

**Ref: Exhibit E1, page 31, para. 99**

**“In calculating the delivery requirement for General Service customers (Rates 1 and 6), Enbridge uses the most recent 12 months of actual consumption, unadjusted.”**

- 1) Development of Forecast
    - a) Under what circumstances would Enbridge adjust the last 12 months actuals prior to providing customers with their monthly forecast for MDV establishment?
    - b) Please provide the Enbridge approved forecast and actual for FRPO DPA6331 for the gas years of November 1<sup>st</sup> - October 31<sup>st</sup> for the periods of 2004/05, 2005/06, 2006/07.
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**Ref: Exhibit E1, page 35, para. 113**

**“Enbridge DP customers must take specific actions at the end of their DP contract to bring their BGA into balance although they have an opportunity to do so during the year with some restrictions depending on the time of year.**

- 2) DP Balancing
  - a) What criteria are used by Enbridge to determine if Direct Purchase customers have an opportunity to suspend? Please specify the attributes that are considered in the determination.
  - b) Please provide the actual periods of restriction in the past 4 years.
  - c) Please provide a table of the “BGA Disposition Gas Purchase and Sales Rates” on a monthly basis from Oct. 31/05 to Oct. 31/07.
  - d) If gas in excess of the 20 days limit is purchased by the company, how are the volumes and costs treated?
  - e) If additional gas is needed to bring the DPA up to 20 days short, where is the gas provided from and how are the revenues and costs treated?

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**Ref: Exhibit E1, page 33, para. 109**

**“Enbridge uses a variety of tools to meet seasonal and peak winter demands:**

- company and DP daily pipeline deliveries;**
- gas in storage space and associated deliverability;**
- peaking and seasonal supplies; and**
- gas supplies from curtailed (interruptible) large volume customers.**

3) System Gas Management

- a) Does Enbridge bring in planned system gas deliveries in equal daily deliveries throughout the year?
- b) If not, are additional winter deliveries planned and procured? How are the winter premium costs treated from an allocation point of view?

4) Forecast of Functional Requirements

- a) To meet the expected requirements for volumes of gas to get through the winter season, does Enbridge forecast the monthly volume requirements of the respective functions of system gas, load balancing gas (both system and DP balancing) and company used gas separately?
- b) How is the storage allocation for each function determined?
- c) Are the actual storage balances for each function maintained separately?

5) System Gas Balancing

- a) What criteria are used to manage the integrated pool to determine if it is long or short?
- b) If the integrated pool is short gas relative to forecast, how does Enbridge determine which function has caused the apparent insufficiency?
- c) Does Enbridge have a published protocol in evidence?
- d) Is there discretion afforded management to determine the underlying source of difference to forecast?

- 6) Functionalization and Allocation of Balancing Costs
  - a) If gas is sold or purchased to meet the established criteria, how is the cost consequences of any discounts or premiums tracked?
  - b) If a deferral account is used, what criteria is in place to ensure the cost causality principle for the system gas program and the distribution functions?
  - c) Are those criteria published in evidence?
- 7) System Gas Transportation Implications
  - a) If the system gas program is long gas in the winter period, what is Enbridge's planned approach to dealing with the transportation associated with the unneeded gas supply?
  - b) If UDC is incurred, does the system supply program pay for the cost or is it paid for by a distribution or transportation account?
  - c) Was Enbridge required to shed system supply gas in the winter of 2006-2007?
  - d) Was UDC incurred?
  - e) How was it paid?
  - f) Was the transport used by any other functional area of Enbridge?
  - g) If so, which area?
  - h) If not, did Enbridge sell the rights in the secondary market and what were the resulting cost consequences?

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**Ref: RP-2003-0203, Tab 5, Sch 3, page 2, para. 4**

**"The Company identified and included the following functions which support the management of system gas based on fully allocated costing: Gas Acquisition, Risk Management, Contract Management, Nominations, Invoicing, Payment and Reporting, Billing (including CIS hosting costs), Collections, and Call Center. The Billing, Collection, and Call Center functions and their associated costs have been included in the fully allocated costing approach. The inclusion of these functions in**

**the determination of the fully allocated cost recognizes that some of the activities, carried out for all distribution services, also support system gas sales. However, the costs associated with these functions are not incremental to the Company and would still be incurred in the event the Company no longer managed system gas. Based on a fully allocated costing methodology, the 2005 system gas service cost would be \$14,725,000.**

8) Level Playing Field between Administration Costs of System Gas and Retail

- a) Please provide the scope of recovery for the system gas management fee.
- b) Please provide the scope of recovery for the Agency, Billing and Collection (ABC) service for retailers who choose ABC.
- c) Please provide the scope of recovery for the Direct Purchase Administration Charge.
- d) Please provide current rates for each of the above services.
- e) Please provide a comparison to the system gas fee that demonstrates the principle of level playing field between system gas customers and direct purchase customers who pay the DPAC and ABC charges.

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**Ref: Exhibit E1, page 49, para. 170**

**“In contrast, a fully-allocated approach to costing would necessitate the recovery of other costs through system gas and DPAC fees which are not directly related to the service. Should a fully-allocated approach be pursued in the costing of system supply and direct purchase management, if customers opted to select one option versus the other, fully allocated costs would not be recovered because the elimination of the service would not eliminate the cost.**

**Ref: RP-2003-0203, Tab 5, Sch 3, page 2, para. 4 (included above)**

9) Utility Risk of Under-Recovery

- a) Please provide the total annualized cost of system gas for 2006 and 2007.
- b) Please provide any more recent cost study figure for the fully allocated and incrementally allocated cost of the gas supply administration fee.

INTERROGATORIES OF FRPO  
FOR ENBRIDGE GAS DISTRIBUTION

EB-2008-0106

Exhibit IR10

Tab 1

Page 5 of 5

- c) If, after establishment of a QRAM price, system gas volumes decreased by 5% due to customer migration in that quarter relative to forecast yet the cost of gas was exactly the same as forecast leading to an under-recovery of around 5%, would Enbridge be at risk for non recovery of that amount?