77,479
5.	Actual Volumes (10^3m^3)	4,846,276	4,822,221	22	1,188	802,435	510,617	-	66,112	46,669	312,126	173,932	-	0	11,581,598
6.	Contract Demand Volumes Actual (10^3m^3)	-	-	-	-	-	-	113,149	-	-	-	-	187	-	113,336
7.	Actual Credit[1] ($ '000)	$ 54,641	$ 19,161	$ 0	$ 5	$ 951	$ 498	$ 915	$ 8	$ 45	$ 65	$ 144	$ 5	$ -	$ 76,437
8.	**Volumetric Variance (10^3m^3)**	**(65,202)**	**(40,048)**	**(240)**	**1,188**	**(59,000)**	**20,325**	**(6,075)**	**5,213**	**(16,649)**	**15,813**	**3,089**	**0**	**(34,992)**	**(170,503)**
9.	**Credit Variance ($ '000)**	**$ (747)**	**$ (166)**	**$ (1)**	**$ 5**	**$ (69)**	**$ 20**	**$ (49)**	**$ 1**	**$ (16)**	**$ 3**	**$ 3**	**$ (0)**	**$ (25)**	**$ (1,042)**

TABLE 5: 2018 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO		Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300	Col. 13 Rate 300 Int	Col. 14 Total
1.	Forecast Volumes (10^3m^3)	4,760,547	4,829,793	0	0	789,036	542,831	-	64,501	50,136	291,152	169,764	-	0	11,497,761
2.	Contract Demand Volumes Forecast (10^3m^3)	-	-	-	-	-	-	111,124	-	-	-	-	187	-	111,311
3.	Board-Approved Rates Rider D ($/$m^3$)	0.004677	0.001634	0.000000	0.000000	0.000464	0.000278	0.003312	0.000044	0.000376	0.000074	0.000336	0.011486	0.000000	
4.	Approved Credit ($ '000)	$ 22,266	$ 7,890	$ -	$ 0	$ 366	$ 151	$ 368	$ 3	$ 19	$ 22	$ 57	$ 2	$ -	$ 31,144
5.	Actual Volumes[1] (10^3m^3)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6.	Contract Demand Volumes Actual (10^3m^3)	-	-	-	-	-	-	0	-	-	-	-	0	-	0
7.	Actual Credit[1] ($ '000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
8.	**Volumetric Variance (10^3m^3)**	**(4,760,547)**	**(4,829,793)**	**0**	**0**	**(789,036)**	**(542,831)**	**(111,124)**	**(64,501)**	**(50,136)**	**(291,152)**	**(169,764)**	**(187)**	**0**	**(11,497,761)**
9.	**Credit Variance ($ '000)**	**$ (22,266)**	**$ (7,890)**	**$ -**	**$ (0)**	**$ (366)**	**$ (151)**	**$ (368)**	**$ (3)**	**$ (19)**	**$ (22)**	**$ (57)**	**$ (2)**	**$ -**	**$ (31,144)**

Notes
1 In accordance with the EB-2017-0086 Board Approved Settlement Agreement Rider D was discontinued at the end of 2017.

TABLE 6: SITE RESTORATION COST RIDER - ACTUAL VS FORECAST - 2014 TO 2018

('$ 000)		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15
ITEM NO	Year	Rate 1	Rate 6	Rate 9	Rate 100	Rate 110	Rate 115	Rate 125	Rate 135	Rate 145	Rate 170	Rate 200	Rate 300	Rate 300 Int	Total	Cumulative Total
	Approved Forecast Credit															
1.	2014 (Oct - Dec)	$ 70,667	$ 23,341	$ 1	$ 0	$ 946	$ 411	$ 969	$ 8	$ 189	$ 162	$ 116	$ 6	$ 31	$ 96,849	$ 96,849
2.	2015	$ 65,699	$ 22,164	$ 1	$ 0	$ 685	$ 411	$ 952	$ 8	$ 142	$ 158	$ 139	$ 6	$ 28	$ 90,392	$ 187,241
3.	2016	$ 59,974	$ 20,973	$ 1	$ 0	$ 982	$ 557	$ 1,087	$ 7	$ 73	$ 91	$ 156	$ 6	$ 28	$ 83,936	$ 271,177
4.	2017	$ 55,388	$ 19,327	$ 1	$ 0	$ 1,021	$ 478	$ 964	$ 7	$ 61	$ 61	$ 142	$ 5	$ 25	$ 77,479	$ 348,656
5.	2018	$ 22,266	$ 7,890	$ -	$ 0	$ 366	$ 151	$ 368	$ 3	$ 19	$ 22	$ 57	$ 2	$ -	$ 31,144	$ 379,800
6.	**2014 to 2018 Approved Rider D Credit**	**$ 273,994**	**$ 93,695**	**$ 4**	**$ 0**	**$ 4,000**	**$ 2,008**	**$ 4,341**	**$ 33**	**$ 484**	**$ 494**	**$ 610**	**$ 25**	**$ 111**	**$ 379,800**	
	Actual Credit															
7.	2014 (Oct - Dec)	$ 98,729	$ 32,650	$ 1	$ 19	$ 891	$ 480	$ 969	$ 8	$ 127	$ 159	$ 149	$ 6	$ 45	$ 134,233	$ 134,233
8.	2015	$ 69,131	$ 23,553	$ 1	$ 17	$ 978	$ 416	$ 952	$ 9	$ 78	$ 134	$ 145	$ 6	$ 25	$ 95,444	$ 229,678
9.	2016	$ 56,963	$ 20,088	$ 0	$ 15	$ 1,160	$ 528	$ 1,087	$ 8	$ 40	$ 85	$ 155	$ 6	$ 17	$ 80,154	$ 309,832
10.	2017	$ 54,641	$ 19,161	$ 0	$ 5	$ 951	$ 498	$ 915	$ 8	$ 45	$ 65	$ 144	$ 5	$ -	$ 76,437	$ 386,268
11.	2018	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 386,268
12.	**2014 to 2018 Actual Rider D Credit**	**$ 279,463**	**$ 95,452**	**$ 2**	**$ 55**	**$ 3,980**	**$ 1,922**	**$ 3,924**	**$ 34**	**$ 290**	**$ 443**	**$ 593**	**$ 23**	**$ 87**	**$ 386,268**	
	Variance															
13.	2014 (Oct - Dec)	$ 28,061	$ 9,309	$ (0)	$ 19	$ (55)	$ 68	$ 0	$ 1	$ (62)	$ (3)	$ 32	$ 0	$ 14	$ 37,384	$ 37,384
14.	2015	$ 3,432	$ 1,389	$ (0)	$ 17	$ 293	$ 5	$ (0)	$ 2	$ (64)	$ (24)	$ 6	$ (0)	$ (3)	$ 5,052	$ 42,436
15.	2016	$ (3,011)	$ (885)	$ (1)	$ 15	$ 178	$ (29)	$ (0)	$ 1	$ (33)	$ (6)	$ (1)	$ 0	$ (11)	$ (3,782)	$ 38,654
16.	2017	$ (747)	$ (166)	$ (1)	$ 5	$ (69)	$ 20	$ (49)	$ 1	$ (16)	$ 3	$ 3	$ (0)	$ (25)	$ (1,042)	$ 37,612
17.	2018	$ (22,266)	$ (7,890)	$ -	$ (0)	$ (366)	$ (151)	$ (368)	$ (3)	$ (19)	$ (22)	$ (57)	$ (2)	$ -	$ (31,144)	$ 6,468
18.	**2014 to 2018 Rider D Variance**	**$ 5,469**	**$ 1,758**	**$ (2)**	**$ 55**	**$ (19)**	**$ (86)**	**$ (417)**	**$ 1**	**$ (194)**	**$ (51)**	**$ (17)**	**$ (2)**	**$ (25)**	**$ 6,468**	

STAFF INTERROGATORY #12

INTERROGATORY

Ref: Dawn Access Costs Deferral Account (DACDA)
Exhibit C / Tab 1 / Schedule 13 / Pages 1-7

Preamble:

Enbridge noted that all incremental costs to implement the Dawn Transportation Service (DTS) and heat value conversion modifications were capital in nature. In total, capital costs of $6.5 million were incurred to develop, test and integrate enhancements to the functionality of Enbridge's EnTRAC and connected systems.

Enbridge requested approval to credit $0.9 million to ratepayers, which represents the 2017 revenue requirement impact associated with the $6.5 million capital spending incurred. Enbridge noted that, in future years, there will also be larger revenue requirement amounts to be recorded in the account as the 2017 amount reflects only a partial year of in-service effectivity and benefits from a significant Capital Cost Allowance (CCA) tax deduction that will not repeat in subsequent years beyond 2018.

Question(s):

a) Please provide a detailed breakdown of the $6.5 million capital costs incurred related to the noted projects. Please include a breakdown as between the DTS-related costs and the heat value conversion-related costs.

b) Please advise whether there was a forecast of the DTS-related costs provided as part of the Dawn Access proceeding (EB-2014-0323).

c) Please confirm that the heat value conversion costs were originally estimated to be less than $0.5 million (EB-2016-0215, Settlement Proposal, Page 11).

d) Please explain the rate base amount of $0.26 million used in the revenue requirement calculation.

e) Please provide an estimate of the revenue requirement that will be recorded in the account in 2018 and 2019.

RESPONSE

a)

Dawn Access Project Costs	$millions
Development & Testing	5.23
Downstream Systems	0.40
Post Warranty	0.20
AIDC	0.34
	6.17
Heat Value Costs	
Development & Testing	0.28
	6.45

b) An estimate of implementation costs was provided in the Settlement Agreement for the Dawn Access Consultative (EB-2014-0323) at Exhibit B, Tab 2, Schedule 1, Appendix B, page 31 of 44. These materials indicate a "Preliminary high level estimate of $6MM".

c) Confirmed.

d) As detailed in the response to part a), total capital costs incurred to implement the Dawn Transportation Service and heat value conversion modification were $6.453 million. Of the $6.453 million total capital costs, $6.347 million was capitalized in the Company's accounting records in December 2017, but with an effective date of November 1, 2017 (Dawn Transportation Service implementation), and was reflected in the 2017 revenue requirement calculation. The remaining $0.106 million in trailing costs was capitalized in 2018 ($0.069 million in March and $0.038 million in June), also with an effective date of November 1, 2017, and will be reflected in the 2018 revenue requirement calculation. The effective date establishes when depreciation commences (depreciation commences the month following the effective capitalization date). As a result, the $0.26 million 2017 rate base value reflects the average of monthly averages impact of the amount capitalized in December 2017, but with an effective date of November 1, 2017, as illustrated in the calculation below.

2017

IT Software Developed				
			490	Capital Acct.
Capital Expenditure		6,346.7	21.24%	Depr. Rate
Month	Year	Gross	A/D	P.P.&E. (net)
January 1st	2017	0.0	0.0	0.0
January	2017	0.0	0.0	0.0
February	2017	0.0	0.0	0.0
March	2017	0.0	0.0	0.0
April	2017	0.0	0.0	0.0
May	2017	0.0	0.0	0.0
June	2017	0.0	0.0	0.0
July	2017	0.0	0.0	0.0
August	2017	0.0	0.0	0.0
September	2017	0.0	0.0	0.0
October	2017	0.0	0.0	0.0
November	2017	0.0	0.0	0.0
December	2017	6,346.7	(112.3)	6,234.4
Avg. of avgs.		264.4	(4.7)	259.7

e) Attachment #1 to this response provides DACDA revenue requirement calculations for 2017, 2018, and 2019, similar to those found at pages 3 to 7 of Exhibit C, Tab 1, Schedule 13. As seen within Attachment #1, the estimated 2018 revenue requirement to be recorded in the DACDA is $1,169.1 thousand, while the 2019 estimate is $2,152.7 thousand. Please note, the 2018 and 2019 estimates have been prepared utilizing Enbridge's 2017 actual capital structure, while the actual revenue requirement calculations/amounts to be recorded will utilize the actual capital structure for each respective year, which will cause minor variances.

UTILITY CAPITAL STRUCTURE
DACDA IMPACTS

Line No.		Col. 1 Component	Col. 2 Indicated Cost Rate	Col. 3 Return Component
		2017 Actual Capital Structure		
		%	%	%
1.	Long-term debt	56.88	4.86	2.76
2.	Short-term debt	5.57	1.05	0.06
3.		62.45		2.82
4.	Preference shares	1.55	2.32	0.04
5.	Common equity	36.00	8.78	3.16
6.		100.00		6.02

	($ 000's)	2017	2018	2019
7.	Ontario Utility Income	685.0	(520.9)	(1,324.3)
8.	Rate base	259.7	5,623.8	4,283.2
9.	Indicated rate of return	263.76 %	(9.26)%	(30.92)%
10.	(Def.) / suff. in rate of return	257.74 %	(15.28)%	(36.94)%
11.	Net (def.) / suff.	669.4	(859.3)	(1,582.2)
12.	Gross (def.) / suff.	910.7	(1,169.1)	(2,152.7)

UTILITY RATE BASE
DACDA IMPACTS

Line No.	($ 000's)	2017	2018	2019
	Property, plant, and equipment			
1.	Cost or redetermined value	264.4	6,421.6	6,453.2
2.	Accumulated depreciation	(4.7)	(797.8)	(2,170.0)
3.		259.7	5,623.8	4,283.2
	Allowance for working capital			
4.	Accounts receivable merchandise finance plan	-	-	-
5.	Accounts receivable rebillable projects	-	-	-
6.	Materials and supplies	-	-	-
7.	Mortgages receivable	-	-	-
8.	Customer security deposits	-	-	-
9.	Prepaid expenses	-	-	-
10.	Gas in storage	-	-	-
11.	Working cash allowance	-	-	-
12.		-	-	-
13.	Ontario utility rate base	259.7	5,623.8	4,283.2

UTILITY INCOME
DACDA IMPACTS

($ 000's)

Line No.		2017	2018	2019
	Revenue			
1.	Gas sales	-	-	-
2.	Transportation of gas	-	-	-
3.	Transmission and compression	-	-	-
4.	Other operating revenue	-	-	-
5.	Other income	-	-	-
6.	Total revenue	-	-	-
	Costs and expenses			
7.	Gas costs	-	-	-
8.	Operation and Maintenance	-	-	-
9.	Depreciation and amortization	112.3	1,372.4	1,370.4
10.	Municipal and other taxes	-	-	-
11.	Total costs and expenses	112.3	1,372.4	1,370.4
12.	**Utility income before inc. taxes**	(112.3)	(1,372.4)	(1,370.4)
	Income taxes			
13.	Excluding interest shield	(795.4)	(809.5)	(14.1)
14.	Tax shield on interest expense	(1.9)	(42.0)	(32.0)
15.	Total income taxes	(797.3)	(851.5)	(46.1)
16.	**Ontario utility net income**	685.0	(520.9)	(1,324.3)

UTILITY TAXABLE INCOME AND INCOME TAX EXPENSE
DACDA IMPACTS

($ 000's)

Line No.		2017	2018	2019
1.	Utility income before income taxes	(112.3)	(1,372.4)	(1,370.4)
	Add Backs			
2.	Depreciation and amortization	112.3	1,372.4	1,370.4
3.	Large corporation tax	-	-	-
4.	Other non-deductible items	-	-	-
5.	Any other add back(s)	-	-	-
6.	Total added back	112.3	1,372.4	1,370.4
7.	Sub total - pre-tax income plus add backs	-	-	-
	Deductions			
8.	Capital cost allowance - Federal	3,001.6	3,054.9	53.2
9.	Capital cost allowance - Provincial	3,001.6	3,054.9	53.2
10.	Items capitalized for regulatory purposes	-	-	-
11.	Deduction for "grossed up" Part V1.1 tax	-	-	-
12.	Amortization of share and debt issue expense	-	-	-
13.	Amortization of cumulative eligible capital	-	-	-
14.	Amortization of C.D.E. & C.O.G.P.E.	-	-	-
15.	Any other deduction(s)	-	-	-
16.	Total Deductions - Federal	3,001.6	3,054.9	53.2
17.	Total Deductions - Provincial	3,001.6	3,054.9	53.2
18.	Taxable income - Federal	(3,001.6)	(3,054.9)	(53.2)
19.	Taxable income - Provincial	(3,001.6)	(3,054.9)	(53.2)
20.	Income tax provision - Federal	(450.2)	(458.2)	(8.0)
21.	Income tax provision - Provincial	(345.2)	(351.3)	(6.1)
22.	Income tax provision - combined	(795.4)	(809.5)	(14.1)
23.	Part V1.1 tax	-	-	-
24.	Investment tax credit	-	-	-
25.	Total taxes excluding tax shield on interest expense	(795.4)	(809.5)	(14.1)
	Tax shield on interest expense			
26.	Rate base as adjusted	259.7	5,623.8	4,283.2
27.	Return component of debt	2.82%	2.82%	2.82%
28.	Interest expense	7.3	158.6	120.8
29.	Combined tax rate	26.500%	26.500%	26.500%
30.	Income tax credit	(1.9)	(42.0)	(32.0)
31.	**Total income taxes**	(797.3)	(851.5)	(46.1)

UTILITY REVENUE REQUIREMENT
DACDA IMPACTS

($ 000's)

Line No.		2017	2018	2019
	Cost of capital			
1.	Rate base	259.7	5,623.8	4,283.2
2.	Required rate of return	6.02%	6.02%	6.02%
3.	Cost of capital	15.6	338.6	257.8
	Cost of service			
4.	Gas costs	-	-	-
5.	Operation and Maintenance	-	-	-
6.	Depreciation and amortization	112.3	1,372.4	1,370.4
7.	Municipal and other taxes	-	-	-
8.	Cost of service	112.3	1,372.4	1,370.4
	Misc. & Non-Op. Rev			
9.	Other operating revenue	-	-	-
10.	Other income	-	-	-
11.	Misc, & Non-operating Rev.	-	-	-
	Income taxes on earnings			
12.	Excluding tax shield	(795.4)	(809.5)	(14.1)
13.	Tax shield provided by interest expense	(1.9)	(42.0)	(32.0)
14.	Income taxes on earnings	(797.3)	(851.5)	(46.1)
	Taxes on (def) / suff.			
15.	Gross (def.) / suff.	910.7	(1,169.1)	(2,152.7)
16.	Net (def.) / suff.	669.4	(859.3)	(1,582.2)
17.	Taxes on (def.) / suff.	(241.3)	309.8	570.5
18.	**Revenue requirement**	(910.7)	1,169.3	2,152.6
	Revenue at existing Rates			
19.	Gas sales	0.0	0.0	0.0
20.	Transportation service	0.0	0.0	0.0
21.	Transmission, compression and storage	0.0	0.0	0.0
22.	Rounding adjustment	0.0	0.2	(0.1)
23.	Revenue at existing rates	0.0	0.2	(0.1)
24.	**Gross revenue (def.) / suff.**	910.7	(1,169.1)	(2,152.7)

STAFF INTERROGATORY #13

INTERROGATORY

Ref: Clearance of Deferral and Variance Account Balances
Exhibit C / Tab 2 / Schedule 1 / Pages 1-2
Exhibit C / Tab 2 / Schedule 2 / Page 3

Preamble:

Enbridge proposed to dispose of the deferral and variance account balances (including the earnings sharing amount) as a one-time billing adjustment in the month of January 2019.

With respect to the DACDA, Enbridge proposed to allocate the balance on the basis of bundled annual deliveries (Exhibit C / Tab 2 / Schedule 2 / Page 3 / Column 11).

Question(s):

a) Please provide rationale supporting the change to a single-month billing adjustment as opposed to the typical two-month billing adjustment that has been approved in previous proceedings.

b) Please explain why allocating the heat value conversion-related costs recorded in the DACDA on the basis of bundled annual deliveries is appropriate.

RESPONSE

a) In previous proceedings (EB-2017-0102 and EB-2016-0142), the deferral and variance account balances (including the earnings sharing amount) to be cleared to ratepayers were $42,183.1K and $67,279.3K respectively. In the current proceeding (EB-2018-0131), the balance to be cleared is $5,030.2K, which is a substantially lower balance than in the two prior proceedings where the two-month billing adjustment was proposed and subsequently approved by the Board.

The total balance to be cleared to customers and the resulting bill adjustments proposed in this proceeding are substantially lower as compared to the other two years. Therefore, the Company proposes to clear the 2017 balances as a single-month billing adjustment.

b) In the Company's view, the terms of the EB-2014-0323 Settlement Agreement, Item 2.7 Recovery of Implementation Costs dated December 4, 2014 where parties agreed that recovery of amounts recorded in the DACDA will be from all bundled customers appropriately apply to the heat value conversion costs that relate to the modifications to Enbridge's EnTRAC system (i.e. the system used to manage / process direct purchase arrangements, transactions).

This is aligned with the scope / intent of the Settlement Agreement to recover costs recorded in the DACDA from all bundled customers because all bundled customers, regardless of whether they are system of direct purchase and regardless of the service to which they presently subscribe have the option to be become a direct purchase customer, and within the direct purchase options, a DTS customer.

> 2.7 Recovery of Implementation Costs
>
> One of the Phase 2 Preconditions is Board approval for recovery by Enbridge from customers of the costs of implementing DTS, including particularly the costs of required system changes. Prior to implementing Phase 2, Enbridge will apply to the Board for approval of recovery of these costs. All parties agree that Enbridge should recover the costs of implementing DTS from bundled customers because all bundled customers, regardless of whether they are system or direct purchase and regardless of the service to which they presently subscribe, have the option of taking DTS if they choose to do so.
>
> Enbridge will determine the revenue requirement impact of implementing Phase 2 of the Dawn Access Settlement, including all incremental costs of implementation, and will record the revenue requirement impact in a Dawn Access Costs Deferral Account ("DACDA"). Recovery of the amount recorded in the DACDA will be allocated to the various rate classes based on the bundled annual deliveries of each rate class. This allocation method best matches the costs with the potential volumes customers will be flowing on the service, as well as the potential benefits customers will receive from the service. All parties support the establishment and operation of the DACDA, as described above.
>
> In the event that Enbridge is not granted Board approval for recovery of the revenue requirement impact of implementing DTS, the implementation of DTS in accordance with this Settlement Agreement will not proceed and, subject to further agreement of the parties, the Dawn Access Settlement will be rendered null and void.

STAFF INTERROGATORY #14

INTERROGATORY

Ref: Service Quality Indicators
Exhibit D / Tab 4 / Schedule 1 / Page 7
EB-2017-0102 / Interrogatory Responses / Staff-15

Preamble:

The minimum performance standard approved by the OEB for the time to reschedule a missed appointment metric is 100%. In 2017, Enbridge's performance relative to this metric was 96.8%. This reflects an improvement over 2016 (94.2%). However, the performance result still does not meet the minimum standard.

In the 2016 deferral account disposition proceeding (EB-2017-0102), Enbridge noted that it continues to place priority on this standard, striving to reach the OEB's target of 100%. Enbridge further stated that is examining different alert functionalities within its system to allow for proactive monitoring of customer appointments. Enbridge anticipates a system enhancement can be implemented by year-end.

Question(s):

a) Please provide a status update with respect to the system enhancements that were discussed in the EB-2017-0102 proceeding and advise on further developments with respect to progress towards meeting the noted performance standard in the future.

RESPONSE

a) The Company has completed its examination of alert functionality solutions within its system to allow proactive monitoring of four hour customer appointments. This alert system was implemented in the third quarter of 2018 and enables Enbridge personnel to better manage "at risk" appointments prior to the end of the appointment window. This new alert system prompts Enbridge personnel to proactively contact customers to offer to reschedule appointments at risk of being missed.

   In parallel to the implementation of system alert functionality, Enbridge has instituted a number of change management activities including providing additional training to Enbridge personnel and process improvements. On a year-to-date, year-over-year basis, the time to reschedule a missed appointment metric is trending positively.

BOMA INTERROGATORY #1

INTERROGATORY

Ref: Earnings Sharing Deferral Account – Exhibit B, Tab 1, Schedule 1, p 1 of 6

Please explain what is meant by an 11+1 forecast.

RESPONSE

As referred to in the referenced exhibit, an 11+1 forecast refers to a forecast for the full year (i.e. an annual or fiscal year forecast) that utilizes 11 months of available actual results, plus a forecast for the remaining 1 month of the year. As Enbridge follows a calendar year, this means that the 11 + 1 forecast utilized actual results for the period of January through November, and a forecast for December.

BOMA INTERROGATORY #2

INTERROGATORY

Ref: Earnings Sharing Deferral Account – Exhibit B, Tab 1, Schedule 1, p 1 of 6

Please explain what the "amounts related to Open Bill program incentives" are at p 3 of 6, as well as the history of those amounts. When was the Open Bill program approved?

RESPONSE

The Open Bill Access program and related requirements and treatments currently in effect for the Custom IR term were approved by the Board in the EB-2013-0099 Decision on the Settlement Agreement of the Open Bill Access Program on September 23, 2013. The Open Bill program incentives are the potential shareholder incentives resulting from the operation of the program within the approved parameters.

BOMA INTERROGATORY #3

INTERROGATORY

Ref: Earnings Sharing Deferral Account – Exhibit B, Tab 1, Schedule 1, p 1 of 6

Please reconcile the statement in "lower fuel costs required to manage storage operations and the transmission of volumes on Union's system" with the result of "higher than forecast PGVA reference prices approved through the 2017 Quarterly Rate Adjustment Mechanism (QRAM)" (p 2 of 6). How can fuel costs be lower if gas costs are higher than forecast?

RESPONSE

The Company believes that BOMA is referring to the written evidence set out at Exhibit B, Tab 1, Schedule 3, page 2 of 3, paragraph a). The references quoted refer to two distinct drivers.

First, "lower fuel costs required to manage storage operations and the transmission of volumes on Union's system" refers to the fact that distribution margin is positively impacted (through lower gas costs) when there is lower than forecast actual volumetric fuel requirements incurred to manage storage operations and/or required to transport gas on the Union system.

Second, distribution margin can also be positively impacted when there is "higher than forecast gas in storage carrying charges reflected in rates, as a result of higher than forecast PGVA reference prices approved through the 2017 Quarterly Rate Adjustment Mechanism (QRAM) proceedings." Included within the EB-2016-0215 Board Approved Allowed Revenue was an amount of gas in storage carrying costs, which was a function of the PGVA reference price embedded in that proceeding. The approved gas in storage carrying charges were derived by applying the forecast PGVA reference price to the forecast average of monthly averages gas in storage volume, to determine the associated rate base amount, and then applying the approved rate of return on rate base. However, as part of the OEB approved QRAM process, during each QRAM the Company updates its forecast gas in storage carrying costs to reflect the forecast / proposed PGVA reference price within that QRAM proceeding. When the quarterly updated PGVA reference price is higher than the reference price utilized in the annual rate proceeding, it results in higher gas in storage carrying charges, or a favourable variance, relative to the Board Approved amount. During 2017, the quarterly updated PGVA reference prices (Jan. 1, 2017 - $181.199, Apr. 1, 2017 - $181.547, July 1, 2017 - $188.611, Oct. 1, 2017 - $164.267) averaged higher than the PGVA reference price included in the EB-2016-0215 proceeding ($166.901).

Each of these items can also have the opposite impact, where fuel requirements are higher than forecast, or where PGVA reference prices are declining.

BOMA INTERROGATORY #4

INTERROGATORY

Ref: Earnings Sharing Deferral Account – Exhibit B, Tab 1, Schedule 1, p 1 of 6

Please explain why a 2017 deferral account should include compensation for undercharged depreciation in years prior to 2017. Should the amounts not have been secured by the company in the EB-2012-0459 proceeding?

RESPONSE

The Company is uncertain as to the nature of this question, as the provided reference does not refer to depreciation. The Company believes the question is in relation to the evidence provided at Exhibit B, Tab 1, Schedule 3, Page 2, paragraph d), which indicated that a negative (or offsetting) 2017 earning sharing contributor was higher actual depreciation expense, as compared to the approved forecast reflected in rates, attributable to the mix and level of actual versus approved forecast depreciable plant balances.

The level of depreciation reflected in rates, as well as most allowed revenue components (excluding those select items which are updated annually as per the Company's approved Custom Incentive Regulation plan terms), was established in the EB-2012-0459 proceeding based on the best available forecast at the time, and the Company has been operating under the combined impact of those forecasts. For many reasons, actual results have varied from the approved forecasts provided at a point in time. The earnings sharing calculation / mechanism captures the combined impact, both positive (i.e. 2017 O&M) and negative (i.e. 2017 depreciation expense), of all variances in actual versus approved allowed revenue components. To the extent that the combined impact is positive, the earnings sharing mechanism provides a means for ratepayers to share in the benefits of Enbridge's performance.

BOMA INTERROGATORY #5

INTERROGATORY

Ref: Exhibit B, Tab 2, Schedule 2, p 5

(a) Please explain the meaning of each of Net Salvage Adjustments, Retirements, and Costs Net of Proceeds, in the Continuity of Accumulated Depreciation, and the rationale for the fact that each of them reduce the accumulated depreciation for 2017.

(b) Please explain how "Costs Net of Proceeds" in column 5 is determined.

RESPONSE

a & b) The meaning, required treatment and explanations of these items are detailed within the OEB's Uniform System of Accounts for Class A Gas Utilities, pages 18 and 19 and Appendix A, pages 107-117.

The net salvage adjustment amounts included within the continuity of accumulated depreciation schedules reflects the EB-2012-0459 Board approved annual site restoration cost net refund amount (the drawdown of the site restoration cost liability reflected in accumulated depreciation), which was $77.5 million for 2017. Please also refer to Enbridge's response to BOMA Interrogatory #8 from the 2016 ESM Proceeding (EB-2017-0102), filed as Exhibit I.B.EGDI.BOMA.8 (attached for reference), for a more detailed description of the net salvage adjustment.

The amounts shown as retirements reflect the book value, or cost, of assets which are retired. Cost net of proceeds, reflect the costs incurred to retire certain depreciable assets (cost of retirements / site restoration costs) less, where applicable, any proceeds received from the retirement of those assets (salvage value). When an ordinary retirement (eg., when an asset reaches the end of its expected useful life) of a depreciable asset occurs, the gross plant account balance is credited/reduced by the book value of the retired asset, with a corresponding debit/reduction to accumulated depreciation (where applicable, accumulated depreciation is also debited / reduced for any cost of retirement, and / or credited/increased for any proceeds from disposition). The credit to gross plant offsets (or zeros out) the original cost of the asset recorded in the gross plant account, while the debit to accumulated depreciation is intended to offset (or zero out) the accumulated depreciation that amassed over the life of the asset. Where applicable, Enbridge's depreciation expense and accumulated depreciation recognized over the life of the asset, included both a cost and net salvage component, as approved depreciation rates include both a cost net salvage component). As a result, an ordinary retirement of a depreciable asset causes little or no change to the reported net plant balance (or rate base), and no charge to the income statement.

BOMA INTERROGATORY #8

INTERROGATORY

Ref: Exhibit B, Tab 2, Schedule 2, p3 of 11

Please explain the significance of the Net Salvage Adjustments.

RESPONSE

The net salvage adjustment amounts included within the continuity of accumulated depreciation schedules reflects the EB-2012-0459 Board approved annual site restoration cost net refund amount. Over the 2014 through 2018 period, the Board ordered the refund of $379.8 million in previously collected site restoration costs (or net salvage amounts), in annual amounts of $96.8 million, $90.4 million, $83.9 million, $77.5 million, and $31.1 million respectively. The refund was in conjunction with the Company's approved adoption of the Constant Dollar Net Salvage ("CDNS") method, from the Traditional method, for determining site restoration cost requirements, and the provision to be included within composite depreciation rates. The adoption of the CDNS method resulted in the determination that the Company had previously collected excess site restoration costs, through depreciation rates which had utilized the Traditional method, as compared to requirements determined under the CDNS method. The excess site restoration costs, which had been collected through higher prior depreciation charges, were reflected in higher utility accumulated depreciation balances. Throughout the year, the approved annual refund amount is debited to accumulated depreciation, to offset the impact of prior collections, and a corresponding credit is placed into the Constant Dollar Net Salvage Adjustment Deferral Account ("CDNSADA"). The approved credit amounts recorded in the CDNSADA are then offset by the actual amounts returned to customers through Rider D. As a result, the CDNSADA balance reflects the variance between approved refund amounts, and the actual amounts refunded.

The sum of the net salvage adjustments shown in column 3, on pages 3 and 5, of Exhibit B, Tab 2, Schedule 2, reflects the approved 2016 refund, and resultant reduction in accumulated depreciation, of $83.9 million.

Witness: S. Riccio

BOMA INTERROGATORY #6

INTERROGATORY

Ref: Exhibit B, Tab 2, Schedule 2, p 5

Please explain how these three items are interrelated (if they are), and explain how they are determined.

RESPONSE

Please see response to BOMA Interrogatory #5 filed at Exhibit I.B.EGDI.BOMA.5.

BOMA INTERROGATORY #7

INTERROGATORY

Ref: Exhibit B, Tab 2, Schedule 2, p 5

Please provide details on gas plant held for future use, and explain the accounting treatment.

RESPONSE

The required treatment and explanation of this account is found in the OEB's Uniform System of Accounts for Class A Gas Utilities, page 17.

Please also see Enbridge's response to BOMA Interrogatory #11 in the 2016 ESM Proceeding (EB-2017-0102), filed as Exhibit I.B.EGDI.BOMA.11 and attached for reference.

BOMA INTERROGATORY #11

INTERROGATORY

Ref: Ibid, p10 of 11

Please explain the item "Utility Gross Plan Held for Future Use", and the item "Inactive services".

RESPONSE

As per the OEB Uniform System of Accounts for Class A Gas Utilities, Account 102, Utility Gross Plant Held for Future Use, includes:

- plant acquired and never used by the utility in utility service but held for such service in the future, and / or,
- plant previously used by the utility in utility service, but transferred to this account from "Utility Plant in Service", and held pending its re-use in the future in utility service.

Inactive services are service lines currently out of service that can be reactivated at any time in the future.

Witness: S. Riccio

BOMA INTERROGATORY #8

INTERROGATORY

Ref: Deferral Account - Exhibit C, Tab 1, Schedule 10

Does the 50% share include the revenue obtained by Enbridge for hosting the IESO Whole Home Pilot Program?

RESPONSE

Yes, the 50% share does include revenue for the delivery of the IESO Whole Home Pilot Program.

BOMA INTERROGATORY #9

INTERROGATORY

Ref: Average Use True-up Variance Account – CDNSADA – Exhibit C, Tab 2, Schedule 12, pp 1-4

The evidence shows a May 1, 2018 balance of $18,910.10, of which $6,468 is to be cleared in the proceeding. Please explain how the remainder of the account was reduced to zero over the period May 1, 2018 to December 31, 2018.

RESPONSE

The CDNSADA balance of $18,910.1 thousand as at May 31, 2018, is reduced to $6,468.3 thousand, the amount requested for clearance, at December 31, 2018 as a result of the continuation and completion of the approved 2018 drawdown of the net salvage liability (or accumulated depreciation for utility rate base purposes), in the amount of $31,143.6 thousand. The net salvage liability was drawn down by $18,701.8 thousand over January through May 2018, with the remaining $12,441.8 thousand to occur over the June through December 2018 period. The drawdown of the net salvage liability is in accordance with the accounting treatment for the 2018 CDNSADA, as was described and approved as part of the Board's EB-2017-0086 Decision and Accounting Order, dated February 22, 2018, and as was summarized in paragraphs 5 and 6 of Exhibit C, Tab 1, Schedule 12 of this proceeding.

As was provided at Paragraph 8, of Exhibit C, Tab 1, Schedule 12, the following is a summary description or calculation of the 2018 CDNSADA balance requested for clearance, inclusive of the drawdown of the net salvage liability.

As seen in Attachment #1 to Exhibit C, Tab 1, Schedule 12, the Company refunded ratepayers a total of $386,268 thousand (Column 15, Row 10) as a result of rate Rider Ds which were in place between 2014 and 2017, or $37,612 thousand (Column 15, Row 16) more than the EB-2012-0459 approved forecast amount of $348,656 thousand (Column 15, Row 4) which was to be refunded over that time period. Taking account of the 2018 drawdown of the net salvage liability (debiting the net salvage liability and crediting the CDNSADA), by the EB-2012-0459 approved 2018 refund amount of $31,144 thousand (Column 14, Row 5), results in the net Rider D over refund, or debit/receivable balance, of $6,468 thousand (Column 15, Row 17) requested for recovery in the 2018 CDNSADA (actual refunds of $386,268 thousand, less the approved refund of $379,800 thousand).

BOMA INTERROGATORY #10

INTERROGATORY

Ref: Ibid, p 1

What accounts for the variation between the amount the Board ordered to be cleared of $379.8 million over the 2014-2018 period and the account actually cleared over that period of $386.2 million. Put another way, how are the monthly rider amounts calculated? Are they calculated on a forecast as a percentage of the forecast depreciation account for each year and do they reflect variances between forecast depreciation and actual depreciation?

RESPONSE

Please see responses to Board Staff Interrogatory #11 at Exhibit I.C.EGDI.STAFF.11 and Energy Probe Interrogatory #7 at Exhibit I.C.EGDI.EP.7.

BOMA INTERROGATORY #11

INTERROGATORY

Ref: Storage and Transportation Deferral Account – Exhibit C, Tab 1, Schedule 1, Attachment 1, p1

How much of the $19.4 million for Third Party Based Storage was paid to Union Gas?

RESPONSE

Of the $19.4 million payable for Third Party Market Based Storage, $11.3 million was paid to Union Gas.

BOMA INTERROGATORY #12

INTERROGATORY

Ref: Storage and Transportation Deferral Account – Exhibit C, Tab 1, Schedule 1, Attachment 1, p1

What is the origin of the $1.9 million in Cap and Trade costs and why are those costs collected in this deferral account? Why are those costs not recorded in the Cap and Trade related deferral accounts?

RESPONSE

Please see the response to Board Staff Interrogatory 5 part (b) found at Exhibit I.C.EGDI.STAFF.5. Because the unit rates charged to Enbridge were a part of the Union Gas rate schedule as part of transportation tolls, it is appropriate to charge these amounts to the S&TDA.

BOMA INTERROGATORY #13

INTERROGATORY

Ref: 2017 Transmission Service Deferral Account – Exhibit C, Tab 1, Schedule 2, Attachment 2, p1

Please explain the ETT Revenue on line 7.0.

RESPONSE

ETT is short form for “Enhanced Title Transfer”. ETTs are a Banked Gas Account load balancing option made available to Direct Purchase customers who wish to load balance their Banked Gas Account by either delivering or receiving gas at Dawn. They are billed under Rider H of the Company’s Rate Handbook and any revenues received are booked to the Transactional Services revenue account.

BOMA INTERROGATORY #14

INTERROGATORY

Ref: 2017 Dawn Access Costs Deferral Account – Exhibit C, Tab 1, Schedule 13, p 6

Please provide the calculation to determine the federal and provincial capital cost allowance of $3,001,000.

RESPONSE

As detailed in the response to Board Staff Interrogatory #12, found at Exhibit I.C.EGDI.STAFF.12, total capital costs incurred to implement the Dawn Transportation Service and heat value conversion modification were $6.453 million. Of the $6.453 million total capital costs, $6.347 million was capitalized in the Company's accounting records in 2017 (including $0.344 million in interest during construction), impacting the 2017 revenue requirement calculation, while $0.106 million in trailing costs were not capitalized until 2018. All costs were capitalized to the Company's IT – Software Developed asset category. For income tax purposes, amounts capitalized to the IT – Software Developed asset category, exclusive of interest during construction, are treated as additions to Capital Cost Allowance (CCA) Class 12, which carries a CCA rate of 100%, but is subject to the half year rule. Therefore, $3.002 million (($6.347 million - $0.344 million) * 100% * 50%) in CCA was reflected in the 2017 DACDA revenue requirement calculation.

BOMA INTERROGATORY #15

INTERROGATORY

Ref: Exhibit C, Tab 2, Schedule 2, p6 – 2017 Deferral and Variance Account Clearing, Lines 2.2 and 3.2

Please explain why the Rate 100 Industrial – small size shows a reduction in bills resulting from the clearing of the 2017 Deferral and Variance Accounts, while Rate 6 Commercial – General Use experience rate increases. Please show the calculations for each, and explain what causes that result, as well as the more general result that the general service bills increase while the contract service bills decrease as a result of the clearance of the Deferral and Variance Accounts.

RESPONSE

Storage and Transportation Deferral Account (S&TDA) and Earnings Sharing Mechanism Deferral Account (ESMDA) in the amount of $23.19M and ($23.97M) respectively represent the two main (i.e. highest) balances in the clearing of 2017 Deferral and Variance Accounts (EB-2018-0131, Exhibit C, Tab 2, Schedule 2, page 2 of 6, item 3 and item 26).

The purpose of the S&TDA is to record the difference between the forecast of Storage and Transportation costs included in the Company's approved rates and the final Storage and Transportation costs incurred by the Company. The Board-approved allocators for the S&TDA are space and deliverability. Note that the majority of Storage and Transportation costs are incurred to satisfy seasonal and winter peak needs of heat sensitive customers (i.e. Rate 1 and Rate 6 customers). Accordingly, as shown in EB-2018-0131, Exhibit C, Tab 2, Schedule 2, page 3 of 6, Column 5 and Column 6, the majority of the S&TDA balance is allocated to Rate 1 and Rate 6 customers.
As shown in EB-2018-0131, Exhibit C, Tab 2, Schedule 2, page 3 of 6, Column 10, the Board-approved allocator of the ESMDA balance is the rate base allocator.

As a result, contract customers (such as Rate 100), whose allocation of the ESMDA balance (credit) offsets their allocation of the S&TDA balance (charge), show a credit adjustment from the clearance of the 2017 Deferral and Variance Accounts balances while Rate 6 Commercial experiences a charge / debit adjustment (because their allocation of the ESMDA balance (credit) does not completely offset their allocation of the S&TDA balance (charge)).

CCC INTERROGATORY #1

INTERROGATORY

Ex. B/T4/S2/p. 1

The evidence sets out a comparison of 2017 Actual OM&A Costs and Board Approved OM&A Costs:

a) Please explain in more detail the $17.1 million variance between BA and Actual Internal Allocations and Recoveries;

b) There is an increase in RCAM Costs of $14.8 million related to "the centralization of IT and HR services to Enbridge Inc. Please explain this variance in more detail. Are there offsetting HR and IT costs? If, please identify where all of those offsets are accounted for.

RESPONSE

a) The 5 year IR Budget for Other O&M Costs was approved in the 2014-2018 Rates Application. The Custom IR Budget assumed that the accounting for Internal Allocations and Recoveries would not change during the IR term.

However, in 2017 the actual capital allocations and recoveries for Fleet and certain Outside Services (related to IT) were recognized in their respective cost categories while the original IR Budget for these items still resides in Internal Allocations and Recoveries. One of the reasons for the change was to ensure better alignment with Corporate Reporting due to centralization.

Table 1 below illustrates how the favorable variances under Outside Services and Fleet offset the unfavourable variance in Internal Allocations and Recoveries.

Table 1

Line No.	Particulars (in millions)	Actuals 2017	IR 2017	Actual Under/(Over)
1	Outside Services	82.5	94.0	11.5
2	Fleet	3.1	11.0	7.9
3	Internal Allocations and Recoveries	(14.0)	(31.1)	(17.1)
		71.6	73.9	2.3

b) The increase in RCAM costs of $14.8 million (as compared to the Custom IR budget) is mainly driven by centralization of IT and HR services to Enbridge Inc. The table below illustrates a breakdown of costs for IT and HR services in RCAM - the increases in these costs are as a result of centralization of services which was not forecast in the Custom IR budget.

Services	Department	Services/Direct Charges	2017 IR	2017 Actuals	Variance
Primary Services	**IT**	Enterprise System Management & Technical Support	$ 4,431,233	$ 7,998,883	$ 3,567,650
	IT	Enterprise Infrastructure Management and Technical Support	$ 1,101,446	$ 8,314,230	$ 7,212,784
	IT	IT Planning and Governance	$ 210,465	$ 3,887,742	$ 3,677,277
	IT	Records and Information Management	$ 888,922	$ 1,248,733	$ 359,812
	HR	Human Resource Advice	$ 152,981	$ 608,802	$ 455,821
	HR	MY HR Services	$ 268,587	$ 2,859,902	$ 2,591,314
General	**IT**	Direct EFS Charge	$ (2,502,511)	$ (6,152,935)	$ (3,650,424)
	HR	EGD Stock Based Compensation Charge	$ 10,609,636	$ 10,219,256	$ (390,380)
		Remaing Services/Direct Charges	$ 19,650,565	$ 20,586,007	$ 935,442
		Total	**$ 34,811,325**	**$ 49,570,620**	**$ 14,759,295**

The Enterprise System Management and Technical Support service includes all activities related to managing day-to-day operations of all Enterprise Systems (such as Oracle eBusiness Suite, PeopleSoft, and Livelink Records Management). For instance, the IT HRIS Systems Department performs all activities related to managing the day-to-day operations of the Human Resources systems, including its ongoing enhancements. Other examples of activities include application support and maintenance, reporting and analysis, technical support, and vendor management for systems such as IT Compliance Systems, IT Identity and Access Management Systems, IT Public Web Systems, and IT Marketing and Risk Management Systems.

The Enterprise Infrastructure Management and Technical Support service includes all activities related to managing day-to-day operations of the technical computing infrastructure (such as the Wide Area Network), and managing and delivering programs and projects required to evolve and grow the technical computing infrastructure. Examples of core activities include Data Center Hardware and Technology, Network Connectivity, Desktop Services, Incident Management, and Security Monitoring.

The IT Planning and Governance service includes all activities related to ensuring that IT is effectively planned and governed (such as IT Security Risk Management, IT Enterprise Architecture, and IT financial and resource planning). The IT Planning and Governance department is responsible for ensuring that effective financial, resource and project planning processes and tools exist and that they are used appropriately.

The Records and Information Management service is responsible for the overall development, maintenance and dissemination of policies, standards and guidelines for the establishment and maintenance of the Records and Information Management Program. The Records Management Department is accountable for the establishment and maintenance of Enbridge (physical and electronic) records. This includes providing strategies, policies, standards, tools, and program management including compliance monitoring to support records management requirements.

The Human Resource Advice service provides research, expertise and support to internal initiatives. This includes support related to policy and systems development, personnel management, and adherence to regulatory and legislative requirements.

MY HR Services Department is responsible for providing the enterprise-wide administration and processes related to Payroll, Employee Benefits, Pension Administration, Data Integrity, HR Service Center and Employee Record Administration. The MY HR Services Department supports this service by assuming responsibility for the management of all aspects of those services.

With centralization of IT and HR services, these costs are charged by Enbridge Inc. through the Corporate Costs Allocation process, resulting in higher RCAM costs. Because these services are no longer being provided by Enbridge Gas Distribution, there are decreases to its internal costs, as seen by the fact that actual 2017 Utility O&M is lower than the Custom IR forecast amounts. The savings achieved by the centralization of IT and HR services are mostly contained in the Total Compensation, Outside Services and Telecommunications categories of cost, as seen at Exhibit B, Tab 4, Schedule 2, page 1.

CCC INTERROGATORY #2

INTERROGATORY

Ex. B/T4/S1/p. 5

In the adjustments to EGDI Corporate Costs and Expenses there is an reduction of $200,000 related to EGD/Union Amalgamation transaction costs. Please explain this item. What were the total costs incurred by EGD in 2017 related to the merger? Have all of those costs been eliminated for the purposes of calculating the ESM?

RESPONSE

Please refer to the response to Board Staff Interrogatory #2, part (c), found at Exhibit I.B.EGDI.STAFF.2.

CCC INTERROGATORY #3

INTERROGATORY

Ex. C/T1/S1/p. 2

What is the rationale for not clearing the Manufactured Gas Plant Deferral Account? Why should this amount not be written off, and the account closed?

RESPONSE

There is no balance in the 2017 MGPDA. As described at Exhibit C, Tab 1, Schedule 1, page 2, the balance in the 2017 MGPDA has been transferred to the 2018 MGPDA. Most of the amounts recorded in the 2018 MGPDA relate to the ongoing Cityscape Residential litigation.

As described in response to Board Staff Interrogatory #4 part (a), filed at Exhibit I.C.EGDI.STAFF.4, as part of the 2018 Deferral and Variance Accounts proceeding, Enbridge will either seek clearance of the 2018 MGPDA, or provide information as to the status of the Cityscape Residential litigation and an explanation of the future plans for clearance of the account. Regardless of whether the Cityscape Residential litigation is completed in 2018, Enbridge expects that the account will continue for future years, as it is intended to reflect and record the costs associated with all formed manufactured gas plant (MGP) sites in Enbridge's franchise areas. That means that costs beyond the Cityscape Residential litigation have been and may continue to be recorded in the account for future review and disposition.

CCC INTERROGATORY #4

INTERROGATORY

Ex. A/T2/S1/Appendix A and Ex. C/T1/S1

Please explain why there is a difference between the actual CDNSA balance as at May 31, 2018 and the forecast for clearance at January 1, 2019 of $6.4 million. Please explain how the variance was calculated.

RESPONSE

Please refer to the response to BOMA Interrogatory #9 found at Exhibit I.C.EGDI.BOMA.9.

CCC INTERROGATORY #5

INTERROGATORY

Ex. C/T1/S4/p. 1

The amount in the AUTUVA to be refunded to customers is $4.04 million. The evidence is that it is attributable to higher average uses. Please identify the annual AUTUVA amount for each year since the account was established. Please indicate why average uses are increasing despite the existence of EGD's DSM programs. What is the expected variance for 2018?

RESPONSE

Please see the table on the following page which provides the annual AUTUVA amounts along with the budget and actual normalized annual uses and variances for each year since 2008. Each year's budget and actual values are normalized to the budget degree days specific to that year. Year-over-year comparisons include the impact of different weather forecasts for each year.

In order to compare the annual change in average use it is important to normalize for the impact of temperature. Please see the response to Board Staff Interrogatory #8 at Exhibit I.C.EGDI.STAFF.8 for the long term trend in average use. The data presented in the response to Board Staff Interrogatory #8 are normalized to 2017 degree days which eliminates the impact of different weather assumptions. The 2017 average use follows an unusually steep decline in average use in 2016. The lower starting point for 2016 and the return-to-trend result for 2017 resulted in the increase in average use recorded in 2017 for both Rate 1 and Rate 6. Overall residential average use has declined consistently since 2000 and DSM programs are recognized as a contributing factor.

For 2018, partial year results are not indicative of full year results, and the Company is unable to opine on an expected variance at year-end.

		Budget Annual use (m3)	Actual Annual use (m3)	Variance	AUTUVA Amount ($ millions)
2008					
	Rate 1	2,647	2,636	(11)	(1.48)
	Rate 6	24,204	24,869	665	4.13
2009					
	Rate 1	2,637	2,616	(21)	(2.53)
	Rate 6	28,165	27,654	(511)	(3.09)
2010					
	Rate 1	2,622	2,579	(43)	(4.59)
	Rate 6	27,949	29,106	1,157	6.74
2011					
	Rate 1	2,643	2,594	(49)	(4.86)
	Rate 6	28,029	29,471	1,442	7.81
2012					
	Rate 1	2,510	2,529	18	1.75
	Rate 6	30,122	28,941	(1,182)	(6.11)
2013					
	Rate 1	2,568	2,547	(22)	(2.09)
	Rate 6	29,878	29,203	(675)	(3.52)
2014					
	Rate 1	2,433	2,475	41	3.65
	Rate 6	28,383	28,634	251	1.25
2015					
	Rate 1	2,419	2,427	9	0.86
	Rate 6	28,341	28,600	259	1.42
2016					
	Rate 1	2,480	2,401	(79)	(9.54)
	Rate 6	28,753	28,203	(550)	(3.61)
2017					
	Rate 1	2,472	2,485	13	1.54
	Rate 6	29,058	29,462	404	2.50

ENERGY PROBE INTERROGATORY 1

INTERROGATORY

Ref: Exhibit A / Tab 2 / Schedule 1 / Appendix A

Please update the DA summary table to show the actual December 31, 2017 balances and the May 31, 2018 balances. If the May 31, 2018 balance is different please explain the difference(s).

RESPONSE

Please refer to the response to Board Staff Interrogatory #1 part (a) found at Exhibit I.A.EGDI.STAFF.1.

ENERGY PROBE INTERROGATORY 2

INTERROGATORY

Ref: Exhibit B Tab 4 Schedule 1 and notes page 5; EB-2017-0105 Exhibit A Tab 2 Appendix A, Schedule 13**,**

Preamble: EGDI has eliminated $0.2 million in merger-related transaction costs. Union Gas in the above reference, has identified an "*increase in 2017 O&M of $15.6 million relative to 2016 mainly driven by salaries and integration-related costs related to the merger between Enbridge Inc. and Spectra Energy".*

a) Please provide a schedule with a line by line year over year comparison of EGD O&M costs for 2016 and 2017. Provide explanatory notes.
b) Please identify and explain any specific changes in 2017 O&M related to the Spectra/ Enbridge amalgamation

RESPONSE

a) The table below provides a line by line comparison of the year over year O&M costs for 2016 and 2017. Explanatory notes for major variances are provided following the table.

Table 1

UTILITY O&M - 2017 vs. 2016 Actuals

Line No.	Particulars (in millions)	Actuals 2016	Actuals 2017	Actual Under/(Over)
1	Total Compensation	251.7	223.9	27.8
2	Employee Training and Development	5.5	4.2	1.3
3	Materials and Supplies	5.0	5.3	(0.3)
4	Outside Services	83.3	82.5	0.8
5	Consulting	2.1	2.6	(0.5)
6	Repairs and Maintenance	1.4	1.7	(0.3)
7	Fleet	7.1	3.1	4.0
8	Rents and Leases	5.8	4.9	0.9
9	Telecommunications	0.0	0.0	(0.0)
10	Travel and Other Business Expenses	1.9	1.8	0.1
11	Memberships	4.8	5.2	(0.4)
12	Claims, Damages and Legal Fees	(0.1)	0.4	(0.5)
13	Interest on Security Deposits	0.6	0.6	0.0
14	Provision for Uncollectibles	7.1	5.4	1.7
15	Natural Gas Vehicles (NGV)	0.7	0.8	(0.1)
16	Legal Fees	1.5	2.8	(1.3)
17	Audit Fees	1.9	0.8	1.1
18	Other	0.1	1.2	(1.0)
19	Internal Allocations and Recoveries	(20.4)	(14.0)	(6.4)
20	Capitalization (A&G)	(44.0)	(36.8)	(7.2)
21	Capitalization	(89.1)	(85.1)	(4.0)
22	Regulatory Eliminations	(2.7)	(1.7)	(1.1)
23	Other O&M Subtotal	224.0	209.5	14.5
24	Customer Care/CIS Service Charges	85.6	85.4	0.2
25	Pensions and OPEB	34.6	24.7	9.9
26	RCAM	49.1	49.6	(0.5)
27	Demand Side Management Programs (DSM)	56.4	62.9	(6.5)
28	Conservation Services	-	(0.7)	0.7
29	Total Net Utility O&M Expense before Eliminations	449.7	431.5	18.2

EXPLANATION OF MAJOR CHANGES

ACTUAL 2017 O&M EXPENSES COMPARED TO OEB APPROVED 2016 ACTUAL O&M EXPENSES

1	Decrease in Total Compensation mainly due to severances and STIP.
7	Decrease in Fleet is mainly due to change in accounting for capital allocations. In 2016 capital allocations for Fleet were recorded under Internal Allocations and Recoveries while 2017 capital allocations were recorded in the Fleet category.
19	Decrease in Internal Allocations and Recoveries is mainly due to change in accounting for capital allocations. In 2016 capital allocations for Fleet were recorded under Internal Allocations and Recoveries while 2017 capital allocations were recorded in the Fleet category.
20	Lower capitalization is mainly due to a decrease in stock based compensation, STIP, and employee benefits which are input into A&G.
21	Decrease in capitalizations in line with reduction overall costs in 2017.
25	Decrease in Pensions and OPEB costs as reviewed and approved in the 2016 and 2017 Rates Proceedings.
27	Increase in the DSM Budget as reviewed and approved in the 2015-2020 DSM plan.

b) There are no 2017 O&M costs that can be attributed to the Enbridge Inc. / Spectra merger.

ENERGY PROBE INTERROGATORY 3

INTERROGATORY

Ref: Exhibit B Tab 4 Schedule 2 Line 26 and notes page 2
Preamble: 2017 RCAM costs have increased from $31.2 million (IR) to $49.6 million

a) Please provide the Business Case(s) including cost/benefit for the consolidation of HR and IT. Were these and the cost consequences approved by the Board (OEB)?
b) Specifically, provide the 2015-2017 O&M costs savings from IT and HR consolidation at Enbridge. Reconcile this to the 2015-2017 year over year change in O&M in the related departments.
c) Please explain the 2016-2017 Increase in RCAM from $47 million to $49.4 million.
d) Please estimate the effect of the $14.8 million RCAM increase (gross and net) on 2017 Utility Income and Earnings Sharing.

RESPONSE

a) Please refer to EB-2017-0102 (2016 ESM), the response to Energy Probe Interrogatory #5 part (c), found at Exhibit I.B.EGDI.EP.5. A copy of the response to Energy Probe Interrogatory #5 from the 2016 ESM proceeding is attached.

b) Please see the tables below illustrating the actual 2015-2017 O&M costs related to HR and IT.

HR costs have been trending downwards except for an increase in Employee Training and Development costs in 2016 and 2017 due to relocation initiatives. Overall IT costs have also been trending downwards except for an increase in 2016 which was primarily caused by software maintenance and employee/contractor resources needed to support particular projects.

As can be seen on the tables below, the RCAM costs for HR and IT have been relatively stable during 2015-2017. Details about the HR and IT services provided by Enbridge Inc. is set out in response to CCC Interrogatory #1part (b) (Exhibit I.B.EGDI.CCC.1).

Table 1
Human Resources
$000's

Line No.	Particulars	2015	2016	2017
1	Department Costs	9,722	9,201	7,709
2	Selected Items from RCAM:			
3	- Human Resource Advice	766	1,193	609
4	- MY HR Services	2,604	2,155	2,860
5	- EGD Stock Based Compensation Charge	9,637	8,751	10,219
6	Total	22,728	21,300	21,397

Note: costs related to workforce reductions and Facilities excluded from Department Costs

Table 2
Information Technology
$000's

Line No.	Particulars	2015	2016	2017
1	Department Costs	24,902	27,173	23,121
2	Selected Items from RCAM:			
3	- Records and Information Management	1,179	2,299	1,249
4	- Enterprise System Program and Project Management	2,272	1,571	2,908
5	- Enterprise Infrastructure Program and Project Management	4,184	6,146	4,404
6	- Enterprise System Management and Technical Support	4,077	4,158	5,090
7	- Enterprise Infrastructure Management and Technical Support	4,535	5,393	3,910
8	- Direct EFS Charge (Credit)	(6,153)	(6,153)	(6,153)
9	Total	34,997	40,587	34,530

c) The 2016-2017 increase in RCAM should be from $49.1M (EB-2017-0102, Exhibit B, Tab 4, Schedule 2) to $49.6M. This increase of $0.5M is mainly due to higher stock-based compensation partially offset by decline in other service costs.

d) When looked at in isolation, a $14.8 million increase in O&M (which is tax deductible) would generally cause a corresponding $14.8 million decrease in gross utility income, or an after tax (tax rate of 26.5%) decrease of approximately $10.9 million. Assuming Enbridge's earnings sharing threshold had been exceeded, the O&M increase would cause gross overearnings subject to sharing to decrease by approximately $14.8 million, and therefore an earnings sharing reduction of $7.4 million (50% * $14.8 million).

The Company notes that it does not believe a review of RCAM amounts in isolation is appropriate. Any review should also consider corresponding impacts on other O&M categories. As described in response to CCC Interrogatory #1 part (b) (Exhibit I.B.EGDI.CCC.1), the transfer of certain HR and IT functions to Enbridge Inc. has resulted in lower internal O&M costs for Enbridge Gas Distribution.

ENERGY PROBE INTERROGATORY #5

INTERROGATORY

References: Exhibit B, Tab 4, Schedule 2, Page 1, line 26; EB-2016-0142
Exhibit I.B.EGDI.IGUA.2

Preamble: RCAM costs have increased by $15.3 million due to centralization of IT and HR services to Enbridge Inc.

a) Please provide details of the services involved and changes, with references to the approved Base Year RCAM SLAs.

b) Please provide the Board-approved Base Year amounts for these services and the annual RCAM amounts and the amounts actually charged by Enbridge for 2014-2016.

c) Please provide a Summary of the Business Case for consolidation of IT and HR, including the Cost/Benefit to EGDI and its ratepayers.

d) Please provide extracts of any Board approvals related to the increased $15.3 million in RCAM costs and/or to the specific IT and HR services.

e) Enbridge has acquired Union Gas Limited from Spectra. How will the 2017/2018 arrangements for Corporate IT and HR services be modified/Updated, Specifically how will Union/EGDI proceed and what are the cost implications?

Witnesses: N. Verma
J. Yiu

RESPONSE

a)

Selected Services

Services	Department	Services / Direct Charges	2016 IR	2016 Actuals	Variance
Primary Services	IT	8. Enterprise System Program and Project Management	$ 528,893	$ 1,571,338	$ 1,042,445
	IT	13. Enterprise Infrastructure Program and Project Management	$ 571,643	$ 6,145,826	$ 5,574,183
	IT	15. Enterprise Infrastructure Management and Technical Support	$ 496,478	$ 5,392,852	$ 4,896,374
	IT	18. Enterprise System Management and Technical Support	$ 754,200	$ 4,157,578	$ 3,403,378
	HR	24. Human Resource Advice	$ 148,353	$ 1,193,129	$ 1,044,776
	IT	34. Records and Information Management	$ 862,027	$ 2,299,041	$ 1,437,014
	HR	43. MY HR Services	$ 260,461	$ 2,155,117	$ 1,894,656
General	IT	Direct EFS Charge (Credit)	$ (2,426,795)	$ (6,152,935)	$ (3,726,140)
	HR	Enbridge Stock Based Compensation Charg	$ 10,288,631	$ 8,750,765	$ (1,537,866)

The Enterprise Infrastructure Program and Project Management service includes all activities related to managing and delivering programs and projects required to evolve and grow the technical computing infrastructure such as the wide area network. The IT Management Department is responsible for ensuring that the portfolio of program and project activities for Enterprise Systems and Infrastructure Shared Services is appropriately planned, administered and reported upon.

The Enterprise Infrastructure Program and Project Management service includes all activities related to managing and delivering programs and projects required to evolve and grow the technical computing infrastructure such as the wide area network.

The Enterprise Infrastructure Management and Technical Support service includes all activities related to managing day-to-day operations of the technical computing infrastructure such as the wide area network.

The Enterprise System Management and Technical Support service includes all activities related to managing day-to-day operations of all Enterprise Systems (such as Oracle eBusiness Suite, PeopleSoft, and Livelink Records Management). The IT HRIS Systems Department performs all activities related to managing the day-to-day operations of the Human Resources systems, including its ongoing enhancements.

Witnesses: N. Verma
J. Yiu

The Human Resource Advice service provides research, expertise and support to internal initiatives. This includes support related to policy and systems development, personnel management, and adherence to regulatory and legislative requirements.

MY HR Services Department is responsible for providing the enterprise-wide administration and processes related to Payroll, Employee Benefits, Pension, Data Integrity, HR Service Center and Employee Record Administration. The MY HR Services Department supports this service by assuming responsibility for the management of all aspects of those services.

The Records and Information Management service is responsible for the overall development, maintenance and dissemination of policies, standards and guidelines for the establishment and maintenance of the Records and Information Management Program. The Records Management Department is accountable for the establishment and maintenance of Enbridge (physical and electronic) records. This includes providing strategies, policies, standards, tools, and program management including compliance monitoring to support records management requirements

b)

Board Approved Base amounts for select services 2014 to 2016

Selected Services

Services	Department	Services / Direct Charges	2014 IR	2015 IR	2016 IR
Primary Services	IT	8. Enterprise System Program and Project Management	$ 325,384	$ 411,115	$ 528,893
	IT	13. Enterprise Infrastructure Program and Project Management	$ 648,121	$ 583,309	$ 571,643
	IT	15. Enterprise Infrastructure Management and Technical Support	$ 290,567	$ 378,039	$ 496,478
	IT	18. Enterprise System Management and Technical Support	$ 567,390	$ 641,021	$ 754,200
	HR	24. Human Resource Advice	$ 168,200	$ 151,380	$ 148,353
	IT	34. Records and Information Management	$ 977,354	$ 879,619	$ 862,027
	HR	43. MY HR Services	$ 295,307	$ 265,777	$ 260,461
General	IT	Direct EFS Charge (Credit)	$ (2,426,795)	$ (2,426,795)	$ (2,426,795)
	HR	Enbridge Stock Based Compensation Charge	$ 10,156,934	$ 10,504,804	$ 10,288,631

Witnesses: N. Verma
J. Yiu

Actual RCAM amounts for select services 2014 IR, 2015 to 2016

Selected Services

Services	Department	Services / Direct Charges	2014 IR	2015 Actuals	2016 Actuals
Primary Services	IT	8. Enterprise System Program and Project Management	$ 325,384	$ 2,272,174	$ 1,571,338
	IT	13. Enterprise Infrastructure Program and Project Management	$ 648,121	$ 4,184,303	$ 6,145,826
	IT	15. Enterprise Infrastructure Management and Technical Support	$ 290,567	$ 4,535,353	$ 5,392,852
	IT	18. Enterprise System Management and Technical Support	$ 567,390	$ 4,077,266	$ 4,157,578
	HR	24. Human Resource Advice	$ 168,200	$ 765,909	$ 1,193,129
	IT	34. Records and Information Management	$ 977,354	$ 1,178,672	$ 2,299,041
	HR	43. MY HR Services	$ 295,307	$ 2,603,972	$ 2,155,117
General	IT	Direct EFS Charge (Credit)	$ (2,426,795)	$ (6,152,935)	$ (6,152,935)
	HR	Enbridge Stock Based Compensation Charge	$ 10,156,934	$ 9,636,747	$ 8,750,765

c) In an effort to reduce or eliminate duplication in IT services, systems, and support teams, Enbridge has consolidated all of its IT infrastructure services to enable sharing across the Enterprise.

The business case (EB -2015-0233) illustrates that there are financial and qualitative benefits of IT Shared Services to Enbridge Gas.

The benefits include (see response to CCC Interrogatory #5, found at Exhibit I.B.EGDI.CCC.5)

- Enhanced and improved services such as cybersecurity monitoring and alerting, disaster recovery, incident management and change management
- Enhanced agility and scalability as a result of Enbridge Gas operating within the same infrastructure as the Enterprise. Centralization will result in integrating acquisitions and divestments more swiftly and future business and development needs can be completed more efficiently and in a cost effective manner

d) OEB has not explicitly approved the increase in these types of RCAM costs. Any increase in RCAM costs is offset with savings in IT, HR and other O&M costs. Many of the cost changes were implemented in 2015 and these cost changes were also included within the 2015 ESM calculation.

e) The arrangements for Corporate IT and HR services that are to be modified and updated to account for the Enbridge Inc. acquisition of Spectra Energy are yet to be determined.

Witnesses: N. Verma
J. Yiu

ENERGY PROBE INTERROGATORY 4

INTERROGATORY

Ref: Exhibit C Tab 1 Schedule 2 and Attachment

a) Please explain why EGD did not anticipate the Increase in Union M12 Tolls and adjust its transportation rates for 2017.
b) Please explain why such a large variation in cost be disposed of in a single charge as opposed for example, a Rate Rider?
c) With regard to the increase in 2017 Third Party Market Based Storage, please indicate the overall quantities- budget and actual (PJ) and the amounts contracted with Union Gas and Affiliates.
d) Please provide the average Cost for this storage from Union/affiliates.
e) Did EGD attempt to contract the incremental quantity of short-term storage with another party? Please provide a copy of the RFP and responses with the bids/prices (with names redacted).
f) Please provide a schedule that shows for each year, the Incremental Market based storage for the IR period and the amounts, unit cost total cost and the amounts and cost contracted with Union Gas/affiliates.

RESPONSE

a) It is Enbridge's practice to only include Board approved tolls i.e. Union or TCPL tolls, in the preparation of rate and/or QRAM applications to be filed with the OEB. This avoids debate as to the appropriateness of any forecasted tolls used by Enbridge. At the time of the 2017 gas costs budget that was filed in the 2017 rate adjustment proceeding, the M12 toll increase had not been approved and this was not reflected. The Storage & Transportation Deferral Account has been established to capture transportation related variances such as M12 tolls and is the appropriate mechanism to track and recover variance amounts.

b) The balance in the Storage & Transportation Deferral Account is cleared to customers in conjunction with other Deferral and Variance Account balances, which are also being reviewed as part of this application / proceeding (in other words, the balance in the Storage & Transportation Deferral Account is not cleared to customers on a stand-alone basis). It is the net balance from all deferral and variance account that leads to a one-time billing adjustment on customers' bills. In the current proceeding, the net balance from all accounts to be cleared to customers is $5.03 million. The resulting one-time billing adjustments are nominal / minor, therefore, the Company proposes to clear the 2017 balances as a single-month billing adjustment (as opposed to a two-month billing adjustment that was approved in the two previous proceedings for 2015 and 2016).

c) Exhibit D1, Tab 2, Schedule 9, page 2 of 2 in the 2017 Rate Adjustment proceeding (EB-2016-0215) provides a listing of Enbridge's third party storage contracts. As shown on that schedule, Enbridge had 2 third party storage contracts scheduled to expire March 31, 2017. Enbridge issued an RFP in late fall of 2016 to replace those expiring contracts. Based upon the responses to that RFP, Enbridge contracted for storage with Union Gas for 5 PJs for a term of 5 years and with another party (not an affiliate) for 1 PJ for 3 years at an effective cost of $US 0.779/mmbtu and $US 0.445/mmbtu respectively. The impact of these two contracts relative to the amounts forecasted for 2017 Budget amounts to $0.6 million in the S&TDA. It should be noted that the value for storage service is contingent upon quality of service i.e. deliverability, storage capacity and term.

   Exhibit D1, Tab 2, Schedule 9 in Enbridge's rate adjustment proceedings sets out contracted third party market based storage. For reference, the aforementioned exhibits from both the 2017 (EB-2016-0215) proceeding and the 2018 (EB-2017-0086) proceeding are attached to this response.

d) For third party storage contracts, the average price was $0.73 CAN/GJ which included a mix of lower cost synthetic storage and physical storage. Union Gas storage contracts were for higher valued physical storage and averaged $0.74CAN/GJ.

e) It is not clear to Enbridge what "incremental quantity of short-term storage" is being referred to in this question – the referenced evidence does not mention this. Enbridge did enter into a high deliverability exchange agreement that was presented to the Company by an independent third party to supplement its Dawn requirement over the latter half of 2017.

f) Costs associated with market based storage in prior years have been approved and are not germane to this proceeding. The exhibits attached to this response from the 2017 and 2018 rate adjustment proceedings provide information about Enbridge's recent market based storage.

Status of Transportation & Storage Contracts

Item #	Contract	Primary Receipt Point	Primary Delivery Point	Total Contracted Daily Volume	Contract Unit	Fuel Rate	Monthly Demand Charge	Demand Charge Unit	Renewal Date	Expiry Date	
	TransCanada Long haul										
1	TCPL FT - CDA	Empress	CDA	63,468	GJ	varies	60.77142	$/GJ		31-Oct-17	1
2	TCPL FT - CDA	Empress	CDA	75,000	GJ	varies	60.77142	$/GJ	31-Oct-16	31-Oct-18	
3	TCPL FT - EDA	Empress	EDA	34,377	GJ	varies	62.50257	$/GJ		31-Oct-17	1
4	TCPL FT - EDA	Empress	EDA	163,044	GJ	varies	62.50257	$/GJ	31-Oct-20	31-Oct-22	
5	TCPL FT - EDA	Empress	EDA	166,000	GJ	varies	62.50257	$/GJ		31-Oct-17	2
6	TCPL FT - Iroquois	Empress	Iroquois	26,956	GJ	varies	63.11183	$/GJ	31-Oct-20	31-Oct-22	
	TransCanada Short haul										
7	TCPL FT Dawn to CDA	Dawn	CDA	149,818	GJ	varies	11.40236	$/GJ	31-Oct-20	31-Oct-22	
8	TCPL FT Dawn to CDA	Dawn	CDA	(121,772)	GJ	varies	11.40236	$/GJ		31-Oct-17	3
9	TCPL FT Dawn to CDA	Dawn	CDA	87,952	GJ	varies	11.40236	$/GJ	31-Oct-30	31-Oct-32	1
10	TCPL FT Dawn to EDA	Dawn	EDA	114,000	GJ	varies	21.33019	$/GJ	31-Oct-20	31-Oct-22	
11	TCPL FT Dawn to EDA	Dawn	EDA	83,114	GJ	varies	21.33019	$/GJ	31-Oct-30	31-Oct-32	1
12	TCPL FT Parkway to EDA	Parkway	EDA	170,000	GJ	varies	15.60578	$/GJ	31-Oct-29	31-Oct-31	4
13	TCPL FT Dawn to Iroquois	Dawn	Iroquois	40,000	GJ	varies	20.49473	$/GJ	31-Oct-20	31-Oct-22	
14	TCPL FT Parkway to CDA	Parkway	CDA	572	GJ	varies	6.29836	$/GJ	31-Oct-20	31-Oct-22	
15	TCPL FT-SN Parkway to CDA	Parkway	CDA	85,000	GJ	varies	6.14977	$/GJ	31-Oct-20	31-Oct-22	
16	Niagara to CDA	Niagara	CDA	200,000	GJ	varies	8.35336	$/GJ	31-Oct-28	31-Oct-30	5
	TransCanada Storage Transportation Service										
17	TCPL STS Parkway to CDA	Parkway	CDA	283,892	GJ	varies	5.92119	$/GJ	31-Oct-20	31-Oct-22	
18	TCPL STS Parkway/Kirkwall to EDA		EDA	70,895	GJ	varies	15.60578	$/GJ	31-Oct-20	31-Oct-22	
19	TCPL STS Parkway to EDA	Parkway	EDA	9,716	GJ	varies	15.60578	$/GJ	31-Oct-20	31-Oct-22	
	Nova Transmission										
20	Nova Transmission	NIT	Empress	86,869	GJ	N/A	6.26000	$/GJ	31-Oct-16	31-Oct-17	8
	Alliance Transportation										
21	Alliance Transportation			-	mcf	N/A	N/A				
	Vector Pipeline										
22	Vector Pipeline	Chicago	Canadian Border	110,000	dth	varies	7.0140	$US/dth	31-Oct-30	31-Oct-32	7
23	Vector Pipeline	Canadian Border	Dawn	116,056	GJ	varies	0.5705	$/GJ	31-Oct-30	31-Oct-32	
24	Vector Pipeline	Chicago	Canadian Border	65,000	dth	varies	7.0140	$US/dth	31-Oct-18	31-Oct-20	
25	Vector Pipeline	Canadian Border	Dawn	68,579	GJ	varies	0.5705	$/GJ	31-Oct-18	31-Oct-20	
26	Vector Pipeline	Chicago	Canadian Border	50,000	dth	varies	7.0140	$US/dth		28-Feb-17	9
27	Vector Pipeline	Canadian Border	Dawn	52,753	GJ	varies	0.5705	$/GJ		28-Feb-17	9
	Nexus Pipeline										
28	Nexus Pipeline	Kensington	Milford Junction	110,000	dth	varies	21.2920	$US/dth	31-Oct-30	31-Oct-32	
	Link Pipeline										
29	Link Pipeline	MichCon Generic		42,202	GJ	varies	varies	$/GJ	1-Nov-16	31-Oct-17	
	Union Gas Transportation										
30	Union Gas Dawn to Parkway			1,764,678	GJ	varies	2.6040	$/GJ	31-Oct-20	31-Oct-22	
31	Union Gas Dawn to Parkway			106,000	GJ	varies	2.6040	$/GJ	31-Oct-17	31-Oct-19	10
32	Union Gas Dawn to Parkway			57,100	GJ	varies	2.6040	$/GJ	31-Oct-17	31-Oct-19	
33	Union Gas Dawn to Parkway			18,703	GJ	varies	2.6040	$/GJ	31-Oct-17	31-Oct-19	10
34	Union Gas Dawn to Parkway - M12X			200,000	GJ	varies	3.2440	$/GJ	31-Oct-20	31-Oct-22	
35	Union Gas Dawn to Lisgar			10,692	GJ	varies	2.6040	$/GJ	31-Oct-17	31-Oct-19	10
36	Union Gas Dawn to Kirkwall			35,806	GJ	varies	2.1930	$/GJ	31-Oct-17	31-Oct-19	10
37	Union Gas Dawn to Kirkwall			32,123	GJ	varies	2.1930	$/GJ	31-Oct-17	31-Oct-19	10
38	Union Gas Parkway to Dawn - C1			236,586	GJ	varies	0.6400	$/GJ	31-Mar-17	31-Mar-19	
39	Union Gas Dawn to Parkway			400,000	GJ	varies	2.6040	$/GJ	31-Oct-23	31-Oct-25	
40	Union Gas Dawn to Parkway			170,000	GJ	varies	2.1930	$/GJ	31-Oct-29	31-Oct-31	4
41	Union Gas Dawn to Parkway			190,000	GJ	varies	2.1930	$/GJ	31-Oct-30	31-Oct-32	6

review notes

notes:
(1) - Effective November 1, 2017 GJs 63,468 of CDA capacity and 34,377 of EDA capacity will be converted from LH to SH and incremental new capacity of 24,484 to the CDA and 48,737 to the EDA- contingent upon
(2) - Contract terminates the earlier of October 31, 2017 and the inservice date of contract described at Line 12 above
(3) - Assignment to Direct Purchase effective November 1, 2015 to October 31, 2017. Assignments will be extended month to month to coincide with renewal dates of Direct Purchase Agreements
(4) - Contract is effective November 1, 2016
(5) - Contract is split between deliveries at Niagara Falls (76,559) and Chippawa (123,441)
(6) - Contract is effective November 1, 2017
(7) - Tolls for Vector US capacity are reduced upon in-service date of Nexus
(8) - Renewed for 50,000 GJ/day for the period November 1, 2017 to October 31, 2018, with a renewal date of October 31, 2017
(9) - Short term arrangement for 50,000 Dth/day from December 1, 2016 to February 28, 2017. Capacity is non-Renewable.
(10) - Renewed for another year to October 31, 2019 (previously October 31,2018), with a renewal date of October 31, 2017 (previously October 31, 2016)

Status of Transportation & Storage Contracts

Storage Contract Summary

Contract	Annual Volume GJ's	Effective Date	Expiry Date
A	5,055,056	April 1, 2012	March 31, 2017
B	3,165,168	April 1, 2013	March 31, 2018
C	2,110,112	April 1, 2013	March 31, 2018
D	4,000,000	April 1, 2014	March 31, 2019
E	3,000,000	April 1, 2015	March 31, 2020
F	3,000,000	April 1, 2015	March 31, 2020
G	1,055,056	April 1, 2016	March 31, 2017
H	1,582,584	April 1, 2016	March 31, 2019
I	1,500,000	April 1, 2016	March 31, 2021

	PJ's	Maximum Withdrawal PJ's	Deliverability	Maximum Injection PJ's	Deliverability
Total Contracted Capacity	24.5	0.4	1.67%	0.2	0.88%
EGD Regulated Storage	97.8	1.9	1.90%	0.7	0.72%

Status of Transportation & Storage Contracts

Item #	Transportation	Route	Total Contracted Daily Volume		Fuel Rate	Monthly Demand Charge		Renewal Date	Expiry Date	
	Current Contracts									
1	TCPL FT - CDA	Empress to CDA	63,468	GJ	varies	61.50629	$/GJ		31-Oct-17	1
2	TCPL FT - CDA	Empress to CDA	75,000	GJ	varies	61.50629	$/GJ	31-Oct-17	31-Oct-19	
3	TCPL FT - EDA	Empress to EDA	34,377	GJ	varies	63.35737	$/GJ		31-Oct-17	1
4	TCPL FT - EDA	Empress to EDA	163,044	GJ	varies	62.50257	$/GJ	31-Oct-20	31-Oct-22	
5	TCPL FT - EDA	Empress to EDA	166,000	GJ	varies	63.35737	$/GJ		20-Dec-16	2
6	TCPL FT - Iroquois	Empress to Iroquois	26,956	GJ	varies	63.77152	$/GJ	31-Oct-20	31-Oct-22	
7	TCPL FT Dawn to CDA		149,818	GJ	varies	12.03778	$/GJ	31-Oct-20	31-Oct-22	
8	TCPL FT Dawn to CDA	Assignment to Direct Purchase	N/A	GJ	varies	12.03778	$/GJ		31-Oct-17	3
9	TCPL FT Dawn to EDA		114,000	GJ	varies	22.18853	$/GJ	31-Oct-30	31-Oct-32	
10	TCPL FT Dawn to Iroquois		40,000	GJ	varies	21.32055	$/GJ	31-Oct-20	31-Oct-22	
11	TCPL FT Parkway to CDA		572	GJ	varies	6.26072	$/GJ	31-Oct-20	31-Oct-22	
12	TCPL FT Parkway to CDA		87,952	GJ	varies	6.26072	$/GJ	31-Oct-30	31-Oct-32	
13	TCPL STS Parkway to CDA		283,892	GJ	varies	6.26072	$/GJ	31-Oct-20	31-Oct-22	
14	TCPL FT-SN Parkway to CDA		85,000	GJ	varies	6.30050	$/GJ	31-Oct-20	31-Oct-22	
15	TCPL STS Parkway/Kirkwall to EDA		70,895	GJ	varies	16.13414	$/GJ	31-Oct-20	31-Oct-22	
16	TCPL STS Parkway to EDA		9,716	GJ	varies	16.13414	$/GJ	31-Oct-20	31-Oct-22	
17	TCPL FT Parkway to EDA		83,114	GJ	varies	16.13414	$/GJ	31-Oct-20	31-Oct-22	
18	TCPL FT Parkway to EDA		170,000	GJ	varies	16.13414	$/GJ	31-Oct-29	31-Oct-31	
19	Niagara Falls to CDA		76,559	GJ	varies	7.55377	$/GJ	31-Oct-28	31-Oct-30	
20	Chippawa to CDA		123,441	GJ	varies	7.61613	$/GJ	31-Oct-28	31-Oct-30	
21	Nova Transmission	AECO to Empress	166,869	GJ	N/A	5.65300	$/GJ		31-Oct-16	
22	Vector Pipeline -	Milford Junction to Cdn border	110,000	dth	varies	4.4217	$US/dth		31-Oct-25	
23		Cdn border to Dawn	116,056	GJ	varies	0.5705	$/GJ		31-Oct-25	
24	Vector Pipeline	Chicago to Cdn border	65,000	dth	varies	5.0300	$US/dth		31-Oct-25	
25		Cdn border to Dawn	68,579	GJ	varies	0.5705	$/GJ		31-Oct-25	
26	Nexus Pipeline		110,000			toll to be finalized				
27	Union Gas Dawn to Parkway		1,764,678	GJ	varies	3.4020	$/GJ	31-Oct-20	31-Oct-22	
28	Union Gas Dawn to Parkway		106,000	GJ	varies	3.4020	$/GJ	31-Oct-17	31-Oct-19	
29	Union Gas Dawn to Parkway		57,100	GJ	varies	3.4020	$/GJ	31-Oct-17	31-Oct-19	
30	Union Gas Dawn to Parkway		18,703	GJ	varies	3.4020	$/GJ	31-Oct-17	31-Oct-19	
31	Union Gas Dawn to Parkway - M12X		200,000	GJ	varies	4.2390	$/GJ	31-Oct-20	31-Oct-22	
32	Union Gas Dawn to Lisgar		10,692	GJ	varies	3.4020	$/GJ	31-Oct-17	31-Oct-19	
33	Union Gas Dawn to Kirkwall		35,806	GJ	varies	2.8650	$/GJ	31-Oct-17	31-Oct-19	
34	Union Gas Dawn to Kirkwall		32,123	GJ	varies	2.8650	$/GJ	31-Oct-17	31-Oct-19	
35	Union Gas Parkway to Dawn - C1		236,586	GJ	varies	0.7190	$/GJ	31-Mar-17	31-Mar-19	
36	Union Gas Dawn to Parkway		400,000	GJ	varies	3.4020	$/GJ	31-Oct-23	31-Oct-25	
37	Union Gas Dawn to Parkway		170,000	GJ	varies	3.4020	$/GJ	31-Oct-29	31-Oct-31	
38	Union Gas Dawn to Parkway		190,000	GJ	varies	3.4020	$/GJ	31-Oct-30	31-Oct-32	4

notes:
(1) - Effective November 1, 2017 GJs will be converted from LH to SH - contingent on in-service date of TCPL's Vaughan Mainline Extension
(2) - Contract terminated with in-service date of TCPL's Kings North expansion
(3) - After November 1/17 the amount of the monthly assignments will be extended month to month to coincide with renewal dates of Direct Purchase Agreements
(4) - Contract is effective November 1, 2017

Witness: D. Small

Status of Transportation & Storage Contracts

Storage Contract Summary

	Contract	Annual Volume GJ's	Effective Date	Expiry Date
	A	3,165,168	April 1, 2013	March 31, 2018
(1)	B	2,110,112	May 1, 2013	April 30, 2018
	C	4,000,000	April 1, 2014	March 31, 2019
(1)	D	1,582,584	May 1, 2016	April 30, 2019
	E	3,000,000	April 1, 2015	March 31, 2020
	F	3,000,000	April 1, 2015	March 31, 2020
(1)	G	1,055,056	May 1, 2017	April 30, 2020
	H	1,500,000	April 1, 2016	March 31, 2021
	I	5,000,000	April 1, 2017	March 31, 2022

	PJ's	Maximum Withdrawal PJ's	Deliverability	Maximum Injection PJ's	Deliverability
Total Contracted Capacity	24.4	0.4	1.67%	0.2	0.88%
EGD Regulated Storage	97.8	1.9	1.90%	0.7	0.72%

note - 1 - Synthetic Storage

Witness: D. Small

ENERGY PROBE INTERROGATORY 5

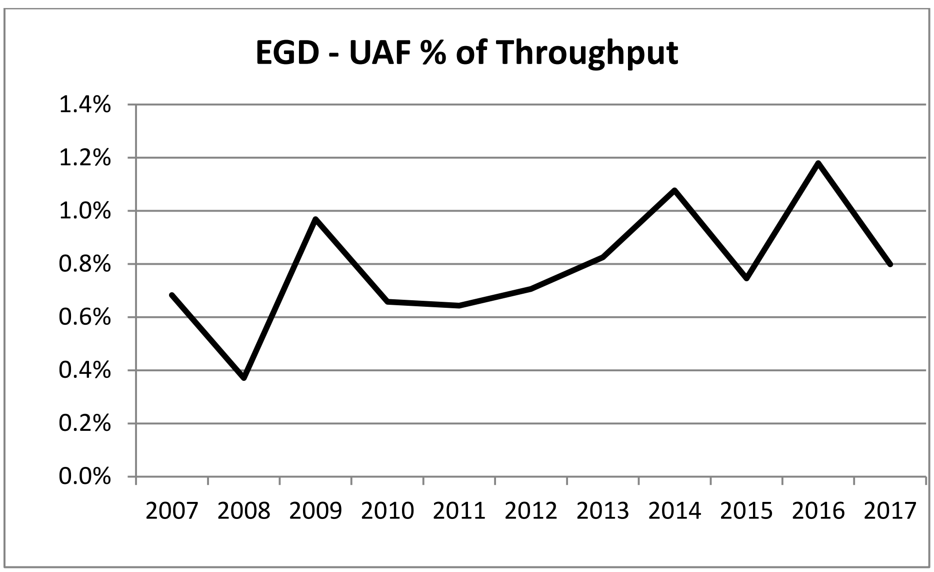
INTERROGATORY

Ref: Exhibit C Tab 1 Schedule 3 Tables 1 and 2

a) Please provide a Table and Chart showing UAF as a percentage of through-put for historic years.
b) Please analyse and comment on the result, including changes in # metered receipt points into the Franchise.
c) Please compare to UAF percentages for Union Gas.
d) Please provide a copy of the UAF remedial plan

RESPONSE

a) & c)



At EGD, Unaccounted-For (UAF) gas represents the difference between what is delivered into the distribution system as billed by 3rd party transmission companies, and what is billed as consumption by EGD's customers.

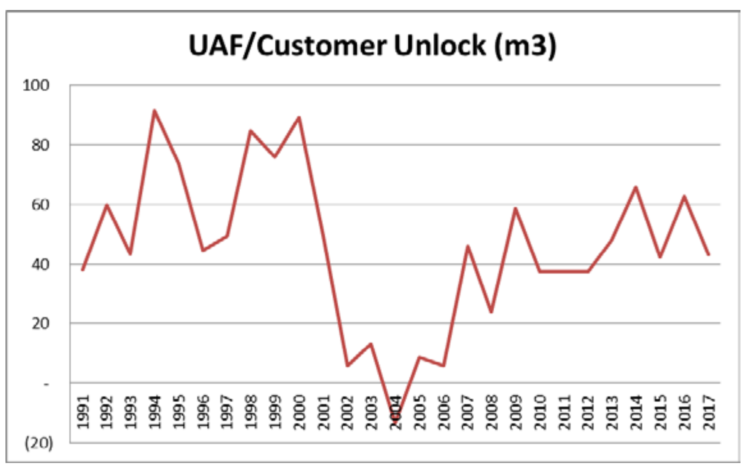
At Union, Unaccounted For Gas (UFG) represents the combined gains and losses from distribution, transmission, and storage operations stemming from differences between measured deliveries and injections, and consumption and withdrawals within the integrated system.

Col. 1	*Col. 2*	*Col. 3*
Calendar Year	UAF % of Throughput **EGD**	UFG % of Throughput **Union**
2007	0.7%	0.6%
2008	0.4%	0.4%
2009	1.0%	0.6%
2010	0.7%	0.2%
2011	0.6%	0.1%
2012	0.7%	0.2%
2013	0.8%	0.3%
2014	1.1%	0.3%
2015	0.7%	0.2%
2016	1.2%	0.4%
2017	0.8%	0.3%

b) UAF as a percentage of throughput, while showing intra-year volatility, remains within a range of 0.115% and 1.285% (assuming a normal distribution), with an average of 0.7% and standard deviation of 0.3%.

Since 2007, customer unlocks have increased from 1.07 million to 2.16 million. During this period, UAF per unlock has ranged between 23.8 m^3/unlock to 65.6 m^3 unlock. The result in 2017 was 43.2 m^3/unlock.

	average UAF/customer
2007	45.94
2008	23.82
2009	58.76
2010	37.43
2011	37.42
2012	37.48
2013	47.96
2014	65.60
2015	42.22
2016	62.65
2017	43.16



d) As agreed in the EB-2017-0086, 2018 Rate Adjustment Settlement Proposal (Exhibit N2, Tab 1, Schedule 1, page 18) and confirmed in the OEB's Decision in EB-2017-0306/0307 (page 53), in its 2019 rates application EGD will file evidence explaining the steps that have been taken to investigate and address UAF that may be associated with metering differences at gate stations. EGD's evidence will address any reductions in UAF achieved to date from review of metering at gate stations, as well as plans for any future actions to address this item. The following paragraphs set out a summary of EGD's UAF remediation efforts to date.

In 2017, EGD introduced a process to better track and assess potential measurement errors at TCPL's gate stations, compiling a list of measurement assets at each gate station and identifying the flow range of each device.

In 2018, EGD has continued to refine this process by implementing the following processes:

- EGD Gas Control monitors variances between TCPL gate stations and EGD's check meters and notifies the Telemetry group of variances greater than +/-2%.
- When notified of variances greater than +/-2%, Telemetry issues a trouble call to assess the variance and where appropriate will initiate a work order in Maximo. Based on Telemetry's assessment, where EGD's check meter is found not to be functioning appropriately, Telemetry will troubleshoot and correct the variance.
- Telemetry and Gas Control will review variances monthly and follow up with TCPL on any variances out of tolerance with EGD's check meters.

Based on the analysis of meter variances at gate stations, the Company has initiated a project at Victoria Square Gate Station to better match system flows with flow requirements. The objectives of the project are to improve metering accuracy, particularly during low flow conditions, while providing the versatility to ramp up/down flow to meet operational needs. The project will evaluate replacing the existing NPS 30 Ultrasonic meters with either smaller ultrasonic meters or a bank of Coriolis meters. Design is still on going and the new metering is expected to be installed in 2019.

The Company also continues to explore efforts to enhance the accuracy of its 2.1 million billing meters, as well as consider the cost-effectiveness of Automatic Meter Reading (AMR). EGD is in the process of undertaking a case study in Deep River where AMR meters have been installed and where baseline usage and energy efficiency program impacts will be monitored and analyzed.

ENERGY PROBE INTERROGATORY 6

INTERROGATORY

Ref: Exhibit C Tab 1 Schedule 4 and Appendix A

a) Please provide charts with historic (10 years?) forecast and actual Normalized Average Use for Rates 1 and 6. Add explanatory notes and comments on drivers for year to year changes.
b) Please provide Historic Average Use Variance Account true up amounts credited/debited to ratepayers 2013-2017.
c) Please provide a detailed status report on the review of Average Use True Up per the 2017 Settlement Agreement paragraph 1(f).

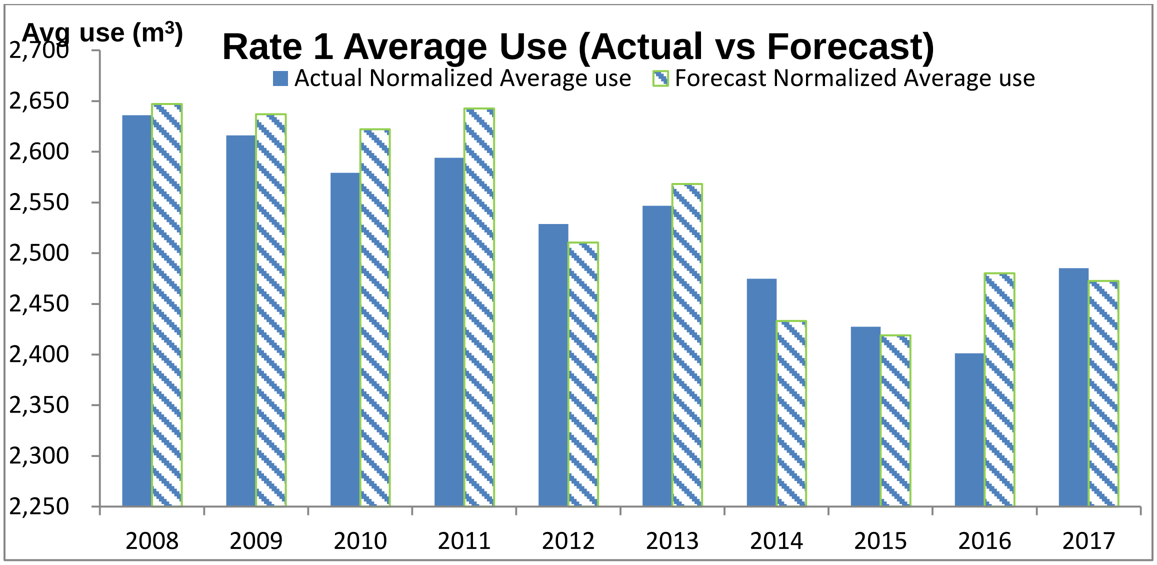
RESPONSE

a) Please see the charts on the following page which provide the forecast and actual normalized average use for Rate 1 and 6 for the period of 2008-2017. Each year's actual average use is normalized to each year's degree day forecast so year over year comparisons include differences in the forecast for weather. To isolate average use trends without weather variation, please see the response to Board Staff Interrogatory#8 found at Exhibit I.C.EGDI.STAFF.8.

For Rate 1, the overarching trend over the period is a decline brought about by DSM programs, natural conservation, and efficiency improvements. For each year, differences in the driver variables may cause higher or lower average use actuals compared to the forecast expectations. Those differences are captured in a separate table following the charts (Table 1). Rate 1 average use in a given year is primarily affected by gas prices and employment levels.

For Rate 6, the trend over the period is an increase brought about by the migration of large-volume contract customers to the general-service rate. While migration has stabilized, the average use for this class of customers has similarly flattened. As with Rate 1, differences in the driver variables may cause higher or lower average use actuals compared to forecast expectations. Drivers of Rate 6 average use variance are listed in Table 2. Rate 6 average use is sensitive to underlying economic conditions and gas prices in a given year.

Year		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Rate 1	Actual	2,636	2,616	2,579	2,594	2,529	2,547	2,475	2,427	2,401	2,485
	Forecast	2,647	2,637	2,622	2,643	2,510	2,568	2,433	2,419	2,480	2,472
	Variance	(11)	(21)	(43)	(49)	18	(22)	41	9	(79)	13
Rate6	Actual	24,869	27,654	29,106	29,471	28,941	29,203	28,634	28,600	28,203	29,462
	Forecast	24,204	28,165	27,949	28,029	30,122	29,878	28,383	28,341	28,753	29,058
	Variance	665	(511)	1,157	1,442	(1,182)	(675)	251	259	(550)	404



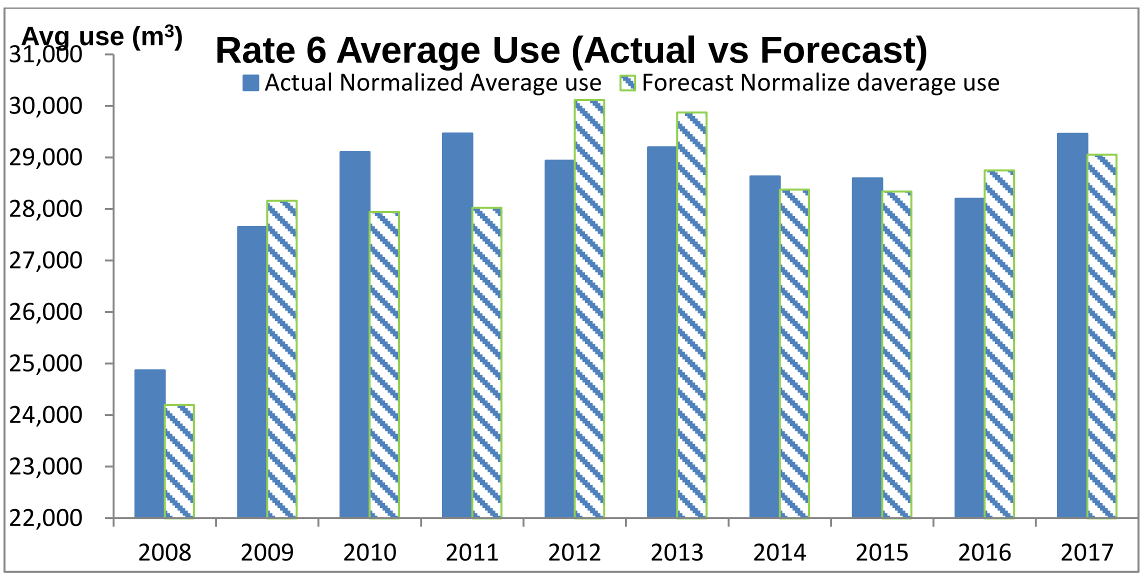


Table 1: Rate 1 Drivers of Variance between Forecast and Actual Average Use

Year	Actual versus Forecast	Drivers of variance
2008	Lower Actual	poor economic conditions
2009	Lower Actual	poor economic conditions; impact of 2006 Building Code, other conservation initiatives
2010	Lower Actual	conservation and energy efficiency trends
2011	Lower Actual	conservation and energy efficiency trends; HST implementation
2012	Higher Actual	lower natural gas prices
2013	Lower Actual	slower economic recovery
2014	Higher Actual	lower natural gas prices; better economic conditions
2015	Higher Actual	lower natural gas prices
2016	Lower Actual	results lower than could be explained by drivers
2017	Higher Actual	better economic conditions

Table 2: Rate 6 Drivers of Variance between Forecast and Actual Average Use

Year	Actual versus Forecast	Drivers of variance
2008	Higher Actual	rate migration from large-volume contract classes
2009	Lower Actual	poor economic conditions
2010	Higher Actual	rate migration from large-volume contract classes
2011	Higher Actual	rate migration from large-volume contract classes
2012	Lower Actual	slower economic recovery
2013	Lower Actual	slower economic recovery
2014	Higher Actual	lower natural gas prices; better economic conditions
2015	Higher Actual	lower natural gas prices
2016	Lower Actual	results lower than could be explained by drivers
2017	Higher Actual	better economic conditions

b) Please see the response to CCC Interrogatory #5 found at Exhibit I.C.EGDI.CCC5, page 2 for historic average use true-up variance account amounts provided since 2008.

c) In the 2016 ESM Settlement Agreement part (f) (EB-2017-0102, Exhibit N1, Tab 1, Schedule 1, page 8 filed August 11, 2017), the following commitment was made as pertains to the Average Use True-Up mechanism:

"… Enbridge also agrees that if it requests an average use true-up mechanism in its next rebasing case, then Enbridge will file a study reviewing what other practices regarding average use true-up are approved for other utilities and how they compare to what Enbridge proposes. As part of this study, Enbridge would indicate the impacts of using the different practices and what is industry best practice, if this differs from Enbridge's proposed average use true-up approach."

Enbridge will fulfil this commitment in its next rebasing case.

ENERGY PROBE INTERROGATORY 7

INTERROGATORY

Ref: Exhibit C, Tab 1, Schedule 12 & Attachment 1 and Exhibit C, Tab 2, Schedule 1. EB-2012-0459 Enbridge Gas Distribution Inc. Board Decision

Preamble: In order to better understand the Rider D Rate Class Site restoration costs forecast by EGD in the first referenced Attachment, Energy Probe requests complete disclosure of the original Site Restoration costs that the Board Ordered to be refunded based on the Gannet Fleming Report in EB-2012-0459.

a) Please provide Copies of the 2012 Gannet Fleming Report
b) Please provide copies of the EB-2012-0459 pre-filed Evidence, relevant hearing transcripts and Undertakings.
c) Show/provide a schedule as to how, following the Decision, EGD proposed the SRC costs (including NPV calculations) were to be allocated using CDNS, to the rate classes in order to compute Rider D per the Rate Order.
d) Reconcile this to the Exhibit C, Tab 1, Schedule 12 and Attachment 1.
e) Why is a true up required? Please provide complete reasons why the amounts collected by Rider D do not match the Board Decision and why Rider D was not adjusted during the IR period.
f) Please explain if EGD has complied with the Board's directions
   - to provide an updated Depreciation study
   -assess the appropriate discount rate? and
   -examine a segregated fund?
   If not, why not?

RESPONSE

a & b) In EB-2012-0459, the Board rendered a decision with respect to the evidence provided in the depreciation study and related proposals made by Enbridge. The outcome of the Board's decision was outlined and included in the Final Rate Order, filed 2014-07-31 and approved 2014-08-22. The depreciation study, (2012 Gannett Fleming Report) and related pre-filed evidence, transcripts, interrogatories and undertakings were considered by the Board in its final decision about Site Restoration Cost refunds, and are not relevant within the 2017 ESM application.

c & d) The Exhibit C, Tab 1, Schedule 12, Attachment 1 filed in evidence sets out the forecast and actual Rider D amounts, by rate class for each of the fiscal years 2014-2018. The attachments included with the response to Staff Interrogatory #11(b) filed at Exhibit I.C.EGDI.STAFF.11 set out the variances between approved and actual volumes, and associated Rider D amounts, for each of the fiscal years 2014-2018. Enbridge does not believe that it is relevant to review what SRC annual amounts might have looked like at the time the EB-2012-0459 decision was rendered because any such forecast would not have been reflective of the final Board approved volumes each year from 2015 to 2018 and related rate class profile.

e) The Board approved the true up aspect of the deferral account such that the exact amount of $379.8 million would be the final actual amount cleared to ratepayers. The reason the actual amount refunded through Rider D did not equal the approved amount, was due to variances in actual volumes versus approved volumes per rate class which occurred in each year of the approved five year clearance. In the 2018 Rate Adjustment proceeding (EB-2017-0086), the OEB accepted the Amended Settlement Proposal which stipulated that Enbridge would discontinue Rider D for 2018 (to avoid further over-refunds), and that the final balance in the CDNSADA would be cleared in the 2017 ESM proceeding (see Exhibit N, Tab 2, Schedule 1, pp. 10 to11).

f) Within the EB-2017-0306/0307 proceeding, Enbridge explained its proposals for when various directives would be best undertaken and explained that given the proposed amalgamation with Union Gas, the directives related to depreciation studies were viewed as not being effective or appropriate at this time.

ENERGY PROBE INTERROGATORY 8

INTERROGATORY

Ref: EB-2012-0459 Enbridge Gas Distribution Inc. Board Decision Page 63

Preamble: The Board has addressed the issue of the discount rate above and has directed that the SRC collected **over the IR period be reduced by $85 million**. This will reduce the amount collected from the proposed level of $247.3 million to $162.3 million.

a) What discount rate was used? Please explain the basis and alternatives
b) Explain/demonstrate based on the above analysis, why the discount rate and resulting allocations is appropriate.
c) Given no rebasing in 2019 and changes to the asset profile of the T&D system please discuss if the Gannet Fleming Depreciation study and specifically salvage costs, should be updated.

RESPONSE

a) & b) The OEB approved Enbridge's proposed approach to the SRC refunds over the Custom IR term in the EB-2012-0459 proceeding (including the associated Rate Order). The approved approach is not at issue in this 2017 Deferral and Variance Account proceeding.

c) Please see the response to Energy Probe Interrogatory #7 part (f) found at Exhibit I.EGDI.EP.7.

FRPO INTERROGATORY #1

INTERROGATORY

REF: Exhibit B / Tab 1 / Schedule 4/ p. 2-4

Preamble: We would like to understand better the breakdown of costs removed from the Consolidated Income Reconciliations.

In Schedule 4, in a number of locations, the line item appears as “Amounts related to St. Lawrence Gas, unregulated storage, oil and gas”. For each of the line items, please provide a breakdown and regrouping of the separate components of:

a) St. Lawrence Gas
b) Unregulated storage
c) Oil and gas

RESPONSE

The adjustments noted all relate to the elimination of non-utility activities that are not regulated by the OEB. Further disaggregation of the amounts is not pertinent to the determination of utility results or the earnings sharing amount.

FRPO INTERROGATORY #2

INTERROGATORY

REF: Exhibit B / Tab 1 / Schedule 4/ p. 2-4

Preamble: We would like to understand better the breakdown of costs removed from the Consolidated Income Reconciliations.

Please provide a description of the impact of the sale of St. Lawrence Gas on any other embedded capital or O&M allocations included in utility rates (i.e., did the sale of St. Lawrence Gas result in any changes to overhead allocations affecting O&M and /or ESM?

RESPONSE

In August 2017, the Company entered into an agreement to sell the issued and outstanding shares of St. Lawrence Gas (SLG). The sale however was not completed during 2017, and is currently expected to be completed in early 2019. During 2017, the agreement to sell SLG had a limited impact on Enbridge Gas Distribution Inc. (EGDI), which did not impact utility results. As a result of the agreement to sell, two changes occurred within EGDI's consolidated financial statements. First, within the consolidated balance sheet, SLG's assets and liabilities were segregated and identified as assets or liabilities held for sale. Second, from the time SLG's assets were identified as held for sale, EGDI stopped recognizing depreciation expense on SLG's assets within its consolidated financial results. These changes had no impact on EGDI's utility results. Similar to prior years, SLG amounts included within EGDI's consolidated statements were excluded from the determination of utility results. .

FRPO INTERROGATORY #3

INTERROGATORY

REF: Exhibit B / Tab 2 / Schedule 4/ p. 1, 3

Preamble: We would like to understand better the capital allocations in Table 1.

Are the underground storage plant numbers net of allocations to the non-utility storage operations?

a) If so, how much was allocated to the non-utility?
   i) Please provide a description of the projects and the principles used in determining the allocations.
   ii) For each pf the refurbishment of the degrading compressor foundations and pipeline integrity projects, please specify the utility and non-utility allocations and the reasoning behind those allocations.

RESPONSE

The underground storage plant numbers are net of allocations to the non-utility storage operations.

a) Costs associated with work performed on the assets that were installed as a regulated asset prior to the NGEIR decision are allocated 100% to the regulated storage operations. This is consistent with the cost allocation approach that has been used throughout the Custom IR term, and earlier.

   i. Description of Projects:

      Wells and Well Equipment:

      This program involved the installation of new injection/withdrawal wells to replace the abandoned wells that support regulated storage operations, installation of ESVs (Emergency Shut off valves) on the regulated wells and the installation of observation wells. 100% of the cost was allocated to regulated storage operations.

Field Line Program:

This program consisted of projects to install field lines which connect the new wells supporting regulated storage operations to the gathering system and modify the well loops to accommodate ESVs. 100% of the cost was allocated to regulated storage operations.

In-Line inspection retrofits of pipelines that support regulated storage operations (LWLK:NPS16P, LMKC:NPS20x16G, LBCK:NPS12P, LDOW:NPS24P) and laterals(LSKC): 100% of the cost was allocated to regulated storage operations.

In-Line inspection retrofits of pipelines that support unregulated storage operations (LDOW:NPS20P, LVEC:NPS16): 100% of the cost was allocated to unregulated storage operations.

Compressor Equipment Program:

Regulated utility projects included generator, boiler and MCC's (Motor Control Centre), secondary containment upgrades, compressor overhauls, foundation replacement, control and communications system upgrades. 100% of the cost was allocated to regulated storage operations.

Unregulated utility projects included PLC (Programmable Logic Controller) upgrades for Sombra K803. 100% of the cost was allocated to unregulated storage operations.

ii. With the exception of K803, the compressors and their foundations are assets that existed prior to the NGEIR decision and support regulated storage operations. The costs associated with work performed on these assets are allocated 100% to regulated storage operations. Regarding pipeline integrity projects, the costs associated with the pipelines that support regulated storage operations are allocated 100% to regulated storage operations, and the costs associated with the pipelines that were installed to support the unregulated business are allocated 100% to unregulated storage operations.

FRPO INTERROGATORY #4

INTERROGATORY

REF: Exhibit B / Tab 2 / Schedule 4/ p. 1, 3

Preamble: We would like to understand better the capital allocations in Table 1.

How was the capital for the GTA Reinforcement allocated?

RESPONSE

The total GTA Reinforcement project spend for 2017 is capitalized and contained within the GTA Reinforcement category as displayed in the above referenced table.

FRPO INTERROGATORY #5

INTERROGATORY

REF: Exhibit B / Tab 4 / Schedule 2

Preamble: We would like to understand better the accounting for severance costs

Were the severance costs expensed in the year they were accepted upon termination or are they spread over the period if monthly payments were made over an agreed to term?

RESPONSE

Severance costs include regular business terminations and workforce reductions. Severances are expensed in the year the severance occurs, which is determined by the date the letter of termination was issued. As a result, severance costs are not spread over multiple years unless the original severance cost was under / over-accrued.

FRPO INTERROGATORY #6

INTERROGATORY

REF: Exhibit C/ Tab 1/ Schedule 2

Preamble: We are interested in understanding better the recovery of Transportation costs that are upstream of Enbridge.

Are some of these costs allocated and recovered through the load balancing aspect of upstream transportation rates?

a) If so, please provide the percentage allocation percentages between transportation and load balancing.
   i) Please confirm that these costs will be recovered according to those allocations. If not, how are they recovered?
b) If not, why not?
   i) Please explain how TCPL STS works in conjunction with some of the Union Dawn-Parkway contracts.
   ii) Please specify the recovery approach for TCPL STS costs?
   iii) Please compare and contrast the respective recoveries of Union Dawn-Parkway costs and TCPL STS costs on the basis of cost causality.

RESPONSE

a) Given that the question references the 2017 Storage and Transportation Deferral Account (2017 S&TDA) the Company has assumed that this interrogatory is referring to contracted capacity for which forecast and actual costs are subject to S&TDA treatment.

   The 2017 component percentages reflecting how these costs were recovered in rates from customers are shown in the table below:

Compenent	Percentage	Allocators	Description
Storage Related Transportation	81%	Deliverability and Space	Deliverability - Demand in excess of average winter demand Space - Average winter requirement in excess of average annual demand
Load Balancing Related Transportation	17%	Deliverability and Space	Deliverability - Demand in excess of average winter demand Space - Average winter requirement in excess of average annual demand
Annual Transportation	2%	Bundled Transportation Deliveries	Annual transportation volume for bundled customers

In the proposed clearing of the 2017 S&TDA balance, the entire (i.e. 100%) balance is allocated based on space and deliverability (which matches how storage and load balancing related transportation costs were recovered in 2017 rates). However, the Company acknowledges that 2% of the account balance could be allocated based on bundled transportation deliveries (this part of the balance would therefore be recovered from Enbridge's transportation customers versus storage and load balancing related costs which are recovered from all bundled customers).

b) N/A.

FRPO INTERROGATORY #7

INTERROGATORY

REF: Exhibit C/ Tab 1/ Schedule 2

Preamble: We are interested in understanding better the management of storage and transportation optimization activities.

If a third-party marketer were trying to access Enbridge transportation capability for an exchange or other optimization service, who would they contact? Enbridge Gas Distribution, Enbridge Inc., Union Gas other

a) How does Enbridge ensure that potential conflicts of interests in providing transportation optimization services?
b) How does Enbridge ensure that there is separation from Union in the bidding of these services?

RESPONSE

If a third party marketer is interested in entering into an optimization transaction (that is a transportation optimization transaction or a storage optimization transaction) that utilizes Enbridge assets, that individual would contact Enbridge personnel within the gas procurement group. In assessing the transaction, Enbridge would ensure that the proposed optimization transaction meets the requirements for Transactional Services: the transaction was unplanned, the assets are temporarily surplus to Enbridge's needs and the transaction involves a third party.

a) & b) Enbridge understands this interrogatory to be asking how Enbridge ensures that there are no conflicts of interest when providing and executing optimization services. Enbridge does not believe there are any conflicts of interest in providing Transactional Services. Enbridge utilizes a corporate application (Openlink) which allows personnel of the gas procurement group to enter deals with Enbridge approved counter parties. Openlink is also used for purposes of nominating to various shippers and storage providers whom Enbridge has contracts with. Enbridge is the only party able to nominate for said service on the pipelines/storage for which it has contacted capacity. Until any amalgamation occurs, Enbridge will continue to be the only party able to nominate for service on upstream pipelines and storage parties with whom Enbridge has contracted capacity. Union Gas does not have access to the

Openlink system at this time or to Enbridge nominations. Likewise, Enbridge does not have access to Union nominations. Further, Enbridge's gas procurement personnel do not communitcate with Union gas personnel when evaluating and entering into optimization transactions.

FRPO INTERROGATORY #8

INTERROGATORY

REF: Exhibit C/ Tab 1/ Schedule 2

Preamble: We are interested in understanding better the management of storage and transportation optimization activities.

If a third-party marketer were trying to access Enbridge storage capability for a short-term storage service (e.g., park and loan, etc.), who would they contact? Enbridge Gas Distribution, Enbridge Inc., Union Gas, other?

a) How does Enbridge ensure that potential conflicts of interests in providing storage optimization services?
b) How does Enbridge ensure that there is separation from Union in the bidding of these services?

RESPONSE

Please see the response to FRPO Interrogatory #7 at Exhibit I.C.EGDI.FRPO.7. Enbridge follows the same described processes for storage optimization activities and transportation optimization activities.

FRPO INTERROGATORY #9

INTERROGATORY

REF: Exhibit C / Tab 1 / Schedule 4/ Appendix, Table 1

And EB-2017-0102 / Exhibit C / Tab 1 / Schedule 5/ Appendix, Table 1

Preamble: We would like to understand the derivation and application of unit rates in the calculation of the AUTUVA.

For each of 2016 and 2017, please provide:

a) The unit rates for Rate 1 and Rate 6 to three significant figures
b) Please provide EGD's explanation for the drivers that contribute to the year over year change in these unit rates.

RESPONSE

a) Please see the table below for the unit rates (expanded to three significant figures) that are used in the calculations of the AUTUVA for 2016 and 2017.

Unit Rate ($/m^3)	2016	2017
Rate 1	0.062	0.061
Rate 6	0.040	0.037

b) The Company provided a comprehensive / detailed explanation of the derivation and the application of the unit rates used in the calculation of the AUTUVA balance in last year's proceeding (i.e. clearance of 2016 deferral and variance account balances) in the response to FRPO Interrogatory #12 (EB-2017-0102, Exhibit I.C.EGDI.FRPO.12, pages 1 to 3).

The derivation of the 2017 Rate 1 and 6 unit rates referenced in part a) above was based on the Final 2017 Rates from EB-2016-0215 Rate Order and carried out in the same manner as explained in response to FRPO Interrogatory #12 in the 2016 ESM proceeding (as referenced above in part a) of this response).

There is a slight decrease in 2017 unit rates versus 2016 as the year-over-year change in costs was offset / counterbalanced by the year-over-year increase (growth) in the number of customers and associated volumes.

FRPO INTERROGATORY #1

INTERROGATORY

REF: Exhibit B / Tab 1 / Schedule 4/ p. 2-4

Preamble: We would like to understand better the breakdown of costs removed from the Consolidated Income Reconciliations.

In Schedule 4, in a number of locations, the line item appears as “Amounts related to St. Lawrence Gas, unregulated storage, oil and gas”. For each of the line items, please provide a breakdown and regrouping of the separate components of:

a) St. Lawrence Gas
b) Unregulated storage
c) Oil and gas

RESPONSE

The adjustments noted all relate to the elimination of non-utility activities that are not regulated by the OEB. Further disaggregation of the amounts is not pertinent to the determination of utility results or the earnings sharing amount.

FRPO INTERROGATORY #2

INTERROGATORY

REF: Exhibit B / Tab 1 / Schedule 4/ p. 2-4

Preamble: We would like to understand better the breakdown of costs removed from the Consolidated Income Reconciliations.

Please provide a description of the impact of the sale of St. Lawrence Gas on any other embedded capital or O&M allocations included in utility rates (i.e., did the sale of St. Lawrence Gas result in any changes to overhead allocations affecting O&M and /or ESM?

RESPONSE

In August 2017, the Company entered into an agreement to sell the issued and outstanding shares of St. Lawrence Gas (SLG). The sale however was not completed during 2017, and is currently expected to be completed in early 2019. During 2017, the agreement to sell SLG had a limited impact on Enbridge Gas Distribution Inc. (EGDI), which did not impact utility results. As a result of the agreement to sell, two changes occurred within EGDI's consolidated financial statements. First, within the consolidated balance sheet, SLG's assets and liabilities were segregated and identified as assets or liabilities held for sale. Second, from the time SLG's assets were identified as held for sale, EGDI stopped recognizing depreciation expense on SLG's assets within its consolidated financial results. These changes had no impact on EGDI's utility results. Similar to prior years, SLG amounts included within EGDI's consolidated statements were excluded from the determination of utility results. .

FRPO INTERROGATORY #3

INTERROGATORY

REF: Exhibit B / Tab 2 / Schedule 4/ p. 1, 3

Preamble: We would like to understand better the capital allocations in Table 1.

Are the underground storage plant numbers net of allocations to the non-utility storage operations?

a) If so, how much was allocated to the non-utility?
   i) Please provide a description of the projects and the principles used in determining the allocations.
   ii) For each pf the refurbishment of the degrading compressor foundations and pipeline integrity projects, please specify the utility and non-utility allocations and the reasoning behind those allocations.

RESPONSE

The underground storage plant numbers are net of allocations to the non-utility storage operations.

a) Costs associated with work performed on the assets that were installed as a regulated asset prior to the NGEIR decision are allocated 100% to the regulated storage operations. This is consistent with the cost allocation approach that has been used throughout the Custom IR term, and earlier.

   i. Description of Projects:

   Wells and Well Equipment:

   This program involved the installation of new injection/withdrawal wells to replace the abandoned wells that support regulated storage operations, installation of ESVs (Emergency Shut off valves) on the regulated wells and the installation of observation wells. 100% of the cost was allocated to regulated storage operations.

Field Line Program:

This program consisted of projects to install field lines which connect the new wells supporting regulated storage operations to the gathering system and modify the well loops to accommodate ESVs. 100% of the cost was allocated to regulated storage operations.

In-Line inspection retrofits of pipelines that support regulated storage operations (LWLK:NPS16P, LMKC:NPS20x16G, LBCK:NPS12P, LDOW:NPS24P) and laterals(LSKC): 100% of the cost was allocated to regulated storage operations.

In-Line inspection retrofits of pipelines that support unregulated storage operations (LDOW:NPS20P, LVEC:NPS16): 100% of the cost was allocated to unregulated storage operations.

Compressor Equipment Program:

Regulated utility projects included generator, boiler and MCC's (Motor Control Centre), secondary containment upgrades, compressor overhauls, foundation replacement, control and communications system upgrades. 100% of the cost was allocated to regulated storage operations.

Unregulated utility projects included PLC (Programmable Logic Controller) upgrades for Sombra K803. 100% of the cost was allocated to unregulated storage operations.

ii. With the exception of K803, the compressors and their foundations are assets that existed prior to the NGEIR decision and support regulated storage operations. The costs associated with work performed on these assets are allocated 100% to regulated storage operations. Regarding pipeline integrity projects, the costs associated with the pipelines that support regulated storage operations are allocated 100% to regulated storage operations, and the costs associated with the pipelines that were installed to support the unregulated business are allocated 100% to unregulated storage operations.

FRPO INTERROGATORY #4

INTERROGATORY

REF: Exhibit B / Tab 2 / Schedule 4/ p. 1, 3

Preamble: We would like to understand better the capital allocations in Table 1.

How was the capital for the GTA Reinforcement allocated?

RESPONSE

The total GTA Reinforcement project spend for 2017 is capitalized and contained within the GTA Reinforcement category as displayed in the above referenced table.

FRPO INTERROGATORY #5

INTERROGATORY

REF: Exhibit B / Tab 4 / Schedule 2

Preamble: We would like to understand better the accounting for severance costs

Were the severance costs expensed in the year they were accepted upon termination or are they spread over the period if monthly payments were made over an agreed to term?

RESPONSE

Severance costs include regular business terminations and workforce reductions. Severances are expensed in the year the severance occurs, which is determined by the date the letter of termination was issued. As a result, severance costs are not spread over multiple years unless the original severance cost was under / over-accrued.

FRPO INTERROGATORY #6

INTERROGATORY

REF: Exhibit C/ Tab 1/ Schedule 2

Preamble: We are interested in understanding better the recovery of Transportation costs that are upstream of Enbridge.

Are some of these costs allocated and recovered through the load balancing aspect of upstream transportation rates?

a) If so, please provide the percentage allocation percentages between transportation and load balancing.
   i) Please confirm that these costs will be recovered according to those allocations. If not, how are they recovered?
b) If not, why not?
   i) Please explain how TCPL STS works in conjunction with some of the Union Dawn-Parkway contracts.
   ii) Please specify the recovery approach for TCPL STS costs?
   iii) Please compare and contrast the respective recoveries of Union Dawn-Parkway costs and TCPL STS costs on the basis of cost causality.

RESPONSE

a) Given that the question references the 2017 Storage and Transportation Deferral Account (2017 S&TDA) the Company has assumed that this interrogatory is referring to contracted capacity for which forecast and actual costs are subject to S&TDA treatment.

   The 2017 component percentages reflecting how these costs were recovered in rates from customers are shown in the table below:

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In the proposed clearing of the 2017 S&TDA balance, the entire (i.e. 100%) balance is allocated based on space and deliverability (which matches how storage and load balancing related transportation costs were recovered in 2017 rates). However, the Company acknowledges that 2% of the account balance could be allocated based on bundled transportation deliveries (this part of the balance would therefore be recovered from Enbridge's transportation customers versus storage and load balancing related costs which are recovered from all bundled customers).

b) N/A.

FRPO INTERROGATORY #7

INTERROGATORY

REF: Exhibit C/ Tab 1/ Schedule 2

Preamble: We are interested in understanding better the management of storage and transportation optimization activities.

If a third-party marketer were trying to access Enbridge transportation capability for an exchange or other optimization service, who would they contact? Enbridge Gas Distribution, Enbridge Inc., Union Gas other

a) How does Enbridge ensure that potential conflicts of interests in providing transportation optimization services?
b) How does Enbridge ensure that there is separation from Union in the bidding of these services?

RESPONSE

If a third party marketer is interested in entering into an optimization transaction (that is a transportation optimization transaction or a storage optimization transaction) that utilizes Enbridge assets, that individual would contact Enbridge personnel within the gas procurement group. In assessing the transaction, Enbridge would ensure that the proposed optimization transaction meets the requirements for Transactional Services: the transaction was unplanned, the assets are temporarily surplus to Enbridge's needs and the transaction involves a third party.

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Openlink system at this time or to Enbridge nominations. Likewise, Enbridge does not have access to Union nominations. Further, Enbridge's gas procurement personnel do not communitcate with Union gas personnel when evaluating and entering into optimization transactions.

FRPO INTERROGATORY #8

INTERROGATORY

REF: Exhibit C/ Tab 1/ Schedule 2

Preamble: We are interested in understanding better the management of storage and transportation optimization activities.

If a third-party marketer were trying to access Enbridge storage capability for a short-term storage service (e.g., park and loan, etc.), who would they contact? Enbridge Gas Distribution, Enbridge Inc., Union Gas, other?

a) How does Enbridge ensure that potential conflicts of interests in providing storage optimization services?
b) How does Enbridge ensure that there is separation from Union in the bidding of these services?

RESPONSE

Please see the response to FRPO Interrogatory #7 at Exhibit I.C.EGDI.FRPO.7. Enbridge follows the same described processes for storage optimization activities and transportation optimization activities.

FRPO INTERROGATORY #9

INTERROGATORY

REF: Exhibit C / Tab 1 / Schedule 4/ Appendix, Table 1

And EB-2017-0102 / Exhibit C / Tab 1 / Schedule 5/ Appendix, Table 1

Preamble: We would like to understand the derivation and application of unit rates in the calculation of the AUTUVA.

For each of 2016 and 2017, please provide:

a) The unit rates for Rate 1 and Rate 6 to three significant figures
b) Please provide EGD's explanation for the drivers that contribute to the year over year change in these unit rates.

RESPONSE

a) Please see the table below for the unit rates (expanded to three significant figures) that are used in the calculations of the AUTUVA for 2016 and 2017.

Unit Rate ($/m^3)	2016	2017
Rate 1	0.062	0.061
Rate 6	0.040	0.037

b) The Company provided a comprehensive / detailed explanation of the derivation and the application of the unit rates used in the calculation of the AUTUVA balance in last year's proceeding (i.e. clearance of 2016 deferral and variance account balances) in the response to FRPO Interrogatory #12 (EB-2017-0102, Exhibit I.C.EGDI.FRPO.12, pages 1 to 3).

The derivation of the 2017 Rate 1 and 6 unit rates referenced in part a) above was based on the Final 2017 Rates from EB-2016-0215 Rate Order and carried out in the same manner as explained in response to FRPO Interrogatory #12 in the 2016 ESM proceeding (as referenced above in part a) of this response).

There is a slight decrease in 2017 unit rates versus 2016 as the year-over-year change in costs was offset / counterbalanced by the year-over-year increase (growth) in the number of customers and associated volumes.

VECC INTERROGATORY #1

INTERROGATORY

Reference: Exhibit B/Tab 1/Schedule 4/pg.2

a) Please explain the nature of "ABC" revenue and "ABC Administration" (Schedule 4). Specifically who or what is "ABC"?

RESPONSE

a) Enbridge's Agent Billing Collections (ABC) is a non-utility service, also known in the industry as Distributor Consolidated Billing (DCB), that allows third party agent/broker/marketer (ABM) who contracts with customers on an agreed upon gas supply and transportation rate to charge the agreed commodity and/or transport rate on a single Enbridge bill. Enbridge collects the payment from its customers to be remitted to the ABM. A monthly ABC administrative fee per account is retained for the service by Enbridge. The ABC service also has associated costs for Enbridge to administer the program.

The DCB service is a requirement per 6.1 of the Gas Distribution Access Rule (GDAR).

The Enbridge ABC service has been available since 1999.

In the E.B.O. 179-14, E.B.O. 179-15 Decision at paragraph 3.5.1 ("Retention of ABC-T Service Program"), where the Board made the following determination:

> The Board confirmed the status of the ABC-T service as an ancillary program in E.B.R.O. 495, and accepts that it is a "business activity" within the meaning of the 1998 Undertakings. Under fully allocated costing, costs of the program will not be borne by ratepayers. The Board is prepared to accept the retention of the ABC-T Service Program, noting that the Company may decide in the future that the program is no longer economic, and would then be at liberty to cease to operate it. However, for consistency with the Board's findings in relation to the rental program and for regulatory efficiency, the ABC-T Service Program is accepted as non-utility rather than ancillary. Therefore, the Board's review in future will be limited to the costs removed and would not include matters of pricing or profitability.

VECC INTERROGATORY #2

INTERROGATORY

Reference: Exhibit B/Tab 2/Schedule 1/page 1; Exhibit B/Tab 4/Schedule 2/pg.1

a) Customer Security deposits were significantly lower than Board approved ($47.2M vs $64.6M) as was interest on security deposits ($0.6m vs.$2.6m) Please explain the reasons for this and in light of the higher than forecast customer additions.

RESPONSE

a) In recent years, Enbridge's security deposit practice has evolved. As part of automating as many new customer moves as possible, Enbridge has simplified its process and is no longer requesting a security deposit in all cases.

VECC INTERROGATORY #3

INTERROGATORY

Reference: Exhibit B/Tab 2/Schedule 4/pg. 3

a) At this reference it states: "*The 2017 spend on reinforcements was lower due to project deferrals associated with growth*." Please explain what this means. Specifically, how does "growth" affect reinforcement projects?

RESPONSE

a) Reinforcement projects involve the installation or modification of existing gas distribution assets to maintain minimum required system pressures, maintain distribution capacity and meet customer's natural gas demands. They are primarily driven by customer growth and system reliability considerations. Through the planning process, individual projects are identified based on forecasted growth projections in specific geographic areas. If this geographic growth does not transpire as forecasted, the project is deferred until there is certainty in the actual growth projections.

VECC INTERROGATORY #4

INTERROGATORY

Reference: Exhibit B/Tab 3/Schedule 5/page 1

a) What are the main causes for the variance as between the Board approved $1.6M) and the actual ($0.3M) “Miscellaneous and Other Income” amounts?

RESPONSE

The primary cause of the variance or underage of $1.3 million, between the actual and Board approved Miscellaneous and Other Income amounts, is as a result of reflecting the Board’s EB-2012-0459 Decision adjustment to 2017 Other Revenues, an increase of $1.5 million, as part of the Board approved Miscellaneous and Other Income amount. The Board’s Decision adjustment, increasing the total as filed Other Revenue amount of $41.3 million, by $1.5 million, to the approved amount of $42.8 million, was not allocated to any specific line item/source, and was therefore presented as an adjustment included as part of Miscellaneous and Other Income.

VECC INTERROGATORY #5

INTERROGATORY

Reference: Exhibit C/Tab 1/Schedule 6

a) What are/were the capital investments related to LICSR which generate the revenue requirement adjustments described in the GDARIDA deferral account evidence at schedule 6?

RESPONSE

a) The capital investments were made in the Customer Information System and enabled new process rules specific to low income customers. These new process rules allow agents to enroll and track these customers as well as specific rules/policies around security deposits, late payment penalties and disconnections.

VECC INTERROGATORY #6

INTERROGATORY

Reference: Exhibit C/Tab 2/Schedule 1/pg.3

Pre-amble: EGD states that it proposes to clear the balance in the CDNSADA in the manner described in "*Table 6 attached to APPrO Interrogatory #2 (EB-2016-0086, Exhibit I.D2.EGDI.APPrO.2)*."

a) Please provide this referenced interrogatory response.

RESPONSE

Exhibit C, Tab 2, Schedule 1, page 3 paragraph 11 should have read as follows:

> "…*in the manner described in the 2018 rate adjustment proceeding. This was described in Table 6 attached to APPrO Interrogatory #2 (EB-2017-0086, Exhibit I.D2.EGDI.APPrO.2). This response laid out the*…"

The referenced interrogatory response is attached to this response.

APPrO INTERROGATORY #2

INTERROGATORY

Reference: i) Exhibit D2 Tab 2 Schedule 1 Discontinuance of Site Restoration Cost Rider (Rider D) in 2018

Preamble: Enbridge proposes to discontinue the Rate Rider D credit to customers one year ahead of the original approved schedule, as the total amount of the refund is now expected to be exhausted by the end of 2017. APPrO would like information to demonstrate how these funds were originally intended to be distributed and information to compare how the actual funds were actually distributed by rate class.

a) For each year from 2014 to 2018 please complete the following table to compare the projected forecast and actual SRC credit amounts and volumes by rate class. Please ensure you provide complete information for each rate class, including Rate 125 for each year:

	Year (provide a separate table for each year 2014 to 2018)						
		Rate Class (include all applicable rate classes)					TOTAL
1	Forecast Volume[1] (m^3)						
2	Forecast Rate Rider D[1] ($/m3)						
3	Forecast Credit ($)						
4	Actual Volume [2 3]						
5	Actual Rate Rider D[3] ($/m3)						
6	Actual Credit ($)						
7	Volume Variance (Actual-Forecast) (m3)						
8	Credit Variance (Actual-Forecast) ($)						

Table 1 Forecast and Actual SRC Credit by Year

Witnesses: R. Cheung
A. Kacicnik

Notes
1. Provide forecast volume and Rate Rider amounts by rate class based on the original EB-2012-0459 filing. If a volume for any specific year was not forecast during this proceeding, then provide the annual volume and/or Rate Rider forecast at the time of the specific year's rate filing. For 2018, assume that the Actual Rate Rider is zero as proposed. If the Rate Rider was not forecast for any specific year, then calculate the Rate Rider based on the EB-2012-0459 forecasted credit amount and the forecast volume.
2. For 2017, please provide projected annual volume to year end.
3. Assume that Actual Volumes are the same as the Forecast Volume for 2018.

b) Please summarize the information provided in Table 1 in a) above illustrating the variances from forecast by rate class by year.

Credit Variance (Actual-Forecast) ($) From Table 1						
	Rate Class (include all applicable rate classes)					TOTAL
2014						
2015						
2016						
2017						
2018						
Sum 2014-2018						

Table 2 SRC Variance by Rate Class

c) Please summarize the volume variances from Table 1 in a) above by rate classes in the table below.

Volume Variance (Actual-Forecast) ($) From Table 1						
	Rate Class (include all applicable rate classes)					TOTAL
2014						
2015						
2016						
2017						
2018						
Sum 2014-2018						

Table 3 Volume Variances Among Rate Classes

d) Assuming that the Board required Enbridge to true-up the credits by rate class to match the forecasted amounts, please provide alternative reasonable methodologies to make such true-ups, and specify any resulting adjustments.

Witnesses: R. Cheung
A. Kacicnik

e) When did Enbridge first notice that SRC payments were exceeding forecast and describe any resulting actions taken.

RESPONSE

a) Tables 1 to 5 provide the forecast and actual Rider D SRC credit for the years from 2014 to 2018.

Witnesses: R. Cheung
A. Kacicnik

TABLE 1: 2014 (OCT - DEC) SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO		Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300	Col. 13 Rate 300 Int	Col. 14 Total
1.	Forecast Volumes (10^3m^3)	1,083,679	1,089,720	158	0	153,852	116,102	-	20,235	42,807	117,216	41,033	-	6,919	2,671,720
2.	Contract Demand Volumes Forecast (10^3m^3)	-	-	-	-	-	-	29,806	-	-	-	-	47	-	29,853
3.	Board-Approved Rates Rider D ($/$m^3$)	0.065211	0.021419	0.007776	0.021419	0.006149	0.003543	0.032527	0.000390	0.004411	0.001383	0.002829	0.137590	0.004500	
4.	Approved Credit ($ '000)	$ 70,667	$ 23,341	$ 1	$ 0	$ 946	$ 411	$ 969	$ 8	$ 189	$ 162	$ 116	$ 6	$ 31	$ 96,849
5.	Actual Volumes (10^3m^3)	1,511,561	1,521,408	126	868	145,872	138,965	-	21,694	28,686	115,083	52,437	-	10,106	3,546,807
6.	Contract Demand Volumes Actual (10^3m^3)							29,806					47		29,853
7.	Actual Credit ($ '000)	$ 98,729	$ 32,650	$ 1	$ 19	$ 891	$ 480	$ 969	$ 8	$ 127	$ 159	$ 149	$ 6	$ 45	$ 134,233
8.	**Volumetric Variance (10^3m^3)**	**427,882**	**431,689**	**(32)**	**868**	**(7,980)**	**22,864**	**0**	**1,459**	**(14,121)**	**(2,133)**	**11,404**	**0**	**3,187**	**875,087**
9.	**Credit Variance ($ '000)**	**$ 28,061**	**$ 9,309**	**$ (0)**	**$ 19**	**$ (55)**	**$ 68**	**$ 0**	**$ 1**	**$ (62)**	**$ (3)**	**$ 32**	**$ 0**	**$ 14**	**$ 37,384**

Witnesses: R. Cheung
A. Kacicnik

TABLE 2: 2015 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
ITEM NO		Rate 1	Rate 6	Rate 9	Rate 100	Rate 110	Rate 115	Rate 125	Rate 135	Rate 145	Rate 170	Rate 200	Rate 300	Rate 300 Int	Total
1.	Forecast Volumes (10^3m^3)	4,673,421	4,662,431	510	0	477,711	504,807	-	56,056	133,192	471,137	169,087	-	30,000	11,178,352
2.	Contract Demand Volumes Forecast (10^3m^3)	-	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
3.	Board-Approved Rates Rider D ($/$m^3$)	0.014058	0.004754	0.002023	0.004754	0.001434	0.000815	0.007986	0.000138	0.001067	0.000336	0.000822	0.031701	0.000919	
4.	Approved Credit ($ '000)	$ 65,699	$ 22,164	$ 1	$ 0	$ 685	$ 411	$ 952	$ 8	$ 142	$ 158	$ 139	$ 6	$ 28	$ 90,392
5.	Actual Volumes (10^3m^3)	4,921,588	4,919,216	304	3,472	680,665	512,632	-	68,473	74,668	395,971	176,403	-	26,780	11,780,173
6.	Contract Demand Volumes Actual (10^3m^3)	-	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
7.	Actual Credit ($ '000)	$ 69,131	$ 23,553	$ 1	$ 17	$ 978	$ 416	$ 952	$ 9	$ 78	$ 134	$ 145	$ 6	$ 25	$ 95,444
8.	**Volumetric Variance (10^3m^3)**	**248,167**	**256,785**	**(206)**	**3,472**	**202,953**	**7,825**	**0**	**12,417**	**(58,524)**	**(75,165)**	**7,316**	**0**	**(3,220)**	**601,821**
9.	**Credit Variance ($ '000)**	**$ 3,432**	**$ 1,389**	**$ (0)**	**$ 17**	**$ 293**	**$ 5**	**$ (0)**	**$ 2**	**$ (64)**	**$ (24)**	**$ 6**	**$ (0)**	**$ (3)**	**$ 5,052**

Witnesses: R. Cheung
A. Kacicnik

TABLE 3: 2016 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO		Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300	Col. 13 Rate 300 Int	Col. 14 Total
1.	Forecast Volumes (10^3m^3)	4,870,006	4,796,209	510	0	703,348	517,078	-	59,278	88,566	325,657	170,837	-	34,992	11,566,480
2.	Contract Demand Volumes Forecast (10^3m^3)	-	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
3.	Board-Approved Rates Rider D ($/m^3$)	0.012315	0.004373	0.001838	0.004373	0.001396	0.001078	0.009120	0.000126	0.000829	0.000280	0.000914	0.030640	0.000788	
4.	Approved Credit ($ '000)	$ 59,974	$ 20,973	$ 1	$ 0	$ 982	$ 557	$ 1,087	$ 7	$ 73	$ 91	$ 156	$ 6	$ 28	$ 83,936
5.	Actual Volumes (10^3m^3)	4,621,553	4,601,819	177	3,375	825,884	495,797	-	63,821	48,321	306,694	169,647	-	21,095	11,158,184
6.	Contract Demand Volumes Actual (10^3m^3)	-	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
7.	Actual Credit ($ '000)	$ 56,963	$ 20,088	$ 0	$ 15	$ 1,160	$ 528	$ 1,087	$ 8	$ 40	$ 85	$ 155	$ 6	$ 17	$ 80,154
8.	**Volumetric Variance (10^3m^3)**	**(248,453)**	**(194,390)**	**(333)**	**3,375**	**122,536**	**(21,280)**	**0**	**4,543**	**(40,245)**	**(18,962)**	**(1,190)**	**0**	**(13,897)**	**(408,296)**
9.	**Credit Variance ($ '000)**	**$ (3,011)**	**$ (885)**	**$ (1)**	**$ 15**	**$ 178**	**$ (29)**	**$ (0)**	**$ 1**	**$ (33)**	**$ (6)**	**$ (1)**	**$ 0**	**$ (11)**	**$ (3,782)**

Witnesses: R. Cheung
A. Kacicnik

TABLE 4: 2017 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO		Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300	Col. 13 Rate 300 Int	Col. 14 Total
1.	Forecast Volumes (10^3m^3)	4,911,478	4,862,269	263	0	861,435	490,292	-	60,899	63,318	296,313	170,843	-	34,992	11,752,101
2.	Contract Demand Volumes Forecast (10^3m^3)	-	-	-	-	-	-	119,224	-	-	-	-	187	-	119,411
3.	Board-Approved Rates Rider D ($/m^3$)	0.011277	0.003975	0.002837	0.003975	0.001185	0.000974	0.008086	0.000114	0.000958	0.000207	0.000829	0.027992	0.000718	
4.	Approved Credit ($ '000)	$ 55,388	$ 19,327	$ 1	$ 0	$ 1,021	$ 478	$ 964	$ 7	$ 61	$ 61	$ 142	$ 5	$ 25	$ 77,479
5.	Actual Volumes[1] (10^3m^3)	4,701,161	4,641,345	123	479	813,322	495,710	-	63,525	53,373	302,174	165,693	-	0	11,236,905
6.	Contract Demand Volumes Actual (10^3m^3)	-	-	-	-	-	-	113,149	-	-	-	-	187	-	113,336
7.	Actual Credit[1] ($ '000)	$ 52,975	$ 18,453	$ 0	$ 2	$ 965	$ 483	$ 915	$ 7	$ 32	$ 63	$ 137	$ 5	$ -	$ 74,037
8.	**Volumetric Variance (10^3m^3)**	**(210,317)**	**(220,924)**	**(140)**	**479**	**(48,113)**	**5,418**	**(6,075)**	**2,626**	**(9,945)**	**5,861**	**(5,150)**	**0**	**(34,992)**	**(521,271)**
9.	**Credit Variance ($ '000)**	**$ (2,413)**	**$ (874)**	**$ (0)**	**$ 2**	**$ (56)**	**$ 5**	**$ (49)**	**$ 0**	**$ (29)**	**$ 1**	**$ (4)**	**$ (0)**	**$ (25)**	**$ (3,442)**

Notes
1 2017 annual volumes and credits are based on 8 months of actuals and 4 months of forecasts

Witnesses: R. Cheung
A. Kacicnik

TABLE 5: 2018 SITE RESTORATION COST RIDER - ACTUAL VS FORECAST

ITEM NO		Col. 1 Rate 1	Col. 2 Rate 6	Col. 3 Rate 9	Col. 4 Rate 100	Col. 5 Rate 110	Col. 6 Rate 115	Col. 7 Rate 125	Col. 8 Rate 135	Col. 9 Rate 145	Col. 10 Rate 170	Col. 11 Rate 200	Col. 12 Rate 300	Col. 13 Rate 300 Int	Col. 14 Total
1.	Forecast Volumes (10^3m^3)	4,760,547	4,829,793	0	0	789,036	542,831	-	64,501	50,136	291,152	169,764	-	0	11,497,761
2.	Contract Demand Volumes Forecast (10^3m^3)	-	-	-	-	-	-	111,124	-	-	-	-	187	-	111,311
3.	Board-Approved Rates Rider D ($/m^3)	0.004677	0.001634	0.000000	0.000000	0.000464	0.000278	0.003312	0.000044	0.000376	0.000074	0.000336	0.011486	0.000000	
4.	Approved Credit ($ '000)	$ 22,266	$ 7,890	$ -	$ 0	$ 366	$ 151	$ 368	$ 3	$ 19	$ 22	$ 57	$ 2	$ -	$ 31,144
5.	Actual Volumes[1] (10^3m^3)	4,760,547	4,829,793	0	0	789,036	542,831	-	64,501	50,136	291,152	169,764	-	0	11,497,761
6.	Contract Demand Volumes Actual (10^3m^3)	-	-	-	-	-	-	111,124	-	-	-	-	187	-	111,311
7.	Actual Credit[1] ($ '000)	$ 22,266	$ 7,890	$ -	$ 0	$ 366	$ 151	$ 368	$ 3	$ 19	$ 22	$ 57	$ 2	$ -	$ 31,144
8.	**Volumetric Variance (10^3m^3)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
9.	**Credit Variance ($ '000)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Notes
1 2018 annual volumes and credits are matching with the forecasts.

Witnesses: R. Cheung
A. Kacicnik

b) Table 6 on the following page summarizes the annual $millions variance of the SRC credit by rate classes for the years from 2014 to 2017 and the 2018 forecast of $31.1 million.

As noted in paragraph 8 of Exhibit D2, Tab 2, Schedule 1, it is expected that around $383.9 million will be credited to ratepayer by the end of 2017.

The total amount of $35.2 million listed in Row 5 of Table 6 shows the expected recoverable amount if Rider D continues in 2018. The total amount of $4.1 million listed in Row 7 in the same table shows the expected recoverable amount if Rider D is discontinued in 2018.

Witnesses: R. Cheung
A. Kacicnik

TABLE 6: SITE RESTORATION COST VARIANCE BY RATE CLASS - 2014 TO 2018

('$ 000)		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
ITEM NO	Year	Rate 1	Rate 6	Rate 9	Rate 100	Rate 110	Rate 115	Rate 125	Rate 135	Rate 145	Rate 170	Rate 200	Rate 300	Rate 300 Int	Total
1.	2014 (Oct - Dec)	$ 28,061	$ 9,309	$ (0)	$ 19	$ (55)	$ 68	$ 0	$ 1	$ (62)	$ (3)	$ 32	$ 0	$ 14	$ 37,384
2.	2015	$ 3,432	$ 1,389	$ (0)	$ 17	$ 293	$ 5	$ (0)	$ 2	$ (64)	$ (24)	$ 6	$ (0)	$ (3)	$ 5,052
3.	2016	$ (3,011)	$ (885)	$ (1)	$ 15	$ 178	$ (29)	$ (0)	$ 1	$ (33)	$ (6)	$ (1)	$ 0	$ (11)	$ (3,782)
4.	2017	$ (2,413)	$ (874)	$ (0)	$ 2	$ (56)	$ 5	$ (49)	$ 0	$ (29)	$ 1	$ (4)	$ (0)	$ (25)	$ (3,442)
5.	**2014 to 2017 Rider D Variance**	**$ 26,069**	**$ 8,939**	**$ (2)**	**$ 52**	**$ 360**	**$ 50**	**$ (49)**	**$ 4**	**$ (188)**	**$ (31)**	**$ 33**	**$ (0)**	**$ (25)**	**$ 35,212**
6.	2018 Forecast	$ 22,266	$ 7,890	$ -	$ 0	$ 366	$ 151	$ 368	$ 3	$ 19	$ 22	$ 57	$ 2	$ -	$ 31,144
7.	**Net Variance (row 5 -6)**	**$ 3,803**	**$ 1,049**	**$ (2)**	**$ 52**	**$ (6)**	**$ (101)**	**$ (417)**	**$ 1**	**$ (207)**	**$ (53)**	**$ (24)**	**$ (2)**	**$ (25)**	**$ 4,069**

Actual Credits by Year	
2014	$ 134,233
2015	$ 95,444
2016	$ 80,154
2017	$ 74,037
2018	$ 31,144
2014 to 2018 Total	**$ 415,012**
Total Forecast	**$ 379,800**
Total Over-refunded	**$ 35,212**

Witnesses: R. Cheung
A. Kacicnik

c) Table 7 on the following page summarizes the volumetric variance by rate classes from the years from 2014 to 2017.

Witnesses: R. Cheung
A. Kacicnik

TABLE 7: VOLUMES VARIANCE BY RATE CLASS - 2014 TO 2018

10^3m^3		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14
ITEM NO	Year	Rate 1	Rate 6	Rate 9	Rate 100	Rate 110	Rate 115	Rate 125[1]	Rate 135	Rate 145	Rate 170	Rate 200	Rate 300[1]	Rate 300 Int	Total
1.	2014 (Oct - Dec)	427,882	431,689	(32)	868	(7,980)	22,864	0	1,459	(14,121)	(2,133)	11,404	0	3,187	875,087
2.	2015	248,167	256,785	(206)	3,472	202,953	7,825	0	12,417	(58,524)	(75,165)	7,316	0	(3,220)	601,821
3.	2016	(248,453)	(194,390)	(333)	3,375	122,536	(21,280)	0	4,543	(40,245)	(18,962)	(1,190)	0	(13,897)	(408,296)
4.	2017	(210,317)	(220,924)	(140)	479	(48,113)	5,418	(6,075)	2,626	(9,945)	5,861	(5,150)	0	(34,992)	(521,271)
5.	**Total Volumetric Variance**	**217,280**	**273,160**	**(710)**	**8,195**	**269,397**	**14,826**	**(6,075)**	**21,045**	**(122,835)**	**(90,399)**	**12,381**	**0**	**(48,923)**	**547,341**
6.	2018 Forecast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7.	**Total Volumetric Variance**	**217,280**	**273,160**	**(710)**	**8,195**	**269,397**	**14,826**	**(6,075)**	**21,045**	**(122,835)**	**(90,399)**	**12,381**	**0**	**(48,923)**	**547,341**

Notes
1 Contract Demand Volumes for Rates 125 and 300

Witnesses: R. Cheung
A. Kacicnik

d) Once the total amounts cleared and final variances are known through the completion of Fiscal 2017, EGD will bring forward a proposal to clear the final balance in the Constant Dollar Net Salvage Adjustment Deferral Account, currently estimated as $4.1M.

e) EGD became aware at the end of 2014 that SRC Rider D actual refund exceeded forecast. Given the five year approval of Rider D and the Constant Dollar Net Salvage Adjustment Deferral Account true up method, EGD considered it appropriate to continue monitoring over or under clearances for at least the first few years before it might consider an attempted corrective proposal such as that being proposed at this time.

Witnesses: R. Cheung
A. Kacicnik

VECC INTERROGATORY #7

INTERROGATORY

Reference: Exhibit D/Tab2/Schedule 1/pg.8

a) Please explain who are the members of the "Locate Alliance Consortium" (LAC) and what its function is.

RESPONSE

The Locate Alliance Consortium (LAC) is a group of infrastructure owners committed to providing high quality locate services through a consortium approach that focuses on safety and protecting infrastructure while doing so cost effectively.

LAC members include municipalities, utilities and private facility owners with buried underground infrastructure. Among its members are Enbridge Gas Distribution, Union Gas, Bell Canada, City of Greater Sudbury, Town of Ajax, City of Toronto Water, Town of Whitby, Town of Whitchurch Stouffville, Hydro One Networks Inc., Alectra, Toronto Hydro & Energy Services, and Oshawa PUC.

LAC's goals are to facilitate the multi-utility locate concept for its members that actively promote the One Call – One Locate strategy. The consortium provides a preferred single locate service provider for each LAC geographic area in Ontario and maintains high quality and cost effective delivery of locates for its members.

VECC INTERROGATORY #8

INTERROGATORY

Reference: Exhibit D/Tab 2/Schedule 1/pgs. 12-

a) For the period 2012 through 2017 please provide the number of customers using e-billing.
b) What is the typical annual saving when a customer changes from paper to e-billing?

RESPONSE

a) Year-end customers enrolled in eBill are set out below.

2012	203,000
2013	300,000
2014	385,000
2015	480,000
2016	590,000
2017	695,000

b) Savings from utilizing the eBill option are predominantly attributable to postage. For 2017 the weighted average postage rate per bill was approximately $0.76. Bill production including envelope, paper, printing, impressions and insertion is approximately $0.14 per bill. This equates to total savings of approximately $0.90 per bill or $10.80 annually. This is partially offset by continued investments in eBill delivery systems and infrastructure.