MARKET DYNAMICS

REF: Exhibit A, Tab 5, Attachment 1, 2019 ICF Report, Page 32 and 30

Preamble: EGI's consultant ICF states on page 32: "Since 2015, TC Energy Mainline annual average volumes remained between 2.6 PJ/d and 3.4PJ/d.

ICF states on pages 30: "*In 2018, Ontario received about half of its gas from western Canada via traditional TC Energy pipeline flows and the Dawn LTFP service and about half of its gas from the U.S. via Michigan and Niagara.*[8] *Gas flows from western Canada were supported by the introduction of the Dawn LTFP service and Dawn LTFP flows will remain roughly flat until that service expires. Gas flow into Ontario will also be bolstered by the North Bay Junction (NBJ) LTFP service beginning in late 2019. Gas imports from the U.S. through Michigan and Niagara into Ontario have increased since 2016 (see_bookmark14 Figure 19) and are projected to continue to grow throughout the 2020s until the expiration of TC Energy's LTFP services. After those services expire, and assuming the LTFP services are not re-contracted, flows from Michigan will increase dramatically although it should be noted that flow from Michigan includes gas sourced in the WCSB.*

According to ICF's estimates, the WCSB share of Ontario's supply sources transported on the TC Energy Mainline and on Great Lakes Gas Transmission (GLGT) has increased from 34 percent in 2015 to about 50 percent in 2018. It is expected to remain between one third and one half of Ontario's supply until the conclusion of the Dawn LTFP service."

Further ICF states in Footnote 8: "*ICF's analysis of TC Energy pipeline nominations concluded that supplies from the Dawn LTFP Service were sourced in the U.S. and western Canada. TC Energy has been meeting its delivery commitments via receipts on GLGT in the U.S. and via receipts from the TC Energy Mainline.*"

We would like to understand better the statement that "supplies from the Dawn LTFP service were sourced in the U.S. and western Canada" and the data upon which ICF relies to support that statement.

1) Please explain this statement providing the specific source locations of the U.S. and TC Energy receipts.
   a) Please provide the pipeline nomination data that underpins this conclusion. Please provide the data in an Excel Spreadsheet file.
   b) Can Dawn LTFP service be used to transport gas sourced in the U.S. or is the use of that service confined to the carriage of WCSB gas?

2) Please provide the daily, weekly or monthly data that ICF relied upon related to flows into Ontario from the WCSB from 2015 to year end 2019 to support the split in flows between the traditionally northern route and the southern route on Great Lakes Gas Transmission ("GLGT"). Please provide in the data in an Excel Spreadsheet file.

3) Please confirm that TCPL as issued an open season for additional Dawn LTFP services.
   a) Please provide the details of the open season.
   b) Given the April 3rd deadline has passed, did EGI bid for any of the available Dawn LFPT 2 service?
      i) Please provide the analysis that underpinned that decision.
   c) Specifically, in the analysis of the benefit of the service, did EGI consider the potential value of deliveries that could be channeled through Parkway?
      i) If yes, did EGI approach TCPL about the possibility?
      ii) If not, then why not?

REF: Exhibit A, Tab 5, Attachment 1, 2019 ICF Report, Page 31

Preamble: EGI's consultant ICF states: "*Incremental pipeline capacity within Ontario from Dawn through Maple and potentially downstream of Maple will be required to fully utilize the expected increase in gas supply from this region.*" [Marcellus/Utica]

We would like to understand better the facts upon which ICF relies to support this statement.

4) Please provide the numeric data upon which ICF relies to quantify the capability of the TCPL system to take away gas from the Dawn Area. If the statement related to incremental capacity requirements is based on any assumptions, then please articulate those assumptions.

REF: Exhibit A, Tab 5, Attachment 1, 2019 ICF Report, Page 31-32

Preamble: EGI's consultant ICF states: "*In the past, eastern Canada experienced supply access issues leading to short term price spikes above $10/MMBtu during peak winter periods. In 2013-2014, extreme winter weather conditions caused natural gas supply access issues, particularly in the U.S. Northeast, which led to historic highs in natural gas prices. In New England, natural gas prices exceeded US$100/MMBtu on a small number of days while prices at Dawn were above US$41/MMBtu for three days.*[9] *The price spread from Dawn to Eastern Ontario reached record highs. The magnitude and frequency of these price spikes have been decreasing over time at Dawn but not at other trading points in New York and New England, like Algonquin City-gates, however. These price events highlight the need for additional pipeline capacity into and through Ontario to ease the price spreads between Dawn and other hubs in the region.*"

This evidence suggests that short term price spikes occurring several years ago, as a consequence of unusual and infrequent weather events, is a factor that justifies the construction of a new pipeline to address alleged increases in demand occurring in 2020/2021 and beyond.

5) Please provide the specific dates where the price at Dawn were above $41 US/MMBtu.
   a) Please confirm that Iroquois is the point in Eastern Ontario where the natural gas daily price is reported.
   b) Please provide the prices for Iroquois on those the specific dates provided on the same basis as the Dawn prices.

6) What market mechanisms are available to mitigate short term price spikes attributable to unusual and infrequently occurring weather events?

REF: Exhibit A, Tab 5, Attachment 1, 2019 ICF Report, Page 35

Preamble: EGI's consultant ICF states: "*ICF considers the potential for capacity turn-back on the Dawn Parkway System by Ontario and Québec LDCs to be low*." This evidence refers to an amount of capacity to be turned back as of March 31, 2021.

7) Please identify the shipper(s) that turned back the capacity as of Mar. 31/21.
   a) Please advise where that shipper(s) is located (e.g. Ontario, Quebec, U.S. Northeast etc,) and whether that shipper is a LDC, marketer, end-use customer, etc.

8) Of what significance is the characterization of the "risk" of future turnback from a particular type of shipper as "low" or "high" in the evaluation of an application for leave to construct a new pipeline?

9) Do all Dawn Trafalgar transmission shippers have a "right" to "turnback" capacity held under the auspices of a long term contract before the contract expiry date; or is such "turnback" only available if the carrier initiates a reverse open season?

NEED FOR FACILITIES

REF: Exhibit A, Tab 6, Page 2, lines 3-9

Preamble: EGI evidence states: "*As set out in its 2019 ICF Report, ICF's analysis indicates that the proposed Project responds to market needs and should be expected to be heavily utilized with very limited de-contracting risk. Enbridge Gas supports the conclusions of ICF in this regard and has determined that the proposed Project is the most prudent and effective means of serving the incremental demand*."

We would like to understand the scope of ICF 's retainer.

10) Please provide the ICF retention agreement.

11) Please confirm that ICF was not asked to consider market-based non facility alternatives to the proposed build. Confirm that it was EGI and not ICF that identified and evaluated those alternatives such as the Dawn LTFP "Exchange" described by EGI in its testimony.

REF: Exhibit A, Tab 6, Page 6, Binding Contracts for Ex-franchise Capacity

Preamble: EGI evidence states: "*These contracts include conditions precedent for the benefit of shippers that must be waived by November 30, 2019. These conditions precedent include execution of transportation contracts and/or precedent agreements with third party transportation providers to move gas upstream and/or downstream of the Dawn Parkway System to relevant franchise/market areas and receipt of applicable regulatory approvals to enter into contracts with Enbridge Gas and third-party transportation providers*".

We would like to understand better the level of certainty of these contracts for Nov.1/22.

12) Please provide an update on whether the ex- franchise shippers identified in this testimony have either satisfied or waived their conditions precedent so that these precedent agreements are now binding contracts pending Ontario Energy Board approval of the proposed Dawn-Parkway Project

REF: Exhibit A, Tab 6, Page 9, Table 6-3, CDA Design Day Supply/Demand Balance and page 10, Table 6-4, EDA Design Day Supply/Demand Balance

We would like to understand better the forecasted demand increases and sources of supply that contribute to an effective annual balance.

13) For clarity, please confirm the gas year each year in the referenced tables e.g., is 2020 the winter of 2019/2020 or 2020/2021?

14) Please confirm that the 79 TJ/day is in fact 75% of the actual total of interruptible contracts.
    a) If not confirmed, please provide the percentage the figures in Table 6-3 and 6-4 represent.
    b) If the 79 TJ/day (and 30 TJ/day in Table 6-4) do not represent 100% of the interruptible contracts, please provide the following:
        i) The specific commitments provided in the System Reliability proceeding EB-2010-0231 relative to improving compliance of interruptible customers.
        ii) Please provide the percentage compliance of interruptible customers over the years since those commitments.
        iii) Please provide the tracking that was done of the efficacy of these steps since that time.

iv) Please provide any additional steps undertaken by EGD/EGI to improve compliance.

15) Please confirm that CDA demand growth is actually 12-13 TJ/d per year.
   a) For the total growth in demand for the 5 years in the table, please provide an allocation of the forecasted demand to the expected delivery area (e.g., EGD CDA, Union ECDA, directly from the Dawn-Parkway system without TCPL delivery, etc.)
   b) All other supply factors being held constant (e.g., 40 TJ/day third party services), does 125 TJ/day cover 10 years of growth in the projected demand forecast?
   c) Please provide an explanation of why EGD contracted for 125 TJ/day?

16) Please confirm that the EGD rate zone has a Load Balancing Agreement with TCPL.
   a) Please confirm that the LBA allows for daily deliveries of 102% without penalty
   b) Please provide the amount of penalty for any single day that was 103.2% total consumption it were all drawn from the TCPL LBA.
   c) Does EGD operate with a similar type of arrangement with the Dawn-Parkway system (contracted or uncontracted) whereby EGI on behalf of the EGD rate zone would pay for any overages in gas transferred above the maximum capacity assuming the maximum was nominated that day?
      i) If so, please describe.
   d) If so, if EGD rate zone/delivery received 100% of nominated needs from TCPL and 103.2% from the Dawn-Parkway system, what would be that cost for the measured over consumption?

17) Please confirm the biggest contributor to the increase in shortfall is the elimination of third-party services (40 TJ/day).
   a) Please describe the nature of these services (e.g., peaking service, exchange service, etc).
   b) Was an RFP performed in prior years and for the year 2020?
   c) Please provide copies of the RFPs made in prior years, copies of the ensuing contracts and details on the cost of service for the 2019 year including:
      i) Amount contracted
      ii) Location of delivery area
      iii) Number of days of call
      iv) Cost of the contract.
      v) If EGI believes any of the above items are confidential, please file them as appropriate but please provide the total cost of the demand portion of contract for 2019 publicly as it ought to be something that has been reported in gas costs previously.
   d) Please provide all internal analysis, memos and other communications which contributed to the decision to eliminate these services

18) Please define “In-franchise Supply” and describe how the amount remains constant throughout the five-year planning period.
   a) Has EGI sought any opportunity to increase this component of supply?

REF: Exhibit A, Tab 6, Page 10. Lines 7-9 and 14-15 Re: EGD's bid for capacity in the Open Season

Preamble: "*EGI evidence states: "Consistent with similar such bids into previous open seasons and capacity contracted on the Dawn Parkway System in the past, the awarded pipeline capacity*:

....

• *provides flexibility of service attributes associated with firm transportation that are not available with market-based services*."

We would like to understand the flexibility of the attributes associated with firm transportation services.

19) Please describe the referenced attributes.
    a) Please describe the value of each attribute and quantify its value.

REF: Exhibit A, Tab 6, page 13, Tables 6-7, Union North Design Day Shortfall and page 14, Table 6-8, South Design Day Position, and FACILITIES PLANNING, Tab 7, page 17, Table 7-2, Dawn Parkway System Capacity Position (Shortfall/Surplus)

Preamble: We would like to understand better the impact the forecasted demands have on the Dawn-Parkway capacity.

20) Please reconcile the Union North and South demands in tables 6-7 and 6-8 respectively and the values allocated to those specific rate zone demands in Table 7-2.

DAWN-PARKWAY DESIGN, SCHEDULING AND OPERATIONS

REF: Exhibit A, Tab 7, pages 2-12, Table 7-1 Dawn Parkway System Demand Summary. and Schedule 1 Dawn Parkway System Demands Winter 2019/2020

Preamble: We would like to understand better the design of the physical capacity of the Dawn-Parkway system, how receipts and deliveries are actually being nominated and its actual operation in the last few years compared to the actual system capacity in place that is available to serve the demands that are relied upon to support planned facility additions. The concern is that from the information that FRPO has examined, the system capacity appears to be significantly in excess of the actual historic deliveries on a day-to–day basis.

21) Please specify the design condition (e.g. 35 HDD with interruptibles on, 43.1 HDD with interruptibles off, other, etc.)
    a) What is the total of the interruptible contracts served by the Dawn-Parkway system?

22) Please define whether the Dawn Parkway System Design Day Demands In franchise in Schedule 1 are the Design Day forecasted flows for the laterals or the determined impact of the forecasted flows on the Dawn Parkway system (i.e. adjusted to their impact given their distance along the pipe from Dawn)?
    a) If the former, please provide a revised schematic that keeps all demands constant but maximizes the M12 at the design conditions of the pipeline keeping minimum pressures at Parkway for both suction and discharge.
    b) If the latter, how are the individual lateral demands determined. Please describe in detail with emphasis on the assumptions for other flows in the evaluation.
    c) For the flows at Parkway, please provide which demands are on the suction side and which are on the discharge side.
    d) What is the minimum pressure design condition at Parkway suction?
    e) What is the minimum pressure design condition at Parkway discharge?

23) In schedule 1, please clarify the two deliveries Parkway TC Energy under EGD Rate Zone and the second under M12 Ex-franchise.
    a) Please specify the pipelines that takeaway each delivery from Parkway including if these deliveries are on the suction or discharge.
    b) Please clarify if, in fact, the two deliveries are separate and distinct such the cumulative delivery requirement is required on a peak day or if maximizing one reduces the requirement on the other.
    c) Please specify under which category (ies) the deliveries to the Segment A pipeline from Parkway to Albion and how those deliveries are contribute to the categories under the Dawn-Parkway System Design Day Demand.

24) Please fill in the table attached entitled Dawn-Parkway Scheduled and Actual Nominations and Deliveries for each day of the winter for the last 3 winters.
    a) Please provide in Excel format.

REF: Exhibit A, Tab 7, page 14-16, Dawn Parkway System Capacity

Preamble: EGI's evidence describes a capacity shortfall for the winter of 2020/2021 (without the proposed build) of 59,392 GJ/d. For the winter of 2021/2022 (with the proposed build) there is nevertheless expected to be a shortfall of 28. 602 GJ/d. increasing to a shortfall for the winter of 2022/2023 of 72,624 GJ/d.

We would like to understand better EGI's management of planned shortfalls.

25) How does EGI intend to manage these forecasted shortfalls?
    a) What are some of the most effective approaches?
        i) Please describe and provide the economics associated with each approach.

26) What is the largest shortfall forecasted by the utility in the last 5 years?
  a) How was that shortfall managed? Please provide both from a planned and operational perspective.
    i) What were the costs incurred in prior contracting or short-term adjustments and/or contracts?

FACILITIES PLANNING

REF: Exhibit A, Tab 7, page 18, Non-Facility Alternatives Evaluation Criteria

Preamble: EGI's non-facility alternative evaluation criteria include a requirement that the arrangement be available with renewal rights to produce a duration that is sufficient to allow for its replacement with a facility build.

We would like to understand better the renewal rights requirement of the evaluation criterion.

27) Does a fixed term of 3 years or greater (say 5 to 7 years) without renewal rights satisfy this criterion? If not, then please explain why not.

28) What is the duration of the renewal period that EGI envisages? Is it 1 year, evergreen, or something else?

REF: Exhibit A, Tab 7, page 20, Increasing Parkway Delivery Obligations

Preamble: EGI's evidence at page 20, states that a non- facility alternative that "increases" Parkway Delivery Obligations on direct purchasers runs counter to the interests and preferences expressed by Enbridge Gas customers. The evidence, at page 21, identifies an exchange service utilizing a Dawn Long Term Fixed Priced service (LTFP) with committed Parkway deliveries by the Dawn LTFP shipper as a potential non- facility alternative.

29) Please confirm that EGI's concerns about "increasing Parkway Delivery Obligations" do not apply to a situation where a Dawn LTFP shipper VOLUNTARILY agrees to commit to daily deliveries through Parkway as part of a tri-partite displacement services agreement between EGI, a Dawn LTFP shipper and TCPL of the type described by EGI at page 21 of Exhibit A, Tab 7.

30) Please confirm that the Parkway Delivery Commitment Incentive (PDCI) was the feature that was introduced in a prior settlement agreement to remedy the unfairness of having some, but not all, direct purchasers on the then Union Gas system subject to a Parkway Delivery Commitment.

31) Please provide the prevailing value of the PDCI and confirm that it was set at 100% of the Dawn and Parkway Toll at the time that the PDCI was introduced and approved by the OEB.
  a) Please provide the current value of the PDCI for 2020.

REF: EB-2015-0200 2017 Dawn Parkway Expansion Project, Decision, Dec. 22, 2015

Preamble: The Board-approved Settlement at page 15 of the Decision contains: *"A number of parties further believe that given the accelerating pace of change in the market, future expansion applications should include evidence reflecting consideration and evaluation, including through consultation with the market, open season or by way of RFP, as, when and if appropriate, of the risks and benefits of permanent or interim non-facility alternatives to facility investment."*

32) Please confirm that this clause was included to achieve settlement with parties in the last Dawn Parkway build application prior to this application.

REF: Exhibit A, Tab 7, page 20-21, Parkway Delivery Obligations (PDO)

We would like to understand better how the PDO alternative was dismissed?

33) Please provide published market information that shows the forward seasonal strip basis differential between Dawn and Parkway for both summer and winter strips at the final market price for each of the last 6 gas years starting with 2014/15.
   a) Did EGI offer to allow direct purchase customers (not currently obliged to deliver at Parkway) an opportunity to commit to deliver at Parkway <u>and receive</u> the Parkway delivery incentive?
   b) Has EGI been approached by Direct Purchase providers offering to deliver at Parkway in exchange for receiving the PDCI?
   c) If not, then why not?

REF: Exhibit A Tab 7, pages 18 and 21 Dawn LTFP as a "winter exchange" service.

Preamble: At page 18, EGI states that the proposed Project was assessed against services purchased from third parties at Parkway and, at page 21 identifies the winter exchange service that it assessed as an exchange service using Dawn LTFP.

34) Please elaborate on what constitutes a "winter exchange service" as described at page 18, line 6?
   a) Does this envisage an exchange service that is available throughout the 151 days of the winter?
   b) Why is a winter exchange sufficient as "purchased service" alternative to the proposed Project?

35) Please describe the attributes of the Dawn LTFP Service that TCPL provides. In particular:
   a) Have all Dawn LTFP shippers made a 10-year fixed price demand charge commitment to TCPL?

b) Can all Dawn LTFP shippers nominate and is TCPL obliged to their CD on each and every day of a contract year?
c) What paths can TCPL select to carry Dawn LTFP shipper nominated volumes?

DAWN LTFP ACTUAL DELIVERIES

REF: Exhibit A, Tab 7, page 21 Dawn LTFP Shipments.

Preamble: We are interested in understanding the level of nomination that has been occurring since the initiation of TCPL's Dawn LTFP service on Nov.1/17. We understand that EGI may not have that information directly from the company's nomination or operations departments.

36) Please request from TCPL, the daily winter flows that have been nominated on the aggregate of the Dawn LTFP contracts during the winter seasons (Nov. 1 – Mar. 31) over the last 3 winter seasons since initiation of that service.
   a) Please provide the daily data requested below in an Excel format.
   b) Please request the approximate percentage of the amount that specified a Secondary delivery point on Great Lakes Gas Transmission (GLGT) during each winter month over the last 3 winters.
   c) Please provide the daily nominations on the GLGT from St. Clair to Emerson over the last 3 winters.

REF; Exhibit A, Tab 7, page 21, Utilizing Third Party Deliveries at Parkway

Preamble: This evidence indicates that EGI identified an exchange service utilizing a Dawn LTFP service as a potential non facility alternative to the Project, and then examined, but ultimately rejected, the appropriateness of this service option.

We seek further information related to the nature of the potential "exchange" service envisaged by EGI and the details of its "examination" of this potential not-facility alternative to the Project.

37) Please produce all records and documents related to EGI's identification and examination of the Dawn LTFP exchange service described in its evidence, including all e-mail exchanges, power point presentations and any other written records pertaining to this topic.

38) Please identify the EGI representative(s) who conducted and are responsible for the identification of and the examination of this potential non-facility alternative.

39) Please describe the essential features of the potential exchange service that EGI identified and examined including:
   a) The parties to the arrangements (for e.g. Was a three-party agreement between EGI, a Dawn LTFP shipper and TCPL as the owner of the Mainline, envisaged); and
   b) The obligations on each of these parties considered by EGI to be essential to make the agreement feasible.

40) Please identify all of the resources external to EGI who were consulted in connection with the identification and examination of this non-facility alternative.

41) Did EGI consider the Dawn LTFP "exchange" arrangement in the context of:
   a) The ability of Dawn LTFP shippers to voluntarily agree to commit to daily deliveries at Parkway as a term of the "exchange" arrangement;
   b) The ability of Dawn LTFP shippers to voluntarily agree to refrain from exercising their termination rights under LTFP service for the duration of the exchange arrangement; and
   c) The ability of TCPL to voluntarily agree to use the Northern Ontario line to carry all volumes covered by the exchange arrangement?

42) What estimated incentive amount would EGI consider to be appropriate to prompt a Dawn LTFP shipper to voluntarily commit to deliver exchange volumes to Parkway for the 151 days of the winter.
   a) From what market information would an estimate of this incentive amount be derived?

43) Is EGI aware of the components of the constituency that comprises the Dawn LTFP shippers? If so, then can EGI confirm the approximate number of such shippers and that most, if not all, of those shippers are producers and/or marketers?

44) What benefits ,if any, does a Dawn LTFP gas producer and/or marketer shipper relinquish by committing to ship exchange volumes on TCPL's Northern Ontario line; and what benefits does that shipper realize by having its volumes at Dawn under the exchange transaction for each of the 151 winter days ?

45) What incremental cost, if any, is TCPL likely incur by committing to carry the Dawn LTF shipper volumes on its Northern Ontario line under the auspices of the exchange transaction?
   a) Please quantify.

46) Under the premise that TCPL agrees that the Dawn LTFP Obligated Deliveries meet their need for Dawn-Kirkwall- Parkway takeaway, what are the estimated incremental savings in charges payable to GLGT can the TCPL Mainline realize under the auspices of the displacement proposition.
   a) Will any such savings have the effect of increasing profitability for the TCPL Mainline that would be shared with Ontario ratepayers through the earnings sharing provisions under the TCPL 2021-2026 Mainline Settlement Agreement.
      i) If so, please describe.
      ii) If not, please explain.

47) In its RH-003-2017 Letter Decision on the Dawn LTFP service at pages 26 and 30, did the NEB direct TCPL to maximize the benefits to the Mainline from the availability of Dawn LTFP service?

48) Should the combination of the NEB's Direction to TCPL in the RH-003 -2017 Decision and the Mainline's ability to benefit TCPL and its shippers from the reduction in its contracted commitments on GLGT constitute a sufficient incentive to TCPL to agree to use the Mainline's northern route to support the exchange or displacement transaction?

49) What further incentive amount for TCPL, if any, would EGI consider to be appropriate to compensate TCPL for any incremental costs that it is likely to occur to carry the Dawn LTFP shipper volumes under the auspices of the exchange or displacement transaction? What information would EGI propose to use to determine the amount of this incentive?

50) In its "identification" of an "exchange" using the Dawn LTFP as a potential non-facility alternative to the Project, did EGI draft a RFP to LTFP shippers and TCPL containing the elements of the service that EGI would consider as feasible.

51) When identifying the Dawn LTFP exchange service as a potential non-facility alternative, what estimates did EGI prepare of the total annual costs to its ratepayers for such an exchange service compared to the estimated annual costs to ratepayers of the Project? If any such estimates were prepared, then please produce them.

52) Please provide the maximum annual revenue requirement of the $203 M proposed pipeline.
   a) Using that figure, please provide the unit rate ($/GJ/day) of the equivalent amount of capacity (92,174 GJ/day) that could be provided as an obligated delivery at Parkway for the same annual revenue requirement?