

Direct Dial: (416) 216-1865
Direct Fax: (416) 216-3930
jmyers@ogilvyrenault.com

December 1, 2008

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

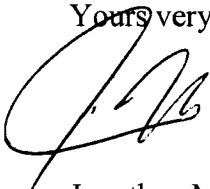
Dear Ms. Walli:

**RE: Enbridge Gas Distribution Inc. - Application for 2009 Rates (EB-2008-0219)
APPrO Technical Conference Questions for Enbridge Gas Distribution**

Procedural Order #1 in the above-noted matter instructs any party wishing to ask written questions concerning another party's evidence in advance of the Technical Conference to file such questions by December 1, 2008.

Accordingly, the Association of Power Producers of Ontario ("APPrO") is filing the attached questions, all of which are directed to the applicant.

Yours very truly,



Jonathan Myers

c: Norm Ryckman, EGD
Fred Cass, Aird & Berlis LLP (Counsel to EGD)

**Questions of the Association of Power Producers of Ontario
To
Enbridge Gas Distribution Company
EB 2008-0219 - Phase 1 – Technical Conference**

1. Utility Income Calculation. Exhibit B, Tab 1, Schedule 6 Appendix A Page 3 of 5; illustrates the calculation of the utility net income that is subsequently used to calculate gross revenue deficiency (page 1 of 5). Enbridge notes in Exhibit B, Tab 1, Schedule 5. Appendix A, page 2 that the company had 2 Rate 125 customers in 2008 and will have 3 customers in 2009. Similarly on page 5 of the same Appendix, no “revenue at existing rates” is included in gross revenue deficiency calculation other than a rounding adjustment. Given that these customers are large customers with minimum daily loads of 600,000 m³/d, please explain why in the calculation of the Y factor utility income, no revenue has been included in the calculation of utility income.

2. Revenue Requirement Calculation. Exhibit B, Tab 3, Schedule 3 illustrates the proposed revenue requirement in total and by class. Please indicate why the Total Distribution revenue proposed on line 16 of 1,046,709 differs from the Resulting 2009 Distribution Revenues of 974,140 found in Exhibit B, Tab 1, Schedule 2, page 1, line 24.

3. Summary of Proposed Rate Changes. Exhibit B, Tab 3, Schedules 6 and 9 illustrate the proposed rate changes by Rate Class and by rate item,

- a. Rate 125 Tier 1, Tier 2 and Cumulative balancing charges are as follows:

	Current Approved	Proposed EB-2008-0219	% Change
Tier 1	0.8668 ¢/m ³	0.9004 ¢/m ³	3.87
Tier 2	1.0402 ¢/m ³	1.0805 ¢/m ³	3.87
Cumulative	1.0076 ¢/m ³	1.0343 ¢/m ³	2.65

Please explain the reasons for and the detailed calculation of these increases.

- b. On page 3 of 4 of Schedule 6, a number is illustrated in parenthesis under Rate 315 item 3.02, suggesting a footnote, but no footnote was included. Please indicate the footnote or the intention of the number in parenthesis.

c. Rate 315 and Rate 316 charges are as follows:

	Current Approved	Proposed EB-2008-0219	% Change
Rate 315			
Space	0.0364 ¢/m ³	0.0466 ¢/m ³	28.0%
Deliverability	13.5776 ¢/m ³	13.6672 ¢/m ³	0.7%
I/W Charge	0.4486 ¢/m ³	0.5136 ¢/m ³	14.5%
Rate 316			
Space	0.0364 ¢/m ³	0.0466 ¢/m ³	28.0%
Deliverability	3.5153 ¢/m ³	4.3168 ¢/m ³	22.8%
I/W Charge	0.1681 ¢/m ³	0.1672 ¢/m ³	-0.5%

- i. Please show the derivation of these rates and explain the reasons for the significant increase Rate 315 Space and I/W charges as well as the Rate 316 Space and Deliverability charges.
- ii. Please show the derivation of these rates and explain why has Rate 315 Deliverability charge increased a modest 0.7% whereas the Rate 316 deliverability charge increased 22.8%?
- iii. Please show the derivation of these rates and explain why has the Rate 316 I/W charge decreased 0.5% whereas the Rate 315 I/W charge has increased 14.5%?

4. TransCanada DOS-MN. Exhibit B, Tab 5, Schedule 2 illustrates the costs of various upstream transportation costs. On or about November 7, 2008, TransCanada filed an application with the National Energy Board to implement a Dawn Overrun Service – Must Nominate (“DOS-MN”) whereby for the balance of the current winter TransCanada will receive gas at Empress and redeliver such volumes at Dawn. The cost for such service is the FT commodity toll, thus shippers avoid the normal demand charge that otherwise would apply. Certain shippers had the right to their pro-rata of this service.

- a. Please indicate if Enbridge has assigned and/or contracted for such service and what percentage was assigned or contracted relative to its overall entitlement.

- b. If Enbridge has assigned all or a portion of this service to a third party how are the proceeds of such assignment dealt with?
 - c. If Enbridge plans to incorporate this service into its own transportation portfolio, how will Schedule 2 change to reflect this opportunity?
- 5. Customer Charges. Exhibit B, Tab 3, Schedule 8, page 5 of 7, Item 1.1 indicates "12" in column 2. Please indicate what this number represents and if this is the number of contracts through 2009 times the number of months in the year where customers are paying the customer charge, should this number be higher to reflect the 3 Rate 125 customers illustrated in Exhibit B, Tab 1, Schedule 5, Appendix A, page 2.
- 6. Allocation Percentages. Exhibit B, Tab 3, Schedule 10 pages 8 & 9; please provide additional information to explain the calculation to derive the Delivery Demand TP allocation percentages for Rate 125 and Rate 300.
- 7. Please confirm that Enbridge has allocated project costs as discussed in Section 5.1 of the Settlement Agreement in EB-2007-0615 in accordance with the latest Board-approved cost allocation methodologies and rate design principles as illustrated at Appendix E to that Settlement Agreement. If Enbridge is applying a cost allocation methodology or rate design principles that differ from those illustrated in Appendix E to that Settlement Agreement, please indicate the source of the Board-approval for the change or provide the rationale supporting changes that are being proposed by Enbridge in the current filing.