

ONTARIO ENERGY BOARD

FILE NO. EB-2025-0065 Enbridge Gas Inc.

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EB-2025-0065

THE ONTARIO ENERGY BOARD

Enbridge Gas Inc.

Application to review five-year gas supply plan

Technical Conference held in person and virtually

from 2300 Yonge Street, 25th Floor, Toronto, Ontario,

On Wednesday, September 17, 2025, commencing at 9:30 a.m.

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DAY 2

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IAN RICHLER Board Counsel

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LINDA WAINEWRIGHT Six Nations Natural Gas

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CLEMENT LI Building Owners and Managers Association Toronto

NICHOLAS DAUBE Ginoogaming First Nation

DAVID STEVENS Enbridge Gas Inc.

RICHARD WATHY

ANGELA MONFORTON

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 Wednesday, September 17, 2025

--- On commencing at 9:30 a.m.

I. RICHLER: Good morning, everyone. This is day 2 of the technical conference for Enbridge Gas Inc.'s five-year gas supply plan. Let's get right back into it unless anyone has any preliminary matters they wanted to raise? Seeing none, I will turn it over to you, Mr. Quinn, to pick up where you left off yesterday.

EXAMINATION BY D. QUINN:

D. QUINN: Thank you, Mr. Richler. Good morning, Enbridge. Can you hear me okay? Okay. Thank you. So yesterday, we went through a dialogue, and we were able to walk through the consideration of transacting to fix a price of a portion of winter deliveries at Dawn. And we discussed the difference between "able to" versus "choose to," and I appreciate that Enbridge did accept the interrogatories on ability, but I wanted to explore the idea of "choose to." Part of the Panel's responses yesterday emphasized the reducing exposure to market volatility on behalf of customers, which we appreciate.

So I guess my first question is what are the company's views on transacting to fix the price of delivered winter supplies at Dawn in tranches, months in advance, as a means of reducing exposure to market volatility?

A. STIERS: Thanks for the question. I would say that the company's positions remain somewhat steadfast with what it has stated in the past and in recent proceedings. We typically do not contract for fixed price gas supply for terms longer than three months, as the company does view this as a form of physical hedging and risk management. And as I said, that is -- that is consistent with what -- the position that's been taken, I believe, in rebasing in some other recent proceedings.

D. QUINN: So thank you, Mr. Stiers. So we are getting to the issue of "choose to".

A. STIERS: Yes.

D. QUINN: The company is choosing not to. Why would you not -- first off, I asked the question would it reduce market volatility if a portion of your winter deliveries were fixed over time in the year preceding the winter?

A. STIERS: What I would say in response to that is the only reason I could see that we would do that would be to -- with the intent of attempting to manage price volatility.

D. QUINN: And so how would that be different from buying a storage contract to get gas in the summer and then fix the price of the storage?

A. STIERS: I suppose I don't see the two as necessarily exactly the same, Mr. Quinn. I -- I see one as a physical hedge, a physical transaction taking a position in the market months in advance that would carry some risk in terms of where the market moves. And in all instances, our preference has been to transact on an indexed basis wherein there is a limitation to the exposure from fixing a portion of the price as opposed to fixing the entirety of that price.

D. QUINN: So when you leave the gas on index, how are you reducing the exposure?

A. STIERS: The index price -- maybe we could go to it. It would be helpful to go to FRPO-35, parts B through D. And you will see about halfway through starting with "further":

"Further, when Enbridge Gas fixes a basis price relative to NYMEX or Chicago gas daily index, for purchases at Chicago, for example, it is only the relatively minor basis portion of that gas supply price that is fixed, not the index-related portion. Accordingly, most of the total gas supply cost remains fluid, fluctuating daily based on broader market conditions and economic fundamentals and ultimately reflecting fair market value. Only if Enbridge took the risk of purchasing fixed price gas supply at Chicago, which the company doesn't do, would ratepayers be then fully at risk of paying a premium should market prices subsequently fall."[as read]

D. QUINN: And the converse of that, if market prices go up, they would be reducing their exposure through that?

A. STIERS: Right. But we do not gamble on that.

D. QUINN: Well, I don't --

A. STIERS: We are focused on achieving a fair market value, not on doing better than the market.

D. QUINN: Okay. Let's say that the term "fair" is a subjective term. You are talking about market exposure.

A. STIERS: I don't know that it is, though.

D. QUINN: Well, actually, it's -- technically, it is fair to say that "fair" is a subjective perspective. If we want to reduce exposure to market, part of the way of doing that is to fix a price. Is that not what entities do to --

A. STIERS: It comes at -- some entities do, yeah. I would agree. And I believe it is recognized that in many cases, that also comes at a price. So a good example is -- is laid out within this response --

D. QUINN: Mr. -- Mr. Stiers --

A. STIERS: Can I please finish?

D. QUINN: I would ask you to stay with the question, though. What we are trying to do is assess the company's willingness to choose. And if the ratepayers are suggesting, encouraging, and otherwise recommending to the company, standing steadfast on a position that you keep saying is reducing market volatility for the customers when you are leaving it on an index price, that -- that is not a tenable position.

D. STEVENS: I think your last phrase underlines the fact that this is really argument, Dwayne.

D. QUINN: Well --

D. STEVENS: When you are talking about what position is tenable or not, that is certainly something you can pursue in argument. I mean, if there is information that you are seeking from Enbridge, then please go ahead. But if Enbridge feels, in response, there is information it wants to provide, then I think it is reasonable for you to wait for the witnesses to finish their answer and provide that information.

D. QUINN: Mr. Stevens, I respect that Mr. Stiers was trying to rely on evidence which we have all read to say, this is what our position is. What I am asking is that we reflect on opportunities to change that. This -- part of this proceeding is should the Board be considering changes to the framework, and I hear him say he is reducing volatility for customers.

By what measure are you reducing volatility? Let's start there.

A. STIERS: Can you rephrase your question, please? Are you asking --

D. QUINN: You keep on talking about reducing market volatility for customers by leaving gas on index. What measure are you using to demonstrate that you are reducing volatility?

A. STIERS: So what I said earlier was that reducing volatility is a goal of physical hedging. So that would be consistent for sure. Reducing volatility is one of the goals of our overall purchase strategy certainly, but as is achieving a fair market value.

D. QUINN: So how do you measure that, the reduction -- reduction in market exposure to volatility?

A. STIERS: Well, I am not sure that we have a metric in place on that, per se. I am not sure what you are defining as a measure or metric there.

D. QUINN: Well, you keep using a qualitative term of reducing volatility. I am asking how you quantify it.

A. STIERS: No. In reference to physical hedging, which is what you are suggesting, I said that.

D. QUINN: Sorry. Yesterday -- we can go to the transcript, if you would like. Can -- do you want to walk through that, or can we just proceed?

D. STEVENS: If there is a particular item that was said yesterday that you are concerned as being contradicted today, then I do think it makes sense to go to precisely what you say is inconsistent, Dwayne.

D. QUINN: Okay. Page -- it is Word document page 67. I am just scrolling up to figure out the page. Page 59 of this transcript yesterday, if we can put that on the screen, please, and specifically starting at line 13. Do you have that?

A. STIERS: Yes.

D. QUINN: Okay. So I said:

"Okay. So starting there, how do you decide how much is fixed?"[as read]

And your answer is:

"Well, our preference -- as laid out in our response, our preference is always for index purchases to reduce exposure to the market variability while achieving fair market value, which is the underpinning goal."[as read]

And I am saying how do you measure that?

A. STIERS: We do not actively measure market variability or volatility, I think was the term being just used earlier. So we observe and track the market. We monitor what is happening. We have a layered-in approach to all procurement in order to achieve a fair market value for the gas that we procure.

D. QUINN: How does -- how does transacting for index gas constitute achieving reduced volatility?

A. STIERS: Contracting for a broad variety of contract terms and purchase contracts over the course of a year using our portfolio has been shown to help avoid. We are limited in terms of month to month or seasonal exposure because we only have a small amount of purchases remaining during the winter season, and we have the opportunity to shape those purchases based on best available information at the time, including weather forecasting and so on.

Index pricing follows market trends, only locks in a certain portion of the price and otherwise follows the market. So when a goal is to achieve a fair market value, we see that as being closer to achieving that end.

D. QUINN: You said it has been shown to have delivered value. Can you provide a study or some recognition of what -- how you show that?

A. STIERS: Just a moment. Sorry. I am not aware of a study like what you are describing, Mr. Quinn.

D. QUINN: Could you take an undertaking to check to see if it has been shown? That's your testimony, so I am very interested in actual evidence, as Mr. Stevens is asking us to focus on.

A. STIERS: I would just have one more thing to add, and then maybe we could go to -- go to that request next.

I think it is important when we are having this discussion around fixed price purchasing to consider the Board's previous determinations in EB-2007-0606 --

D. QUINN: I've read those.

A. STIERS: -- and 0615 regarding potential risk of disallowance of costs associated with the company's previous risk management programs. We had a physical hedging program, which is similar to what you are describing as part of that, and that was entered into the evidence in that proceeding. That was also entered into the evidence in multiple previous proceedings, and despite that and having process documents for legacy Union gas wherein we describe the nature of that physical hedging component, we still received a decision from the Board identifying a risk of disallowance of costs associated with those hedging programs. So that is --

D. QUINN: So that --

A. STIERS: -- where we are coming from in terms of our apprehension.

D. QUINN: I am going to just stick with you for the moment, and then I will ask for the undertaking.

A. STIERS: Okay.

D. QUINN: The Board didn't say you can't do it, but they said you are at risk, and you will be exposed to a disallowance based upon your program. So they didn't say you can't do it. Has the Board ever said that you can't go out and get a five-year storage contract?

A. STIERS: Not that I am aware of.

D. QUINN: Okay. So if we can go to the undertaking request, I would ask for Enbridge to go back to check to see if they have done a study to show or demonstrate this concept that Mr. Stiers is saying about reducing exposure for customers.

D. STEVENS: So Enbridge Gas can undertake to investigate and report, and if appropriate, provide any study that Enbridge Gas has done that shows that index price purchases reduce exposure to market variability.

I. RICHLER: We will note that as JT-2.1.

UNDERTAKING JT-2.1: TO INVESTIGATE AND REPORT, AND IF APPROPRIATE, PROVIDE ANY STUDY THAT ENBRIDGE GAS HAS DONE THAT SHOWS THAT INDEX PRICE PURCHASES REDUCE EXPOSURE TO MARKET VARIABILITY

D. QUINN: Thank you. Okay. I want to -- I don't have the Zoom feed. Is Mr. Ladanyi on the line? I just -- I just want to be fair to Mr. Ladanyi because he touched on a couple things yesterday, and I wanted to make sure we got clarity.

T. LADANYI: Yes, I am on the line.

D. QUINN: Okay. Thanks, Tom. I just -- I just wanted not to go over anything that you went over that would compromise what you wanted. So one of the dialogues you had yesterday, and I think, Mr. Dantzer, you were talking with Mr. Ladanyi about the scarcity of pipeline. Do you recall that conversation?

S. DANTZER: Yes.

D. QUINN: Okay. Mr. Dantzer, the fact is I understand you understand TransCanada and the upstream capability. As a point of fact, is TransCanada flowing -- well, and I will say it this way: We -- Mr. Ladanyi talked about taking lines out of service and putting them back, but is TransCanada not -- I will do it as a positive -- is TransCanada actually flowing gas at the level of its historic peak at this time?

S. DANTZER: Could you be more specific perhaps with -- with the path that you are referring to?

D. QUINN: From Empress to Ontario.

S. DANTZER: Generally speaking, I would say no. I mean, certainly Empress takeaway -- send-out capacity is not at the historic levels we have seen going years back.

D. QUINN: Thank you. And -- but it is flowing at a higher level than it was, say, six, seven years ago before they returned some lines to service?

S. DANTZER: Yeah, generally I would agree with that statement.

D. QUINN: Okay. So we just -- for positive reference, there may be opportunity for TransCanada to increase its capacity over time?

S. DANTZER: Yeah, again, generally I would agree with that. I mean, they are -- they can pursue projects to increase capacity --

D. QUINN: Okay.

S. DANTZER: -- as a general statement, yes.

D. QUINN: Thank you. I didn't want to get into anything confidential, but just generally speaking --

S. DANTZER: Right.

D. QUINN: -- we are talking about scarcity.

S. DANTZER: Yeah.

D. QUINN: Thank you.

Okay. The other part that you talked about was shifting customers from the CDA to Dawn. And my -- we didn't get into some numbers, but do you have anything on the record that would say what amount of gas is moving from CDA delivery to Dawn delivery for this coming winter?

S. DANTZER: Yes. There is a -- there is an IR response. Just give me a moment and --

D. QUINN: Okay. I would be happy to get it at the break. I just wanted -- I didn't see anything, and I was relying on your knowledge of the evidence better than mine.

S. DANTZER: Yeah, there is definitely an IR response that shows the change in volumes.

D. QUINN: Okay. Potentially we can just connect at the break, and I can get that from you.

S. DANTZER: Sure.

D. QUINN: Thank you.

But what causes me a bit of concern is whatever that number is, whether it be 1, 100, or 10,000 GJs, that would increase the requirement for gas to be able to go from Dawn to Parkway during the winter season; is that not correct?

A. MIKHAILA: Excuse me. In this case, we were in the middle of commercial contracting for third-party assignment of a Niagara to the Enbridge CDA capacity. And recognizing there was some opportunity to contract for the volumes that customers were asking to shift, we permitted that shift and then contracted the -- for additional Niagara Falls to the Enbridge CDA. So, no, it wouldn't be transported from Dawn to Parkway.

D. QUINN: That is helpful. But that third-party contract would have already been accounted for in terms of your demand obligations to that marketer on the Dawn Parkway system, would it not?

A. MIKHAILA: Sorry. I -- what do you mean by that?

D. QUINN: Whomever is delivering gas from Niagara to the CDA on your behalf during the winter, or you are taking the assignment from them, that amount of Kirkwall to Parkway contracting would already be accounted for in your Dawn Parkway demands for design day?

A. MIKHAILA: Just a moment, please.

D. QUINN: Okay.

A. MIKHAILA: Sorry. We were just conferring because I am not sure of the reference to the Kirkwall to Parkway capacity. The -- we are transporting on TransCanada into the CDA, and I don't believe there is an impact on the Dawn Parkway system.

D. QUINN: Sorry. You trailed off at the end. I didn't hear that.

A. MIKHAILA: We are transporting on TransCanada. They are delivering to the Enbridge CDA for us, and there is no impact to the Dawn Parkway system.

D. QUINN: The third-party assignment, is that a TransCanada contract, or is it TransCanada's contract with a third party that you are now being assigned?

A. MIKHAILA: It is a third party's contract with TransCanada that we are taking assignment of.

D. QUINN: Directly from TransCanada or through the third party?

A. MIKHAILA: Directly with TransCanada.

D. QUINN: Okay. Can you provide the CD -- contracted demand energy tables from TransCanada which demonstrates -- demonstrates that contract? It is already in place. So the assignment from last winter, can you show the assignment and just -- all we have to --

A. MIKHAILA: Maybe I don't understand -- you seem surprised by this answer. So I've explained what I do know, which is --

D. QUINN: Well, it doesn't make sense --

A. MIKHAILA: -- the third party holds the contract for the full year. We take assignment of that capacity for four months.

D. QUINN: Who ultimately is the -- holds the risk on that contract for payment?

A. MIKHAILA: Sorry. I understand better now. Thank you, Mr. Quinn. It was the third party who has the capacity, and we are taking assignment of it.

D. QUINN: Right. And that has to flow, then, through Kirkwall to Parkway?

A. MIKHAILA: TransCanada is delivering it to the Enbridge CDA on our behalf, and we are not aware of operationally how that all happens.

D. QUINN: Maybe -- and I want to be fair about this, Ms. Mikhaila -- could -- we asked the questions, and I am going to pull up the interrogatory here, the interrogatory number with the schematic. You led me off of where I was going, and the answer surprised me. So Enbridge provided response at FRPO -- can we try FRPO-17. Thank you.

Okay. So the answer says that the design day demands that are provided in attachment 1 does not change, and no additional Dawn Parkway capacity is created as a result of the 121,142. So we are mixing a couple issues, and I want to keep them straight for the purposes of the record. We started with you are moving customers from the CDA to Dawn delivery. Those customers were providing gas at the CDA in the winter in the past, correct?

A. MIKHAILA: That is correct.

D. QUINN: So there was no need for Enbridge to provide Dawn Parkway capacity to get that gas to the CDA, correct?

A. MIKHAILA: That is correct.

D. QUINN: Okay. So when you move that gas to Dawn, you now have to move the gas on the design day from Dawn to Parkway to the CDA, correct?

A. MIKHAILA: No, that is not correct.

D. QUINN: Okay. Help me understand that.

A. MIKHAILA: So the gas that customers deliver at Dawn, we will not transport on Dawn Parkway. We won't be transporting any additional amount on Dawn Parkway because they are delivering at Dawn. It will, all else being equal, I guess, impact storage. And then on the other --

D. QUINN: I am sorry. You trailed off again. Can you say that again?

A. MIKHAILA: All else being equal, it would impact storage. We are not transporting any more on Dawn Parkway because the customers are delivering at Dawn. We are meeting the design day needs of the Enbridge CDA from Niagara to the Enbridge CDA, which is the third party.

D. QUINN: Their deliveries are coming at Dawn. From a design point of view, the gas is landing at Dawn, and you are saying that does not create any further impact on the Dawn to Parkway system even though the substitute that you are referencing, you are suggesting, is getting from Niagara to the CDA, but it is not going through Kirkwall to Parkway?

A. MIKHAILA: Yes. The -- that is correct. The gas is arriving at Dawn. We are not transporting those molecules down the Dawn Parkway system. We are transporting different molecules from Niagara Falls to the Enbridge CDA to meet the design day demand. On this -- we are talking about at design day here.

D. QUINN: We are, and yet the gas molecules still have to get there. And so you know who that third party is. I don't, and that is fine. We can keep them as "third party X." But you are saying that they are not using your Kirkwall -- their contract that got gas from Niagara to CDA does not in any way, shape or form need Union's Kirkwall to Parkway segment?

S. DANTZER: Hopefully this is helpful, Mr. Quinn. As Ms. Mikhaila alluded to, the shortfall in the Enbridge CDA is being met with a -- the third-party assignment on TransCanada that has a receipt point of Niagara Falls and a delivery point of the Enbridge CDA. With respect to Enbridge assets, how TransCanada meets that contractual obligation, we are not privy to that.

D. QUINN: But the third party would have to demonstrate to you their capability that they have to meet firm obligations, not interruptible, not landed gas --

S. DANTZER: But -- and they do that via a firm contract on the mainline.

D. QUINN: A firm contract. And so it is TransCanada's capacity from Kirkwall to Parkway they are using?

S. DANTZER: Well, that's -- we are not privy to the inner workings of the mainline, right. All we know is that we are contractually -- contractually entitled to a receipt point of Niagara Falls and a delivery point of the Enbridge CDA. How TransCanada operates their system to meet that contractual requirement is -- we are not privy to that.

D. QUINN: But you undertook this contract because you had a shortfall, supply shortfall to meet the demand that you saw in the CDA, correct?

S. DANTZER: Correct.

D. QUINN: You control that capacity, correct? You --

S. DANTZER: Sorry. Control the capacity on TransCanada?

D. QUINN: You control the gas that is needing to arrive at the CDA. By nominating at Niagara, you are -- you have contracted for firm deliveries in the CDA. So Enbridge, as a company, can choose to not fill the pipe or fill the pipe, but because you are trying to meet a design day, you have the right to fill the pipe at Niagara and get the gas to the CDA to meet your shortfall; is that correct?

A. MIKHAILA: That is correct. The only caveat I will put with that is, as we described, the third-party assignment of the capacity comes with a commitment to purchase the supply. So while in theory, yes, you could, you know, fill or not fill that pipe, the commitment for this arrangement is that we will fill it with supply at Niagara.

D. QUINN: So you have met your shortfall through this contract?

A. MIKHAILA: Yes.

D. QUINN: Does that not change your amount of gas you have to get from Dawn to Parkway on a peak day?

A. MIKHAILA: No, it does not.

S. DANTZER: Because it is being used to meet incremental growth, right, so it has no impact on Dawn Parkway.

D. QUINN: I am going to stop on this line of questions for now. I am going to reconnect with you after the break because I think we are talking at cross purposes here. The gas has to get from point A to point B. TransCanada contracts on Dawn Parkway.

S. DANTZER: Yes.

D. QUINN: If that is what they are using as underpinning their contract, you still are meeting your obligation to the CDA in a way that is different than if you had taken the gas from Dawn to Parkway on your own system. You are just using TransCanada's portion of your system.

And so, in my view, it does change your dynamics on your pipeline because TransCanada doesn't have to deliver on a peak day, but you do. So that does change your ability to get gas to the CDA in a different way than Dawn Parkway, ergo the schematics should change.

A. MIKHAILA: I am not following you. Sorry, Mr. Quinn.

D. QUINN: Okay.

A. MIKHAILA: The -- any TransCanada contracts on the Dawn Parkway system would be part of the schematic. Whether they fill or not fill them on a design day, there is still that demand that we have to meet of a contractual obligation to TransCanada.

D. QUINN: Yeah.

A. MIKHAILA: And that does not change the schematic.

D. QUINN: Okay.

S. PARDY: I think from a design perspective, I can add too, from -- our assumption on the Dawn Parkway system is that TransCanada is using their contract from on a design day. So whether they are using it for this contract or a different contract, we don't know, so they may be doing something in the background that changes how they are using the contract. But our assumption is that the contract is being used on Dawn Parkway. Like, a TransCanada contract on Dawn Parkway is being utilized.

D. QUINN: Thank you, Mr. Pardy. So if I may, as a follow-up to that, if a customer brought the gas in of their own volition on their -- they had an Ontario T-service contract, and they brought the gas in and landed on the CDA, you are not then responsible to take that gas through the Dawn Parkway system, correct? It is like a Parkway delivery obligation?

A. MIKHAILA: It is, yes.

D. QUINN: In fact, that is where you are heading with allowing deliveries at the CDA to get the Parkway delivery credit. So, Mr. Pardy, to -- you obviously understand the facility side of this in a way that is helpful here. If the customer landed the gas at the CDA, is it not reducing the needs of the Dawn Parkway system?

S. PARDY: No, it isn't. Because I think -- I think this contract was used to serve a shortfall position which wasn't being served by the Dawn Parkway system so --

D. QUINN: No, no. You are mixing -- you are mixing that contract. I am saying just definitively you have a customer still that is delivering at the CDA. Forget about your supply position. They are delivering their direct purchase needs at the CDA. Does that or does that not reduce the amount of gas on the Dawn Parkway system relative to them delivering at Dawn?

S. PARDY: One second.

A. MIKHAILA: If we could just have a moment.

D. QUINN: Yes. And while you are talking about it -- you can talk about it, then, because that will be the follow-up question: Then why are you going to give them a Parkway delivery commitment incentive if it doesn't reduce your facilities?

S. DANTZER: Thank you. So just to clarify, the change in OTS volumes that you have referred to moving to Dawn would require incremental Dawn Parkway capacity to facilitate that shift. Now, not to be confused, though, with the incremental demand increase in the CDA that is being met by -- through -- from Niagara, right. So it is sort of two things at play here, if that makes sense.

D. QUINN: It does, Mr. Dantzer, and thank you for the clarification of your position. So why don't we do it this way: Let's forget about the -- how -- well, I shouldn't say, "let's forget." What I would like you to do by way of undertaking is you have a shortfall that was defined -- I am just going to -- well, the third-party assignment numbers is in front of me, but I am just -- I am going to keep out of that third-party assignment.

If your additional shortfall that is on the record was met by a full contract from Enbridge to the CDA, show us the schematic that would result as -- in meeting your shortfall that way, and then show us this shortfall being met the way you propose it and the impact on the Dawn Parkway system through the schematic. So it should change your flows, as you just related.

S. DANTZER: Yeah, and I would -- I would just add to it. It is relatively minor in the grand scheme, you know, in the neighbourhood of 10, 12 PJs, something like that, in terms of the OTS shift to Dawn.

D. QUINN: Yeah. I am taking it a different way, Mr. Dantzer. To make sure we get some clarity for the Board here is take the full demand shortfall that you have for '24/'25 that you are trying -- that you are meeting through this assignment, in one scenario, using Empress to CDA capacity, show us what the Dawn Parkway schematic flows come out, similar to the attachment 1 here in FRPO-17, and then do a second one showing how -- what numbers you get when you do the assignment as you have of 121,142 to meet that obligation.

S. PARDY: I think that is what it shows today. I think we are saying with the assignment, there is no impact on the Dawn Parkway system because it doesn't flow.

D. QUINN: Okay. That is what you are saying, Mr. Pardy, and I will accept that when I see the numbers. But what I am saying is the first scenario that I provided -- is if you had met that entire shortfall with a Empress to CDA contract?

S. PARDY: Which would have no impact on the Dawn Parkway system. Or if we are meeting it through a TransCanada contract that is delivering to the CDA, also has no impact. So I think that is what we are struggling with is --

S. DANTZER: Do you mean Dawn to the CDA, not Empress? Is that ...

D. QUINN: No. I am saying from Empress to CDA if --

S. PARDY: But in either case, the gas is arriving in the CDA and not travelling on Dawn Parkway system?

D. STEVENS: It sounds like, Dwayne, we could answer the undertaking, but we are not going to give the answer you are expecting. You are going to see two versions of the same -- you are going to see the same schematic twice, is what I think the witnesses are saying, in that there is no impact on the schematic whether the shortfall is met Empress to CDA or the Niagara to CDA assignment. I mean, again, I recognize that is not what you are expecting to see, but that is what the witnesses say you will see. So I don't know whether the undertaking response is going to be helpful to you.

D. QUINN: It perplexes me. And that is -- I am going to change just again. If you have got a customer who has a 10 TJ OTS contract delivering the CDA, and you move them to Dawn instead, does that not increase -- I think I heard you say before it does increase your Dawn to Parkway demand in a way that has to be met by the system.

S. PARDY: I would agree with that.

D. QUINN: Okay.

S. PARDY: So the OTS shift, that does create a difference on the Dawn Parkway system. What we are saying is that is separate from the third party assignment and the way -- whether that is being served through Empress to CDA or Niagara to CDA, that gas is just arriving in the CDA. I think there is -- we are talking about two different things here that are being mixed together. I think that is where we are struggling with the question.

D. QUINN: Well, I am sorry. I was led in that direction, and I guess I pursued it because I was wanting to follow up and get understanding in this aspect.

In the system reliability proceeding of 2012, I believe it was, Enbridge required customers to show that they had firm transportation to meet their delivery obligations to the CDA. Can anyone confirm that?

D. STEVENS: That certainly -- when you are speaking about Enbridge, you are speaking about Enbridge Gas Distribution?

D. QUINN: Yes.

D. STEVENS: That fits with my recollection, Dwayne. I mean, it -- for the sake of discussion, I think we can accept that.

D. QUINN: Okay. So when you enter in the third party contract, do you check to make sure those firm obligations are being provided by checking the upstream capabilities of that third party to be able to deliver to the CDA from the contract you are being assigned? What underpins that contract to get the gas from Niagara to the CDA?

S. DANTZER: Yeah. The arrangement that you are referring to, you can see it directly on the TransCanada CD report and you can also see the assignment on the CD report with the receipt point of Niagara Falls and delivery point of Enbridge CDA.

D. QUINN: And how -- do you not have the understanding of what TransCanada -- how TransCanada is getting the gas from Niagara to the CDA?

S. DANTZER: No, we don't.

D. QUINN: Okay. Well, we are spinning our wheels at this juncture. I would like the undertaking to be provided. You can show it the same way, and then we can talk about it, hopefully, at a subsequent date.

D. STEVENS: Enbridge Gas will undertake to provide schematics of the Dawn Parkway system that show, on the one hand, the design day shortfall in the CDA being met through Empress to CDA capacity, and on the other hand, being met through the assignment that has been entered into and explained in evidence in this case.

I. RICHLER: That is JT-2.2.

UNDERTAKING JT-2.2: TO PROVIDE SCHEMATICS OF THE DAWN PARKWAY SYSTEM THAT SHOW THE DESIGN DAY SHORTFALL IN THE CDA BEING MET THROUGH EMPRESS TO CDA CAPACITY AND ALSO BEING MET THROUGH THE ASSIGNMENT THAT HAS BEEN ENTERED INTO AND EXPLAINED IN EVIDENCE IN THIS CASE

D. QUINN: I would love to see the schematic, then I can ask the next question. But when TransCanada is -- I think I best move on. Okay. Thank you for accepting the undertaking, and hopefully we will get a chance to talk about it in the future.

Okay. I think what we will do, if I may. I submitted last night just another exhibit for the purposes of discussing it. I trust that Ms. Monforton has that exhibit to display, the balancing. Thank you.

Mr. Richler, I think this probably needs an exhibit number, please.

I. RICHLER: Yes. We will mark this as Exhibit KT-2.1, and this is a document with the title "Load Balancing Update As of September 11, 2025".

D. QUINN: Thank you.

EXHIBIT KT-2.1: DOCUMENT ENTITLED "LOAD BALANCING UPDATE AS OF SEPTEMBER 11, 2025"

D. QUINN: First off, can Enbridge confirm that it published this document and produced it for direct purchase customers to understand the current load balancing situation?

A. MIKHAILA: I hate to give this answer, but none of us are familiar with load balancing transactions for direct purchase customers, but I trust that to be the case.

D. QUINN: Okay. Thank you. If you take that as subject to check.

My question is, and it pertains to has Enbridge been implementing the changes from Phase II into this -- into how it manages the gas. My high level question is -- well, let me provide context first. Customers need to balance their contracts or face the cost of losing some of the value of their commodity purchased. Is that correct?

A. MIKHAILA: Yes. I believe that is my understanding of direct purchase customer bank gas account balances in the EGD rate zone.

D. QUINN: Thank you. So if a customer was overconsumed relative to the forecast and needed to balance by November 1st, my question is why would they be inhibited from bringing in that additional gas to balance their contract?

A. MIKHAILA: And in what way are you referring to that they are inhibited? I am just not familiar with this -- these transaction reports.

D. QUINN: Okay. I respect that. The different categories are DTS makeup, OTS makeup, those are makeup requests to balance the contract. Would you agree with that?

A. MIKHAILA: Yes.

D. QUINN: Okay. So if you read to the right-hand column, the allowances are fairly easy to read. They are zero all the way across the board.

A. MIKHAILA: I can see that.

D. QUINN: So my question is if a customer is demonstrably overconsumed, and there is a bank gas account report that goes out on a monthly basis to these customers, why would Enbridge say, you can't bring in gas now to balance your contract?

A. MIKHAILA: Unfortunately, I don't think we have anyone who is responsible for determining these balances on the panel here. It is something we would have to provide.

D. QUINN: Okay. I am going to -- before we take the undertaking, Mr. Stevens, and I appreciate you may have some input. Go ahead.

D. STEVENS: Maybe just before we get a little bit further, can you -- it is not immediately clear to me how this relates to the gas supply plan.

D. QUINN: Well, in terms of implementing what we came up with in Phase II settlement, how has EGI implemented the separation of utility and non-utility deliverability for the purposes of managing in-franchise capability?

D. STEVENS: I appreciate that is an interesting question for you but I don't think it bears on the gas supply plan.

D. QUINN: Well, actually it does. Because if Enbridge has got a gas supply plan -- I shouldn't give evidence. I don't know if it is Mr. Pardy or somebody can speak to this, but when you do your injection withdrawal schedules to plan your storage, you have both in-franchise and ex-franchise demands that are placed on that system, correct?

S. PARDY: I would agree with that.

D. QUINN: So how are they -- how does Enbridge separate them for the purposes of allowing customers to maintain their contractual rights to balance their contract? How does Enbridge do that?

S. PARDY: I would say from a plan to fill an empty storage, we don't distinguish between utility and non-utility customers. We just have a plan of how the gas is moving in and how the gas is moving out, and it is about scheduling our storage pool. So at a planning level, we are just looking at filling an empty in the system.

D. QUINN: What --

S. PARDY: I would say at a gas supply plan, they have information in their gas supply plan that recognizes the amount of deliverability that they have to use for their gas supply plan. And then operationally on the day, I can't speak exactly to how that happens, but it is looking at what is available and what the in-franchise customers require and what the non-utility customers require.

D. QUINN: So you are saying the gas supply plan doesn't put into -- when you run send out, do you have both in-franchise and ex-franchise in your send out model?

S. DANTZER: No, we do not.

D. QUINN: Okay. So you have only got in-franchise needs. What constraints are being put on the in-franchise customers to respect the deliverability, in this case, injection capability, associated with the Phase II settlement agreement?

A. MIKHAILA: I just want to -- I know you are interested in this topic, and we are going down it, but this -- I just want to be clear that this gas supply plan that we have presented does not have the impacts of Phase II in it.

D. QUINN: Well, one of the issues on the issues list is clearly, is Enbridge Gas's planned approach to execution of the five-year gas supply plan appropriate, including implementing changes resulting from Phase II and Phase III of the 2024 rebasing proceeding in future annual updates?

D. STEVENS: Sure. That is the plan to reflect things in future updates, Dwayne. It is not -- that hasn't been done yet within a gas supply plan. We are not, in other words --

D. QUINN: Okay.

D. STEVENS: -- setting the current year gas supply plan as well as the future year gas supply plans. We are simply speaking to the staging in which the changes will be reflected.

D. QUINN: Well --

D. STEVENS: And, sorry, I am giving evidence at this stage, so I will leave it to the witnesses to go further. But in terms of the scope of the issue, I am afraid I can't agree with you in terms of what is brought into this case.

D. QUINN: What I may add, Mr. Stevens, is the people who are trying to balance actually pursued, why is it we are being limited? And they were told because of decisions that came out of the Phase II settlement agreement. So I am struggling if you are saying -- we have a disconnect here somehow that customers' rights in this case are being inhibited by what we have been told is the Phase II settlement agreement, but nobody seems to understand how those two are interconnected.

D. STEVENS: Be that as it may, it doesn't have anything to do, in my view, with what is at issue for the five-year gas supply plan. There is a broad ambit in this case already. I don't know that we -- Enbridge certainly doesn't want to make it broader.

D. QUINN: But this is the gas supply plan. Whose gas is in the storage which is inhibiting the deliverability at this point? That is clearly a utility/non-utility issue in terms of the balances. So as a way of undertaking here, first off, then, what are the current balances for the utility and non-utility storage, the month end balances from -- well, from this summer, May -- well, we will start in April, May and each month, what are the month end storage balances for the respective utility and non-utility storage?

A. MIKHAILA: Sorry. You are asking about this transactional report that has -- you know, doesn't allow for makeup gas. I don't know the reasons behind this. It sounds like you have heard those reasons behind it.

D. QUINN: People came to me because they were told that it is as a result of Phase II and --

A. MIKHAILA: I would like to better understand that myself too.

D. QUINN: Okay. Well, I would like to -- maybe we can share in that, so --

A. MIKHAILA: I am not sure having -- providing storage balances is the answer because I don't know the reason behind this.

D. QUINN: Well, that is what I am going to explore, Ms. Mikhaila. So if you could provide the data, then we could see what the relative balances are and what impact that may have on injection rates for September and October.

D. STEVENS: Again, Dwayne, I am at a loss to understand how this relates to the five-year gas supply plan and the 2025 annual update.

D. QUINN: Mr. Pardy spoke to the injection withdrawal schedules, and there has got to be an allocation of deliverability associated with in-franchise needs, and how have those needs -- how have -- how -- I am saying it improperly. Injection rights are reversed proportional to balance in storage on a percentage basis. Would you agree with that, Mr. Pardy?

S. PARDY: Sorry, I didn't hear that question. Could you repeat that, Mr. Quinn?

D. QUINN: Does your -- do your injection rights -- does your injection capability decrease as your storage fills?

S. PARDY: I would say in general, yes.

D. QUINN: Okay. So what I'm trying to --

S. PARDY: (Inaudible) storage pool, the more gas we put it in, the flow decreases.

D. QUINN: But on a cumulative basis, if you were 30 percent full, you would have more injection capability in the Dawn-Corona storage pools than if those pools were 80 percent full?

S. PARDY: If we are talking about individual, obviously we stage our storage reservoirs in such a way to maintain a certain deliverability without -- throughout the season, so it is not like it starts at a high and decreases all the way through the year. That is not the case.

D. QUINN: I will read the transcript --

S. PARDY: Because we have 35 storage fields that we are layering in --

D. QUINN: We are not going to go into the detail of the storage fields because Mr. Stevens will cut us off very quickly.

So I am saying in general, the more full the storage is in Dawn Corona, there is less injection capability available, correct?

S. PARDY: Like I said, it definitely -- the closer we get to full, the less injectability we have.

D. QUINN: Okay. So I would like the balances for in-franchise utility storage and -- well, non-utility storage separated, month end balances for the months of the summer of 2025.

D. STEVENS: I assume this is information that we can put together?

D. QUINN: It has actually been provided to the Board in the past, David. Daily balances have been provided. I am not asking for daily. I am just asking for month end.

D. STEVENS: Well, Dwayne, I -- really what I am trying to do here is see what we can provide to move things along.

D. QUINN: Yeah.

D. STEVENS: Explicitly, we are not providing any of this information on any agreement or acknowledgement on our part that it is relevant to the items that are at issue in the five-year gas supply plan review. I am simply looking to move us ahead so that we can keep on schedule today.

D. QUINN: I appreciate that. We can talk about relevance later on, Mr. Stevens.

D. STEVENS: And to be clear, by answering this, we are particularly not agreeing to the relevance of any of the follow-up questions that are sure to come.

I. RICHLER: We will note that as undertaking JT-2.3.

D. QUINN: Thank you.

UNDERTAKING JT-2.3: TO PROVIDE THE MONTH END BALANCES FOR IN-FRANCHISE UTILITY STORAGE AND NON-UTILITY STORAGE FOR THE MONTHS OF THE SUMMER OF 2025

D. QUINN: So, Mr. Pardy -- and I am directing this to you, but others can answer. But you have an allocation of storage -- I want to say contingency space or system integrity space, correct?

S. PARDY: You are referring to operational contingency. That is a component, yes.

D. QUINN: Yes. To the extent that a customer had to bring in extra gas, should they not be able to rely on the fact that you have the additional system capability through your operational --

D. STEVENS: I am sorry, Dwayne, this is -- I mean, it is flashing me back to discussions in Phase II. This is not gas supply plan issues.

D. QUINN: It is, Mr. Stevens, to the point that in coming up with the gas supply plan, there is only so much capability Dawn Corona has. And in coming up with the gas supply plan, send out is limited by parameters that are put into the model associated with the allocation of assets and asset rights to in-franchise customers.

D. STEVENS: It is simply not something that is dealt with in the gas supply plan. And in my submission, it is not something that is part of the issues list. I mean, we are going, you know, into extra time on your estimate, in any event, and I would suggest that the time would be better spent on things that are in scope. You asked, I believe, 19 pages of questions. We were expecting to answer follow-ups on those questions rather than new areas that are beyond the scope of the plan itself. So I don't think it is profitable or useful from a relevance perspective to continue down these lines of questions.

D. QUINN: That may be your view, Mr. Stevens, but this is the one proceeding we have every five years, it is at this level of frequency to go over two billion dollars worth of annual cost for customers. I think spending tens of minutes to go over this and understand it so the customers' rights are not infringed upon by what was deemed to be Phase II implementation -- and that is what we were told when the customer tried to balance. So ultimately, they -- these two do connect and are important.

My question, I guess, for you, Mr. Dantzer, is you were asking -- answering questions about send out. Does send out come up with a plan for your storage fill?

S. DANTZER: I am sorry, storage --

D. QUINN: Fill. So in other words, when you are optimizing your assets, does it say, bring in all the gas in October so we can make sure the end of October is full, or do you spread it out throughout the year?

S. DANTZER: There is a -- yeah, storage injections and withdraws are refected in our planning, yes.

D. QUINN: Okay. So what -- to compare -- and I know you can't do it for the non-utility side -- if you can undertake to provide what the plan said the fill would be for in-franchise customers on month end basis so we can compare that to the actuals that you just undertook to provide. And then, Mr. Stevens, we can talk about relevance, then, later on.

D. STEVENS: Sorry, what does actuals versus the plan for storage fill for 2025 summer have to do with the five-year gas supply plan?

D. QUINN: If you are moving through your plan, and you are creating limitations in your send out model, that does have customer implications, and implications now that are already being visited on customers without transparency for the Board to understand why customers could lose value because of implementation of Phase II already in 2025. And I am just saying for comparative purposes, why don't we get the data, and then we can talk about what is happening and why.

D. STEVENS: I am sorry, this is just taking us further steps into the world of what I say is not relevant. So we decline to provide the further information because it -- I would hope that providing the first undertaking would allow us to move to a different area, and that is not happening. So at this stage, it is a refusal to provide the further information that you are asking for.

D. QUINN: Mr. Stevens, these -- this information has been and -- has been put on the record in the past. It is very relevant to this. We can talk about whether the Board should see this or not later on. But Mr. Dantzer has already told us the send out does provide a storage -- I am using my words, but it will bring in gas that needs to be stored throughout the summer, and you should be able to extract month end balances, which Enbridge has reported for decades.

So I am asking for those month end balances. They may already be on the record somewhere, but I don't want to rely on something that isn't live for this to compare apples to apples. So I am asking for Mr. Dantzer's provision of what send out had in the model for each month end for the summer of 2025.

D. STEVENS: Understood. And to be clear, I am not suggesting the information is unavailable. What I am saying is that the information is not relevant to the items at issue in the consideration of the five-year gas supply plan. And on that basis, we continue to decline to answer the question.

D. QUINN: So if you have a customer complaint or concern, should they just call the Board and ask the Board to look into this? Like, we are in a live proceeding, Mr. Stevens, which is going to shape the path for the next five years, and frankly, this is a live concern, and the people who have the information to help us create some transparency for the Board to understand a faithful execution of the Phase II settlement agreement, why would we not explore it and understand what may be inhibiting customers' rights?

D. STEVENS: I am not going to dictate to you, Mr. Quinn, where the proper place is to pursue these issues. I am simply saying this is not it. The fact that we are in a regulatory proceeding does not automatically mean that everything that is addressed to customers becomes relevant.

The fact we have "gas supply" attached to the title of this proceeding does not make all operational activities somehow related to gas supply relevant to the OEB's consideration. Again, there is plenty to talk about in the context of the five-year gas supply plan, and from Enbridge's perspective, we should keep to the things that are in scope. We take the position this is not.

D. QUINN: Okay. We will talk about that part later on.

Ms. Mikhaila, at one point in this dialogue we have had, you said you would like to understand why this would be. Is that something you can go back and check and report on by way of undertaking?

D. STEVENS: Sorry, can you please repeat that. I was just finishing up on the last item. I apologize.

D. QUINN: During our dialogue, Ms. Mikhaila herself said -- and I don't have the transcript, but, Ms. Mikhaila, you alluded to the fact you would like to understand why this is happening. I think we would like to understand it. So by way of undertaking, can you go back and provide an undertaking as to why this is happening?

D. STEVENS: No. That is not relevant to this proceeding. Ms. Mikhaila is indicating that in her role as the director of gas supply -- this is what I understood -- it is something that she will try to understand better. It does not make it relevant to this proceeding. Providing an undertaking response in this proceeding is us saying it is relevant, and we don't agree.

D. QUINN: If we can turn to FRPO-30, please. Thank you.

Can you help me with how the allocated costs were created here for lines 1, 2, and 3?

A. MIKHAILA: I can provide maybe a general understanding, and that is all I have with me here today. But for transport costs for the Enbridge -- or sorry, the EGD rate zone, those transport costs are divided up into, I guess, three categories, peak, seasonal and annual, in the cost allocation study. And this split here is representative of how the cost allocation study would split the -- in this case, the long haul from Empress to the Enbridge CDA costs in the cost study.

D. QUINN: So "pipeline peak" in line 1, can you just enhance your answer by how that is determined?

A. MIKHAILA: I don't have the detailed calculations, but the cost allocation methodologies have, I believe, a certain number of days a year that allocated to peak, and then -- first, maybe it is better to start with annual. Annual is the component of the transport capacity that meets annual -- sorry, meets average day demands is called annual, the difference between average day and average winter day is allocated as seasonal, and then there are a few days of the year, this is my understanding, that are allocated to peak in the EGD cost allocation study.

D. QUINN: And then if you go down to number 7, it is just simply math, but this is deriving what the pipeline peak cost is per customer? Do I have that right?

A. MIKHAILA: Yeah. This is the unit rate. So it is taking the allocated cost from line 1, dividing it by, in this case, all of the volumes because it is paid for by all customers as a load balancing cost.

D. QUINN: Okay. If we go to FRPO-32, please. So the table 1, which is on the next page, please.

How does Enbridge evaluate these alternatives in light of planned UDC?

S. DANTZER: Thanks. So when it comes to the consideration of unutilized capacity, that is best demonstrated in appendix C where we did the holistic analysis, and that focused on the evaluation of available alternatives. And so that is where we have considered utilization of existing assets.

D. QUINN: So is it quantified? To compare the different alternatives, do you quantify the resulting impact on UDC?

S. DANTZER: Where we had existing alternatives, we modelled those different scenarios, and the impacts to unutilized capacity are quantified.

A. STIERS: I might just add as well that that -- the assessment was completed where we had identified a shortfall, and so we had just created this response to be responsive. We didn't identify a shortfall in the WDA.

D. QUINN: Well, that is why I was asking more generically, and this is for, in this case here, the WDA. And so I am asking it generically, not specific to the holistic CDA example.

S. DANTZER: In this case, we did not consider the impacts to unutilized capacity because there was no shortfall in the WDA.

D. QUINN: But when you do it generically, what I heard -- correct me if I am wrong -- is you put it through the model, and there is an output that would include UDC?

A. MIKHAILA: We don't -- sorry. Maybe we -- there is maybe a confusion here. These are the options that could serve the WDA. They are not all available, and we did not need to go assess any of them because there wasn't a shortfall. So the current long haul capacity that we held was sufficient to meet the needs of the WDA. We did not do anything further for the WDA.

D. QUINN: Ms. Mikhaila, maybe I should provide this context because this proceeding is about how impacts on customers could be measured. That is part of what is in the issues. And so I am asking, in this case, when you do the WDA as an example, how do you assess the customer impacts, including UDC, which the customers would bear? And I heard from Mr. Dantzer initially that it was put through the model, and there is a cost -- you are shaking your head, so I will let you --

A. MIKHAILA: That was maybe a misunderstanding. We only put it through the model where we have a shortfall and where we have alternatives. That is how we would assess unutilized capacity against alternatives. We did not do that for the WDA.

D. QUINN: So when you put your cost down, costs million per year, you would include a component from -- of UDC in those costs?

A. MIKHAILA: We would put the full cost of the transport in there even if there were -- if it wasn't filled a hundred percent of the time.

D. QUINN: But that doesn't tell you the utilization. And in this case here, what I understand you are saying is you are going to put the full demand for the year, but it might not be used all the time when it could potentially be either diverted, sold in the market, the different alternatives you have there. How do you evaluate that for the purposes of average cost per -- per customer impact?

A. MIKHAILA: So if there were all available options to us, which there are not -- we know there is long haul, which we already hold. That is the only available ones -- available -- options available to us from the table 2 in the right-hand column. If short haul were an option available to us and we wanted to maybe compare that against the current long haul that we use to serve the WDA, we would run it through the optimization model to see the impact.

D. QUINN: I am sorry. The premise you have suggested here is that short haul is not available. Where is the limitation?

A. STIERS: So, Mr. Quinn, I think our limitation there is not being able to physically flow past Parkway or Maple, if you are talking about short haul to the WDA.

D. QUINN: You are saying that there is no capability to get a Parkway to, in this case, WDA delivery contract from TransCanada?

S. DANTZER: Yeah, without having the exact numbers in front of me, subject to check, capacity beyond Parkway is not available to the WDA.

D. QUINN: From -- on TransCanada, you are saying there is no ability to get a Parkway to WDA contract at this point?

S. DANTZER: Subject to check, yes.

D. QUINN: Okay. If you do that subject to check, and we will look forward to hearing from you. Thanks.

Okay. Mr. Richler, it is just a little before 11:00, and I know it might be helpful to all of us to have our break now, if that works for you, and then I will go through my notes and try to pick up some things that have not been discussed yet.

I. RICHLER: Okay. Let's take a break now for 15 minutes. But just a reminder, you are almost at the end of your allotted time, so maybe we can just connect over the break, and we can --

D. QUINN: Yeah.

I. RICHLER: -- get a sense of how much you think you have left.

D. QUINN: Yeah. Mr. Richler, respectfully, I have pursued it, but they took some time also to answer the questions. So in fairness, and we -- this is the allotted time versus the requested time, so I would just ask your indulgence.

I. RICHLER: Let's -- let's chat over the -- over the break. We will resume at 11:05.

--- Recess taken at 10:51 a.m.

--- Upon resuming at 11:06 a.m.

I. RICHLER: Okay. Let's resume. Just in terms of the schedule, I did have an offline discussion with Mr. Quinn over the break. What we are going to propose is that staff use up our time now. Mr. Khalil Viraney has some questions that will give Mr. Quinn some time to go over his notes and do some triaging. So we will go back to Mr. Quinn after Mr. Viraney is done.

Mr. Viraney, over to you, please.

EXAMINATION BY K. VIRANEY:

K. VIRANEY: Good morning, Panel. I just have a few questions. I am just following Mr. Dwayne Quinn's line of questioning. How important is the PDO framework to the five-year gas supply?

A. MIKHAILA: The gas supply plan is -- I would say reflects the deliveries at Parkway that are part of the PDO framework. And as far as importance, those deliveries are quite important to the whole Dawn Parkway system and the ability to meet all demands with having, like, a system smaller than it would otherwise need to be.

K. VIRANEY: But the PDO framework allows the direct purchase customers to deliver gas at Dawn, so are they delivering at Dawn, or they are choosing to deliver at Parkway?

A. MIKHAILA: No. The Parkway delivery obligation requires customers to deliver at Parkway.

K. VIRANEY: I believe the framework is that they have the option to deliver at Parkway, for which they get an incentive, but if they choose not to, they can deliver at Dawn?

A. MIKHAILA: No, that is not correct. Customers are required to deliver at Parkway, for which they receive the credit. There is not an option to deliver at Dawn.

K. VIRANEY: So they are all obligated to deliver at Parkway?

A. MIKHAILA: Yes.

K. VIRANEY: Can you confirm that through an undertaking? Because my understanding in the --

A. MIKHAILA: I don't --

K. VIRANEY: -- framework is a bit different.

A. MIKHAILA: I don't think that is necessary. That is -- there are customers that have an obligation to deliver at Parkway, and for that, they receive a credit. I don't need an undertaking for that.

K. VIRANEY: Okay. Fair enough. Is it possible for me to get back to you on that after Mr. -- after some other intervenor has gone through? Because I will --

D. STEVENS: It may be that I am just hearing a disconnect here, that perhaps Khalil is asking whether every single customer is obligated to deliver at Parkway, and you are perhaps only talking about a certain subset of customers, Amy.

A. MIKHAILA: That is true. Not all customers deliver at Parkway. But where customers are required to deliver, there isn't an option. They have to deliver at Parkway.

K. VIRANEY: Okay. So some customers do deliver at Dawn?

A. MIKHAILA: Yes, there are customers that deliver at Dawn.

K. VIRANEY: Okay. Fair enough. I was -- I was under the impression that all customers are required to deliver at Parkway.

A. MIKHAILA: Oh, no. Sorry. Thank you. Thanks for clarifying, Mr. Stevens.

K. VIRANEY: Just a general question: If there was a requirement in the future to buy Canadian origin products, does Enbridge Gas have the ability to get more Canadian gas to Ontario?

A. STIERS: So bear with me. I am just bringing up a response to OEB staff. I believe a similar question was asked, and we were pretty explicit in the context of, firstly, the TCPL mainline, which was one of the principal sources of Canadian origin natural gas. If you look at STAFF-5 in particular, I won't read through everything. I am sure you have. It discusses the limitations that we have in terms of alternatives in relation mostly to the TCPL mainline.

The closing point is that our options to ensure adequate supply for needs on the mainline are limited to exercising renewal rights on existing contracted capacity, bidding for sufficient contract terms in future open seasons, and supporting new capacity projects and commercial arrangements.

So those are the options available to us. I believe in -- there is another response dealing with this. STAFF-6 also does. And so, in general, I will summarize all of these points and related responses essentially advise that we have very few options or alternatives at our disposal to prioritize Canadian origin natural gas beyond the levels that we currently have.

K. VIRANEY: So that is the 45 percent that you probably get?

A. STIERS: That's the approximate estimate that we gave in the response.

K. VIRANEY: But beyond that, you wouldn't be able to get additional Canadian gas?

A. STIERS: It would be limited beyond that.

K. VIRANEY: Okay. Perfect. Thank you.

I am just referring to this IR response, which is CCC-7, and I don't -- I don't know whether you need to pull it up. But the response states that the spread between Chicago and Dawn prices is declining. What would be the implication on the gas supply plan if the spread becomes narrow or negligible? Would that change Enbridge's gas purchasing strategy in any manner?

A. STIERS: So I am not sure that it would -- I am not sure at this point how it would specifically change our procurement strategy, per se. Our practices and procedures would remain consistent. Our approach and the alternatives that were discussed and included in the response to, I believe, FRPO-37, and as outlined in appendix I discussed with CCC yesterday, would remain consistent as well.

So from an execution or procurement standpoint, we would still be assessing all of those same things to maximize value for ratepayers in a similar manner. Presumably, if the commodity price at Chicago were to fall relative to Dawn, what might happen is we may see more -- some volume of Chicago supply delivered into Ontario that otherwise, currently in the actuals that we have reported on, aren't at this moment.

K. VIRANEY: So would that be Enbridge buying the gas or third parties delivering gas into Ontario?

A. STIERS: Again, it would depend on which arrangement that was discussed. AMAs, for example, you are envisioning. What I am -- what I am talking about is Enbridge Gas procurement of molecule.

K. VIRANEY: So you would have the ability to get more supplies from Chicago if the spread was narrow?

A. STIERS: No. I am talking in absolute terms given the capacity that we currently hold, transportation capacity that we current hold and the commodity volumes that can be delivered via that capacity.

K. VIRANEY: So there wouldn't be any additional capacity? You would just be getting more molecules to fulfill the capacity that you have already --

A. STIERS: I am saying whereas we make some decisions to forego, to some degree, purchasing molecule in Chicago, instead purchasing molecule at Dawn in some instances, you may see us actually procure the molecule more frequently at Chicago if it is advantageous to do so.

K. VIRANEY: So currently you are paying some demand charges, UDC, because of not getting -- purchasing all the molecules from Chicago?

A. STIERS: All costs are set out within appendix I and FRPO-37, and we discussed them yesterday.

K. VIRANEY: Okay.

A. STIERS: Yeah.

K. VIRANEY: Perfect. Thanks.

And, lastly, if you can -- somebody can bring up FRPO-16, and I think it is response A. I think it is page 247 of the PDF. I believe so. And that is response A. And I am just going to read it here. It says here -- and this is in reference to the shortfall for the '24/'25 GSP. It says:

"Based on its knowledge of existing TCPL mainline shippers, its relevant capacity to supply the delivery daily on a firm basis, Enbridge Gas discretely engaged to suppliers to explore innovative third-party solutions."[as read]

And what is meant by "discretely engaging"?

A. MIKHAILA: I would just -- I wasn't part of that negotiation with the third party, but we would have reached out to them, asked about, you know, different arrangements that they might be open to. But when we use the word "discretely", it is just not to make it public because we wanted to have the option to negotiate that with the counterparty ourselves without other people having interest in the capacity.

K. VIRANEY: And does Enbridge Gas do this often, as in discretely engage with third parties?

A. MIKHAILA: Well, in the absence of available, you know, on-the-shelf capacity, we are looking for creative solutions to find the capacity that will help serve the demands of our plan. So I won't say this is something we do regularly, but we are needing to become more creative.

K. VIRANEY: Okay. And what kind of innovative third-party solutions would these be?

A. MIKHAILA: We just look to our business -- like, our partners -- the third parties -- sorry, not partners, third parties that have the ability to serve our delivery areas, and we ask them what type of arrangements that they could possibly have to meet the needs of our demands.

K. VIRANEY: Could you give examples of some of these innovative third-party solutions? Like, what are we talking about here?

A. MIKHAILA: I think the one that we have explained here, the third-party assignment for, in this case, four months of the year was an innovative solution.

K. VIRANEY: And this is only for shortfalls, correct, or peaking supplies? Is it only related to shortfalls, nothing to do with your firm transportation contracts?

A. MIKHAILA: One moment.

S. DANTZER: With respect to the arrangement, the third-party arrangement that's -- that we are talking about, we're -- it is used to fill a design day shortfall. And so when it comes to this arrangement or the consideration of any other types of solutions that you are -- that you have inquired about, we would only ever entertain solutions on a firm basis.

K. VIRANEY: Okay.

S. DANTZER: To satisfy those design day demand requirements.

K. VIRANEY: So it is essentially to meet peaking requirements?

S. DANTZER: I would characterize it as a design day shortfall requirement.

K. VIRANEY: So is it something that you know ahead of, or is this something that you need to arrange on a -- like, a real-time basis or on an urgent basis?

S. DANTZER: The shortfall -- the design day shortfall?

K. VIRANEY: Yeah.

S. DANTZER: Well, that comes through our annual update of the gas supply plan. So when we update our demand forecast, we look at existing supply arrangements and any shortfalls, and from there, we would look for potential contracting arrangements to meet that shortfall.

K. VIRANEY: Okay. Perfect. Thanks. These are all my questions. Thank you.

I. RICHLER: Thank you, Khalil.

So, Mr. Quinn, back to you. Before we broke, you had about ten minutes left of your allotted time, but you had indicated that you might want a little bit more. We are prepared to be a little bit flexible within reason. How is it looking?

EXAMINATION BY D. QUINN:

D. QUINN: Thank you for your indulgence, Mr. Richler, and I will do my best with Enbridge's help to stay inside of that.

Okay. I am hoping that we can do some easier ones first. If you could turn up FRPO-6, please. Sorry. If you could just scroll up. In this case, we are talking about reliability aspect, and we had asked to provide an explanation of the magnitude of existing services and describe the criteria. So if you could move down to the next -- yes. Okay. Actually, if you just focus on page 2, please. I have got other documents up here.

So down further under A, it says:

"Enbridge uses a 2 percent guideline for the amount of peaking service held within the portfolio, 2 percent above deliveries in the delivery area on a discretionary basis before incurring penalties."[as read]

And we respect that that is what TransCanada allows for is a 2 percent variance. Could you, by way of undertaking, tell us what the cost would be if you used 4 percent so that you would be 2 percent over the 2 percent tolerance?

A. MIKHAILA: Sorry. Just to clarify, the cost of -- that we would incur and be charged by TransCanada?

D. QUINN: For the LBA penalty, for being above tolerance, yes.

D. STEVENS: Just for my clarity, when you are talking about what would be the penalty that Enbridge would pay for being 2 percent above tolerance or at 4 percent, is that, like, on a particular path or for a particular contract, or are you just speaking per unit of volume? What are we quantifying?

D. QUINN: EDA deliveries. I will use EDA deliveries to be specific, and you can see that TransCanada's toll schedule basis on deliveries, generally speaking, to the EDA. So with your total deliveries to the EDA for TransCanada being 4 percent overconsumed, so you are 2 percent short in terms of nominated versus your allowed tolerance.

D. STEVENS: And when you say "EDA", are you saying EGDEDA?

D. QUINN: Yes.

D. STEVENS: So, yes, we can undertake too for the EGDEDA to advise as to the cost associated with being 2 percent over TransCanada's limited balancing agreement threshold of 2 percent; so in other words, being at 4 percent rather than at 2 percent over.

I. RICHLER: JT-2.4.

UNDERTAKING JT-2.4: TO ADVISE AS TO THE COST ASSOCIATED WITH BEING 2 PERCENT OVER TRANSCANADA'S LIMITED BALANCING AGREEMENT THRESHOLD OF 2 PERCENT

D. QUINN: Thank you. In talking with Mr. Ladanyi about these alternatives yesterday, you spoke of the cost at Iroquois underpinning third-party contracts. Obviously, the market changes at Iroquois more dramatically than at Dawn. And so my question, I guess, is when evaluating third-party peaking service contracts, how does Enbridge quantify the Iroquois cost for the purposes of evaluation?

A. STIERS: Excuse me. So what I tried to explain yesterday to Mr. Ladanyi was the nature of the RFP process and the assessment of offers. So we would compare offers received which may reference Iroquois to each other and to other offers received. So what in that would you like me to unpack?

D. QUINN: What -- how do you estimate what the ratepayer risk is or the cost of that alternative for exposure to the Iroquois price for -- and I am going to use the four days that you used for the other supply analysis. Using those four days, how do you set the Iroquois price?

A. MIKHAILA: Sorry, Mr. Quinn. I don't have the details of how we go about it. I am trying to recall back to a year ago when I did review, at that time, the options that were available to us. And I know that we did some assessment of what the cost would be, but I don't -- I don't remember what they are.

D. QUINN: Okay. Maybe we can turn up FRPO-1. If we can scroll down, please, to the attachments. Okay. And if you go to the next page, attachment 2, please. Okay. So there is an Iroquois supply price here of 17.63. How was that developed?

A. STIERS: So this Iroquois price is taken from, I believe -- sorry. Just looking for my notes here, Mr. Quinn.

D. QUINN: Maybe I can move to the undertaking.

A. STIERS: It's Platts.

D. QUINN: Okay. But it may -- Platts may be the source, Mr. Stiers, but is it the supply for the four highest days of the last three years?

A. STIERS: Four highest -- so it is the ten highest days spot prices observed over the three past winter seasons for four days.

D. QUINN: Okay. All right. So if we were to -- and I am going to ask this by way of undertaking. If you take the supply cost for those four days and say what the annual cost is, which should be in your tables there, it is point -- well, I will let you work it out.

What my question for you is what amount of demand could Enbridge contract for from Empress or from Dawn? How much capacity could be created for that annual cost?

So take the cost of what it would cost you for those four days and then divide by the tolls the demand for the year, either Empress to EDA or Dawn to EDA, for comparison purposes.

D. STEVENS: Is that clear to be able to answer? Am I correct, Dwayne, that you are asking Enbridge to quantify the annual cost associated with the fifth option on this table versus how much capacity could be -- or, sorry, to take the cost of the fifth item on this table and translate that into the amount of capacity that could be contracted from Empress or Dawn to the EDA?

D. QUINN: Yes.

A. MIKHAILA: Can I -- sorry. I just want to make sure I understand. Is it just the four days of Iroquois purchases?

D. QUINN: Yes.

A. MIKHAILA: Okay. And then the capacity would be -- if we didn't have -- if we didn't, I guess, pay -- if we weren't going to pay for this, what is the capacity we would pay for on an annual basis from Dawn or Empress even -- but the capacity is not currently available.

D. QUINN: Not currently. But for assessment purposes, as you have done here in the different alternatives, I am just looking for the transport capacity that could be contracted for for that value of the third-party service.

A. MIKHAILA: We can do that math, yeah.

D. QUINN: Thank you.

I. RICHLER: JT-2.5.

UNDERTAKING JT-2.5: TO TAKE THE COST OF THE FIFTH ITEM ON THE TABLE IN FRPO-1, ATTACHMENT 2, AND TRANSLATE THAT INTO THE AMOUNT OF CAPACITY THAT COULD BE CONTRACTED FROM EMPRESS OR DAWN TO THE EDA

D. QUINN: Thank you.

If we can go back to FRPO-36, please. Now, I appreciate yesterday that we took some undertakings for quantifying the impact of buying at intervals, but one of the important things that we are trying to ensure that is addressed here is transparency for the Board.

So when we talked yesterday about creating some math, Mr. Stiers pointed out that there were some restrictions on producing proprietary costs of gas at location. We landed on Canadian Gas Price Reporter, and so my question simply is to the extent that Enbridge proceeds in whatever way it does, is it part -- is it going to be a part of the gas supply proceeding to be able to assess the approach taken by Enbridge in terms of the fixing or not fixing of the natural gas at Dawn that is delivered?

A. STIERS: So just to make a couple of points, Mr. Quinn, on that one, we will still provide the undertaking committed to. I need to look more closely at the pricing. I believe that CGPR was acquired by Platts, which might raise some concerns, but we will still do our best to be responsive.

D. QUINN: And if I may, can I just parse this. If you do find there is restrictions --

A. STIERS: Yes.

D. QUINN: -- provide some other published source that doesn't contravene --

A. STIERS: I believe that was --

D. QUINN: -- any of your agreements.

A. STIERS: Yeah.

D. QUINN: Okay.

A. STIERS: Yeah. Just wanted to give you a heads-up on that.

D. QUINN: Yeah.

A. STIERS: On the second point, I think it would be more likely and perhaps more appropriate that we are dealing with that and the cost consequences associated with that in a future proceeding, more namely the deferrals proceeding.

D. QUINN: Okay. So it is Enbridge's position, I will say, that it is not in scope for the gas supply review -- update -- update review? Sorry.

D. STEVENS: Sorry. Just to be clear, Dwayne, when you say, "not in scope for an update review", are you speaking to, let's say, for example, the 2026 update review, or are you talking about this case here?

D. QUINN: The 2026, the former.

A. MIKHAILA: I think there is kind of two sides of it. The annual updates I would view as kind of the planning, future outlook of planning, although I recognize the timing creates some challenges in the first year. And then the deferrals, we did agree or commit to in Phase II to provide details on our load balancing specifically, you know, and we refer to that as Dawn purchases and deferrals. So there is kind of, I would say, these two proceedings that are dealing with similar things. I will say one is kind of what we did do, and one is what we plan to do.

D. QUINN: Can Enbridge provide its view on where one proceeding might be helpful to the board in terms of assessing your gas supply plan with financial consequences?

A. MIKHAILA: I would say the full cost consequences of the plan should be dealt with in the annual update. We only committed to load balancing as part of the deferrals.

D. QUINN: Okay. So let's focus it down to load balancing. So what is your view on one proceeding as opposed to we do the planning -- we will show you the plan of what we did in the update review, and then a year or so later when we look at deferral accounts, we will tell you what the costs were.

A. MIKHAILA: I think the commitment in Phase II was that parties could take any position on the costs regardless of whether those costs flowed through a QRAM or whatnot. I don't think that is changing here, and that is a -- the forum to at least challenge the cost we had for load balancing. I don't think it precludes that being discussed in an annual update.

D. QUINN: You do a scenario analysis with different alternatives for in the case of what you provided, the holistic analysis for the CDA shortfall. You have a need for above ground gas at Dawn to be able to quantify what alternatives you are choosing. Is that not something that could be included in a gas supply update?

A. MIKHAILA: Sorry. Maybe just lost on the nuances you are trying to get here. The -- how we meet the demands, annual and design day plans are part of the gas supply plan and will be part of future annual updates. And to the extent there is questions on those, I think that is an appropriate forum to ask those. I maybe forgot the exact question you were asking.

D. QUINN: You assess your transportation alternatives by the use of a customer impact. Once you do your scenarios, you provide a customer or bill impact. Could you not do the same for your meeting of your load balancing alternatives to compare costs of storage, landed gas at Dawn on index, or landed gas at Dawn that was fixed or transacted ahead of time?

A. MIKHAILA: And we agree to provide all of that in the deferrals proceeding.

D. QUINN: But what you are doing in -- respectfully, you are -- it is about a year later. The costs have been incurred. Is your view the company could be at risk for the prudence of its plan a year later?

A. MIKHAILA: That settlement said that parties could take any position on the costs that we incurred.

D. QUINN: Okay. I just --

A. MIKHAILA: And that is --

D. QUINN: Ms. Mikhaila, I am actually -- want to work with Enbridge on this. We want to make it work. We want to make it work for ratepayers, and I am concerned that the delay won't help Enbridge in its confidence of how to approach this in the interest of ratepayers. But I am going to leave that for today, and we can make the rest of the discussions at a hearing or argument. Thank you.

Okay. I do -- and I want to come back to something I saw yesterday better for the first time. If we can go to Pollution Probe 26, please. And the attachment that was to senior management, the presentation -- page 4 of that presentation. Thank you. I just want to understand what is being shown here. So this is a presentation, as I understand it, to your executive for your gas supply plan.

S. DANTZER: That is correct.

D. QUINN: Okay. Increase in -- the second bullet on the arrow -- is the arrow supposed to mean anything in terms of the width of the arrow or the magnitude of the issue?

S. DANTZER: No. I wouldn't put any emphasis on the pictorial representation here.

D. QUINN: I just don't know when it is presented that way what words go it with it, but that is helpful, Mr. Dantzer. So "Increase in ECDA design day requirements". Is that evidence somewhere in your gas supply plan?

S. DANTZER: That would be the CDA shortfall.

D. QUINN: But you are specifically referencing ECDA.

S. DANTZER: Enbridge CDA.

D. QUINN: Oh, I am sorry. Because there is Union CDA. That is what I -- okay. That is -- I will leave those questions there. Thank you.

S. DANTZER: Yeah. Thanks.

D. QUINN: But next one is "Increase in Union rate zone storage requirements". Is that in evidence here?

S. DANTZER: I believe it is in the -- it is in our plan in -- correct me if I am wrong here. Table 6 is our storage requirement. I could be referring to old numbers. Table 8 -- oh, no, that is -- yes, sorry, table 8.

D. QUINN: But I think I saw, and possibly Ms. Monforton has that still up, we -- if you can keep this up also, but that Pollution Probe 26, it said "Union rate zone".

A. MIKHAILA: If you look to the line 7 of table 8, you will see that it is increasing.

D. QUINN: What is driving that increase in -- as I read across here, in future years?

S. DANTZER: That is the aggregate excess calculation.

D. QUINN: And so you are saying you are going to have more need for gas in the winter based on those calculations?

A. MIKHAILA: I just want to -- I hate to do this again, but this presentation was completed, I believe, before the settlement of Phase II. And so there was some -- there is a -- now a -- sorry. The storage requirement for future years has been set. It doesn't fluctuate like we have here.

D. QUINN: Could you by way of undertaking provide an update to this table so that we are understanding it in context?

A. MIKHAILA: Please give me a moment.

D. QUINN: Mr. Richler, how much time? I didn't see the time when I started.

I. RICHLER: Well, if you stopped now, then we would be able to end at the -- when we said we would end. So I would encourage you to start wrapping up.

D. STEVENS: Just to be clear, Dwayne, on your request here, are you asking what table 8 would look like if it reflected the Phase II settlement?

A. MIKHAILA: No, I -- and, sorry, I want to apologize. I had something different going through my head when I said that about Phase II. This is just the storage requirement, and there will be an update to that storage requirement in our next annual update.

D. QUINN: Okay. I don't have the words you said before, but you seem to be reflecting upon something you have seen already. Can that be provided so that we understand if there are implications that came out of the Phase II settlement?

A. MIKHAILA: Sorry. And that is why I was a little -- I take -- I guess take back what I said about Phase II. It will not impact the storage requirement, which is just the aggregate excess calculation.

S. DANTZER: As you know, there is multiple moving pieces when we talk about Phase II contingency calculating ag excess on behalf of Enbridge Gas Inc. as a whole. So the table is going to look different when we see it in next year's annual update.

D. QUINN: Okay. Then I -- in the interest of time, I am just going to leave it there. Thank you.

Kirkwall PDCI, we have asked for this a few times. First off, do you have any customers that are obligated to deliver at Kirkwall?

A. MIKHAILA: No, we do not. No, we do not.

D. QUINN: Would you take that one -- take that subject to check?

A. MIKHAILA: I will take that subject to check.

D. QUINN: Okay. If you did have a customer delivering at Kirkwall, would they receive a PDCI?

A. MIKHAILA: No, they would not.

D. QUINN: But you are extending the PDCI to the CDA customers as -- in your proposals for the PDO framework.

A. MIKHAILA: We have proposed that in Phase III.

D. QUINN: Yes. But you are not providing any incentive to customers who could or would deliver at Kirkwall?

A. MIKHAILA: At this time, no.

D. QUINN: At this time, no, but why would you not?

A. MIKHAILA: It might be something we explore as we look to meet demands across our system. If there aren't available options, we might look at it -- I won't call it an IRP, but an IRP-like item in lieu of, say, Dawn Parkway capacity. That is not something that we have a proposal for at this time.

D. QUINN: Okay. Okay. Last area, Mr. Richler, and hopefully just a couple minutes.

You provided some information. I intended to walk through it in more detail, in the Sarnia area, for the gas supply impact to the Sarnia industrial line. You are familiar with that? It is a generic question.

A. MIKHAILA: Yes, I am familiar with it.

D. QUINN: Does send out -- do you put anything into send out to represent the value of deliveries on the pipelines that intersect with the Sarnia industrial line for the purposes of choosing your options analysis?

S. DANTZER: Certainly the upstream supply that lands in Union South, namely the Sarnia area, is reflected in our modelling. Sorry, and the last part of your question, maybe you could just repeat that.

D. QUINN: Is the value of those deliveries part -- is it input into your model so that you can assess different alternatives for moving gas through to Dawn but with the option to leave it on the Sarnia industrial line?

S. DANTZER: The gas supply plan reflects planning for the Union South rate zone as a whole. So there is no plan -- there is no modelling as part of this gas supply plan for the Sarnia industrial land specifically.

D. QUINN: But you do and you have, I think, in a few places in your evidence in the last few years spoke to the value of having deliveries that intersect the Sarnia industrial line, correct?

A. MIKHAILA: It reduces facilities that we would otherwise need to build, yes.

D. QUINN: Okay. So it is -- I call it an IRP. Would you call it an IRP?

A. MIKHAILA: I don't believe we would refer to that as an IRP.

D. QUINN: Okay. Well, this -- and I think this is where the problem occurs because we have the gas supply plan providing a facility's benefit, but we have two silos.

So, Mr. Dantzer -- and I guess I am back to you -- can a value be put into send out to represent the distribution impact of a -- one option versus another?

A. MIKHAILA: Are you referring to a value that would, say, recognize that we would not want to lose that capacity because otherwise, we would need to do a build or something like that?

D. QUINN: Or if there is an increment that you are contracting for in your option analysis to meet a demand, could you use send out and a value put into send out to provide value to that option that gives you that optionality for the distribution benefit?

A. MIKHAILA: I don't know the capabilities of the optimization tool itself, but I do think we highly recognize the value that those gas -- those supplies are providing the Sarnia industrial line. If we were going to change that in any way should another option become available, we would assess those. But at this time, we don't have anything in the model.

S. DANTZER: I would just say in terms of value with respect to avoided facilities, we do -- and I think we quantified that on the record as part of this in that we don't need send out to do that.

D. QUINN: Okay. If you don't need send out -- but if you are looking at alternatives, and you are trying to choose your alternatives of Bluewater, Vector, Great Lakes Canada, all those alternatives to try to get additional gas to meet a demand, would you not want to know which options provide you an ancillary distribution benefit?

S. DANTZER: To the extent that there are alternatives available, perhaps.

D. QUINN: Okay. Maybe "choose to" versus "able to". Are you able to quantify that difference and put it into the model?

S. DANTZER: Could you maybe be more specific in terms of what alternatives you are referring to?

D. QUINN: I just listed some off the top of my head. I don't have much time. Vector, Bluewater --

S. DANTZER: In the environment of zero capacity being available, I am struggling to identify what real alternatives we would be reflecting.

D. QUINN: I am asking a hypothetical question. Can it be done?

S. DANTZER: That is where I struggle with the hypothetical.

D. QUINN: Okay. All right. Well, hopefully we have a chance to chat in another proceeding, and maybe we can get more -- on the same level for communication.

Thank you for your answers. Thank you, Mr. Richler, for your continued accommodation. Those are my questions.

I. RICHLER: Thank you, Mr. Quinn. Before I hand it over to School Energy Coalition, I understand Mr. Viraney had one quick clarification question.

EXAMINATION BY K. VIRANEY:

K. VIRANEY: So I have a follow-up question for Ms. Mikhaila. I guess we did have an exchange of the Parkway delivery obligation, and I think your response seems to indicate that people -- that direct purchase customers who had an obligation to deliver to Parkway could not deliver to Dawn, and all customers are obligated to deliver to Parkway. Is that correct?

A. MIKHAILA: No, that is not what I said. I would say the subset of customers who are currently obligated at Parkway do not have the option to change their obligation from Parkway to Dawn. There is another much larger subset of customers that do have obligation at Dawn, and they do not receive a PDCI, and customers at Parkway do receive a PDCI.

K. VIRANEY: So those who have an obligation to deliver at Parkway could never deliver to Dawn?

A. MIKHAILA: There is a framework, the PDO framework, that discusses the manner in which we would shift customers from Parkway to Dawn.

K. VIRANEY: So customers did have the option to kind of deliver to Dawn?

A. MIKHAILA: We have provided the option to customers over time when Dawn Parkway capacity was available. Because Dawn Parkway capacity is necessary to have customers shift from Parkway to Dawn. And there was a framework that kind of set out how we would go about doing that when capacity was available. But just on a whim, to ask to be shifted, no.

K. VIRANEY: No, I wasn't asking on a whim. My initial questioning was whether customers did have the option to deliver to Dawn, those who were obligated to deliver to Parkway, and you said all customers had to deliver to Parkway. And my understanding is that as long as there is capacity, they could choose to deliver to Dawn in place of Parkway?

A. MIKHAILA: There would have to be capacity that we were -- would use for this purpose. And we would solicit customers' interest in shifting from Parkway to Dawn if that -- if the capacity were available and we were to use it for that purpose.

K. VIRANEY: Okay. Thank you.

I. RICHLER: Thank you. Mr. Rubenstein, over to you.

EXAMINATION BY M. RUBENSTEIN:

M. RUBENSTEIN: Good morning, Panel. Last few minutes of the morning. I just have a couple questions.

First, can everybody hear me in the room?

I. RICHLER: Yes, we can.

M. RUBENSTEIN: Thank you. Can we turn up to 4-SEC-9? So in part A, we asked you about your commodity procurement process, and you provided an excerpt of the evidence. And as part of that excerpt, Enbridge says:

"Enbridge primarily uses an RFP process (written and verbal), and electric gas trading platform under the NAESB contract and a gas electronic data interchange contract."[as read]

Do you see that?

A. STIERS: Sorry, Mr. Rubenstein, are you referring to SEC-1, attachment 1?

M. RUBENSTEIN: No. It is right on the screen.

A. STIERS: Oh, I see it. Sorry. Yeah.

M. RUBENSTEIN: How does a verbal RFP work? What does that mean?

A. STIERS: I believe the use of the term "verbal" is when a discussion is had between Enbridge Gas and our counterparties, perhaps over phone, in extenuating circumstances, to come to an agreement on price and term and would still need to be confirmed in some manner subsequently.

M. RUBENSTEIN: So that is not an RFP process. That is really a --

A. STIERS: No, it is just a receipt --

M. RUBENSTEIN: -- a bilateral negotiation, I would say.

A. STIERS: No. It's a receipt of a formal offer.

M. RUBENSTEIN: So you would issue an RFP --

A. STIERS: Yes.

M. RUBENSTEIN: -- and then you are -- this is just a confirmation --

A. STIERS: And then receive --

M. RUBENSTEIN: -- of the bid?

A. STIERS: Receive a bid and receive the bid details in that format.

M. RUBENSTEIN: Okay. But you are still selecting -- I just want to confirm you would still be selecting -- presumably you have multiple suppliers?

A. STIERS: Yes.

M. RUBENSTEIN: Who would be -- bid, and you would still be selecting the most cost effective of those suppliers based on the terms of the RFP?

A. STIERS: Absolutely.

M. RUBENSTEIN: Okay. Thank you.

In part B we asked you for the 2024/2025 gas year to provide certain information regarding the commodity purchased. In the attachment, and you provided the public version, and we can use that. You provided a table running from November 1st, 2024, to August 31st, 2025. And maybe we can look at the attachment. We can just use this and talk at a high level.

And as I understand, broadly speaking, what you have is you have various suppliers and agreements with those suppliers for various terms. And the terms are listed there, and they range from a month, even less than a month to a year. Then you have the daily quantity, and then you have pricing, which is based on a surcharge discount per unit generally relative to the price index. Do I have -- generally speaking, that is how it works?

A. STIERS: Yes.

M. RUBENSTEIN: And so would the math work like this: For every contract, you have the daily quantity, and you multiply that by the number of days of the contract and then -- so that would -- you would get the total quantity purchased for each of the contracts?

A. STIERS: Yes.

M. RUBENSTEIN: And then for the pricing, to get to the sort of total cost of the project, you take that quantity, and you multiply that by the index price, and then the -- you know, plus or minus the surcharge discount per unit?

A. STIERS: Yes.

M. RUBENSTEIN: And as I understand, some of the index prices are calculated daily; some of them are calculated monthly. Do I have that right?

A. STIERS: Sorry, could you repeat that?

M. RUBENSTEIN: For the index.

A. STIERS: Yes.

M. RUBENSTEIN: As I read this, and you can correct me here, as I understand, some of them are a monthly index; some of them are -- you would be calculating it daily?

A. STIERS: Yes.

M. RUBENSTEIN: Okay. And so taking the math with respect to the total cost of each of the contracts that we just talked about, if I add up the total cost for each of those contracts listed, would I get the total gas purchase costs before November 1st, 2024, and August 31st, 2025?

A. STIERS: I believe so. I am just checking that we didn't put any qualifiers on this. I don't believe that we did.

M. RUBENSTEIN: And is there any categories of cost that are missing? So, for example, peaking services or third party services or just purchases. Is there just some category of cost that this would not include?

A. STIERS: Not that I am aware of. You can see lines 260 --

A. MIKHAILA: Could we just have a moment?

Sorry, Mr. Rubenstein, I just want to ask a quick question. Are you looking to say would these be the costs in the PGVA -- or PGVAs?

M. RUBENSTEIN: I am not specifying where they are showing up. I just want to understand, in terms of actual costs, wherever bucket -- wherever they would flow, is this the total commodity cost -- the commodity that would be purchased -- that you would have purchased between November 1st, 2024, and August 31st, 2025?

A. MIKHAILA: I believe so. I just want to say there could be additional costs related to these purchases like brokerage fees and things like that. And I didn't know if you were interested in that --

M. RUBENSTEIN: No, no, that is fair.

A. MIKHAILA: -- detail. Okay.

M. RUBENSTEIN: So this is including -- let's just call it the actual gas.

A. MIKHAILA: Yes.

M. RUBENSTEIN: But there may be some ancillary fees that you are talking about?

A. MIKHAILA: Yes.

M. RUBENSTEIN: Okay. And this goes to -- we asked for the full '24/'25 year, and you provided up to August 31st. Does that mean you have not -- what should I take from that? Is that -- did you -- is that just you looked at what are your actuals? Or have you not actually provide -- do you not actually have contracts for commodity to take you to the end of October?

A. STIERS: That is correct. It is the latter. We haven't completed all procurement as of the time of this response.

M. RUBENSTEIN: So can you maybe help me understand. I know those were the dates. Help me understand how often, how far out are you looking? I am just trying to understand. So we have a number of contracts, for example, on this that start, you know -- that started in November of 2024. When would you have entered those into them? Maybe you can just speak to sort of the --

A. STIERS: Sure.

M. RUBENSTEIN: -- more generally.

A. STIERS: Just give me a moment. So we outline in the response to STAFF-15 the nature of the transactions that you have just walked us through in SEC-9, part B. What would be contained in there would be a combination of annual, seasonal and monthly or short-term purchases that occurred throughout the year. So in other words, the longest transactional contract term typically being annual. And included in there, what we are classifying as seasonal as being anything covering an entire winter or summer season or more than two months within one of those seasons. And then, finally, monthly purchases, and even shorter term purchases.

M. RUBENSTEIN: Yeah, sure, no, I understand that. But I am -- let's just use the monthly short term. If you have a monthly short term, let's assume hypothetically, from November -- you know, through the month of November, when are you doing the RFP for that? How far out?

A. STIERS: In some cases, we may be -- never further than one year. Depending on the nature of the contract term -- and I am speaking in generalities. I know you just mentioned a one-month contract without specific location. But I would say we would be procuring, at maximum, a year in advance. We may even be procuring as shortly as within that same month for the balance of the month.

M. RUBENSTEIN: So you provided in the table that we went through 10 months of the 2024/2025 gas year. What percentage of the -- and, roughly speaking, I am not looking for any -- the specific numbers. I am just trying to get a sense of September and October would have been procured by the end of April.

A. MIKHAILA: Sorry. I just want to clarify. I think by the end of August --

M. RUBENSTEIN: Sorry. End of August. My apologies.

A. MIKHAILA: -- we would have made -- and you can see it in the attachment. We would have procured monthly purchases for September. The only thing that would be missing from this table would be the monthly purchases for October that we would make in the month of September.

M. RUBENSTEIN: Okay. Thank you very much.

Now, in the various transportation analysis tables -- and maybe we can actually look at, I think, appendix M of the -- I think it's in the prefilled evidence. But as just an example, you -- when you are doing the landed cost analysis, the supply portion, as I understand, you look at the basis differential from the point of supply and then add that to the NYMEX index?

A. STIERS: Correct.

M. RUBENSTEIN: And I -- when you're -- I want to understand how you are calculating the basis differential. Can you explain that?

A. STIERS: The basis differential -- so you will see there is two matrices there. The bottom one respects the basis detail taking from, on a forecast basis, ICFQ3, in this instance that I am looking at that, and that you should see on the screen. ICFQ3 base case from 2024.

M. RUBENSTEIN: And do you ever overlay on to that your own experience with respect to discounts or premiums you are paying --

A. STIERS: Not for these purposes.

M. RUBENSTEIN: -- in each of those basins?

A. STIERS: No, not for these purposes.

M. RUBENSTEIN: Okay. Thank you.

Lastly, if we can go to 3-SEC-7. And here we asked you about the FERC review of the Vector pipeline tolls. And in part A, we asked you if you -- if Enbridge was actively participating in the FERC proceeding, and your answer was:

"Yes. Enbridge Gas has been approved as an intervenor in the Vector Pipeline L.P. for section 4 and 5 proceedings."[as read]

And I think you can agree with me that being an approved intervenor is not the same necessarily as actively participating. So I just want to clarify. Is Enbridge an active participant -- or shall I say will become an active participant, as I understand the process is really unfolding in 2026, that is challenging the just and reasonableness of those tolls?

A. MIKHAILA: Yes. We are attending all of the settlement conference meetings on behalf of Enbridge Gas. And --

M. RUBENSTEIN: And -- continue, sorry.

A. MIKHAILA: And have an -- and we have engaged a third party legal counsel on our behalf to participate as well.

M. RUBENSTEIN: And as I understand -- and I think you mention this in part B where we asked you what contract essentially would be at issue, and you said it is the -- it is only the transportation -- the 80,000 decatherm contract that could be affected by this. Because the others, I believe, are negotiated tolls. Do I have that right?

A. MIKHAILA: It is only that one contract that would be subject to an immediate toll reduction. Once the other one -- they are all -- sorry. The other contracts have other renewal details, one of which would have a toll reduction on renewal. And the other two are not clear.

M. RUBENSTEIN: Which is the one that you say -- you seem confident that it would have an impact?

A. MIKHAILA: So the 80,000 decatherms a day is the one that would have an immediate toll reduction and -- and I believe it is the one of 65,000 decatherms a day that would have a toll reduction on renewal.

M. RUBENSTEIN: And with respect to the 80,000 immediate reduction, am I correct that is the Vector contract that was renewed for -- in 2025 for three years, I think, at a total cost of about 15 million?

A. MIKHAILA: Yes. I believe -- I believe you are correct.

M. RUBENSTEIN: All right. Thank you very much, Panel. Those are my -- those are my questions.

I. RICHLER: Last on our list is Six Nations Natural Gas. Ms. Wainewright, are you ready to go?

L. WAINEWRIGHT: Thank you. As expected, I have no further questions.

D. QUINN: Can I get your five minutes, Linda?

L. WAINEWRIGHT: I tried to give them to Mark.

D. QUINN: I do have a follow-up question. I was trying to e-mail you, Ian. I am having a certificate error. It's actually just going through now. I am following Mr. Viraney's questions on the Parkway delivery obligation framework, if I may.

I. RICHLER: Okay. Go ahead.

EXAMINATION BY D. QUINN:

D. QUINN: Sorry. Mr. Viraney was trying to make sure you understand it fully, and I thought you were going to finish the explanation, and so I will ask the question: During a solicitation of people wanting to go from Parkway to Dawn, is there not also a solicitation of any customers who are currently delivering at Dawn that may want to go back to Parkway?

A. MIKHAILA: I believe that does occur, but I am not sure it is at the same time. Sorry, Mr. Quinn. I am just not sure of the discussions with customers. If we have available capacity to shift customers back to Dawn, I am assuming we could also solicit customers who might want to deliver to Parkway to create additional capacity for those who want to shift.

D. QUINN: Okay. Well, it is an important detail. If the customers are shifting from Parkway to Dawn, and you may have surplus capacity now, but if it pushes us closer to a build, wouldn't it make sense to ask if there's any customers who are currently delivering at Dawn to be -- that they could have their obligation at Parkway and receive the PDCI for that?

A. MIKHAILA: Yeah, that would definitely be something that we would explore, of course, before a Dawn Parkway build. I am just not sure of the timing of, you know, the request put out to customers, if it happened at the same time. Of course, we have not had this happen in a number of years, asking customers if they want to shift back to Dawn, so I just can't recall the process there.

D. QUINN: Okay. I just -- I just wanted to complete the Parkway framework discussion, so thank you very much.

I. RICHLER: Thank you. David, did you have any housekeeping matters you wanted to raise before we adjourn?

D. STEVENS: No. Thanks for keeping us on track, Ian.

I. RICHLER: Okay. So in that case, my thanks to the witnesses and to all the intervenors for your participation, and we are adjourned.

--- Whereupon the proceeding concluded at 12:14 p.m.