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ONTARIO ENERGY BOARD

By Electronic Filing and By E-mail

April 14, 2009



Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto ON M4P 1E4

OEB BOARD SECRETARY	
File No:	Sub File:
Panel:	
Licensing	
Other	
00/04	

Dear Ms Walli,

Enbridge Gas Distribution Inc. 2009 Rates

Board File No.: EB-2008-0219
Our File No.: 339583-000017

Enclosed please find the Phase 2 Interrogatories of Canadian Manufacturers & Exporters ("CME") to Direct Energy Marketing Limited ("Direct Energy") and to TransCanada PipeLines Limited ("TCPL") in this proceeding.

Please contact me if you require any further information.

Yours very truly,

Peter C.P. Thompson, Q.C.

\slc
enclosure
c. Intervenor EB-2008-0219
Paul Clipsham (CME)

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Vancouver
Toronto
Ottawa
Montréal
Calgary

IN THE MATTER OF the *Ontario Energy Board Act 1998*,
S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF an Application by Enbridge Gas
Distribution Inc. for an Order or Orders approving or fixing
just and reasonable rates and other charges for the sale,
distribution, transmission and storage of gas commencing
January 1, 2009.

**Phase 2 Interrogatories of
Canadian Manufacturers & Exporters (“CME”)
to Direct Energy Marketing Limited (“Direct Energy”)**

Ref: Exhibit L, Tab 7 – General

1. Are marketers contractually responsible and accountable to their end-use customers for the cost consequences of a failure to meet the delivery obligation to Enbridge Gas Distribution Inc. ("EGD")? If not, then why not?

Ref: Exhibit L, Tab 7, pages 3 and 8

2. Direct Energy estimates costs "to the Ontario market" of EGD's upstream FT requirements proposal in an amount of \$53M over five years which is, on average, an amount of about \$5.3M per annum. With respect to this estimate, please provide the following information:
 - (a) Details of the calculation of the estimate, including the GJs per day of additional upstream capacity which is estimated to be firm up in each of the five years;
 - (b) The toll amounts used for determining the \$/GJ price for upstream firm capacity compared to the \$/GJ toll amount used for non-firm upstream capacity;
 - (c) Provide the estimated current burner tip cost in \$/GJ under the regulated gas sales rates of EGD for system-gas delivered to an end-use residential customer; and

- (d) Please convert the estimated \$53M negative impact on "the Ontario market" over five years to an estimated \$/GJ amount and express that amount as a percentage of the burner tip amount to be provided in response to the preceding question.
3. Interrogatory No. 10 from Direct Energy to TransCanada PipeLines Limited ("TCPL") suggests a conversion of 200,000 GJ/day of discretionary upstream transportation to FT will cost an additional \$86.9M annually or \$434.5M over five years. In the context of this interrogatory, please provide the following information:
- (a) Explain the differences between the \$86.9M amount in the question Direct Energy poses to TCPL, and Direct Energy's estimate of the impact on the Ontario market of EGD's proposal of \$53M over five years contained in its pre-filed evidence.

IN THE MATTER OF the *Ontario Energy Board Act 1998*,
S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF an Application by Enbridge Gas
Distribution Inc. for an Order or Orders approving or fixing
just and reasonable rates and other charges for the sale,
distribution, transmission and storage of gas commencing
January 1, 2009.

**Phase 2 Interrogatories of
Canadian Manufacturers & Exporters ("CME")
to TransCanada PipeLines Limited ("TCPL")**

Ref: Exhibit L, Tab 21, page 1

1. At lines 9 to 12, TCPL states that it is providing information regarding its services, system design, capacity and operations to assist the Board in judging "the merits of Enbridge's proposal.". In the context of this statement, please provide the following:
 - (a) TCPL's position on the merits of Enbridge's proposal; and
 - (b) Please advise whether TCPL has a gas marketing affiliate and if so, then the position of TCPL's gas marketing affiliate on the merits of the proposal of Enbridge Gas Distribution Inc. ("EGD").

Ref: Exhibit L, Tab 21, page 21

2. At lines 4 to 6, TCPL indicates that, on the peak day demand day during this past winter of 2008/2009, Discretionary services on TCPL were used to deliver 53.8% of the gas transmitted to EGD's CDA markets and 34.4% of the gas transmitted to EGD's EDA markets. Please provide the following information:
 - (a) For each of the peak demand days in each of the eight winters from 2000/2001 to 2007/2008 inclusive, the proportions of EGD CDA and EDA markets which were served using TCPL Discretionary services.

Ref: Exhibit L, Tab 21, pages 10, 11, 21 and 22

3. At lines 20 and 21 on page 2 of Exhibit L, Tab 21, TCPL indicates that it currently has 1,550,000 GJ/day of firm capacity available to serve the Enbridge CDA and 386,000 GJ/day to serve the Enbridge EDA. At page 10 of Exhibit L, Tab 21, at lines 12 to 19, TCPL indicates that there is some 309,500 GJ/day to the Enbridge CDA committed to new gas-fired power generators. Please provide the following information:
 - (a) Please confirm that the 309,000 GJ/day of capacity for Portlands, Goreway and Thorold is now contractually committed and that the 1,550,000 GJ/day of excess capacity to the Enbridge CDA is over and above the capacity committed to Portlands, Goreway and Thorold; and
 - (b) For each of the years 2009 to 2019 inclusive, please provide TCPL's current estimate of available firm capacity to the Enbridge CDA and EDA markets.

Ref: Exhibit L, Tab 21 – General

4. In the context of the overall competitive commodity markets at Dawn and other gas commodity trading points in Ontario, please provide TCPL's view on whether the risk of a marketer failing to meet its delivery obligation to EGD is currently low, medium or high.
5. Can the competitive commodity markets and the secondary markets in capacity currently operate, either separately or in combination, to provide 100% mitigation of the risk of a marketer failing to meet its delivery obligations to EGD? Please provide a full description of the rationale for the response to this question.
6. Please explain why and provide an estimate of the extent to which the ability of competitive commodity markets and secondary markets in capacity, either separately or in combination, to fully mitigate the risk of a marketer failing to meet its delivery obligation to EGD, will be materially reduced as new incremental power generator load is added in EGD's franchise area.
7. Please provide TCPL's estimate of the approximate incremental costs in \$/GJ for a marketer to convert the TCPL Discretionary services, it currently uses, to FT services on TCPL.