FRPO INTERROGATORY #1

INTERROGATORY

Ref: Exhibit E1, page 31, para. 99 "In calculating the delivery requirement for General Service customers (Rates 1and 6), Enbridge uses the most recent 12 months of actual consumption, unadjusted."

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 1st - October 31st for the periods of 2004/05, 2005/06, 2006/07.

RESPONSE

a) If a billing or consumption adjustment was made early enough in the year that enabled EnTRAC to account for it, the adjustment value would be considered in the determination of the new MDV. However, if an adjustment happens too late in the contract term for EnTRAC to consider it before the pool MDV locks for flow and the customer/broker doesn't alert Enbridge to it, the MDV will be established without having considered the adjustment. Once a pool locks for flow (30 days prior to its flow date) we wouldn't allow further adjustment to the MDV.

b) The following table shows the consumption estimates that would have been provided by DPA 6331 as compared to the actual consumption.

Pool Term	Annual Estimated Consumption	Annual Actual Consumption
Nov 1/04 – Oct 31/05	21,201,040	20,786,782
Nov 1/05 – Oct 31/06	20,487,812	19,326,542
Nov 1/06 – Oct 31/07	18,448,618	17,116,640

Witnesses: I. MacPherson
B. Manwaring

FRPO INTERROGATORY #2

INTERROGATORY

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.

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?

RESPONSE

a) As explained at the Technical Conference (Tr. p. 146 to 149) there is a cross-functional team that meets on a regular basis to review near term projections of supply and demand, make decisions to adjust the levels of seasonal supply if necessary. This team reviews the BGA positions to determine if there is a need for suspensions and/or makeups. The team, after looking at the near term projections of supply and demand, determines whether we can offer suspensions and/or makeups without affecting storage targets and meeting customers' demands and establishes a level of suspensions and/or makeup that will be made available on a go forward basis which is then allocated to the DP customers on a first come first served basis.

Witnesses: J. Collier
M. Giridhar
A. Kacicnik
I. MacPherson
B. Manwaring
D. Small

b) The actual periods of restriction in the past years are noted in the table below commencing with the implementation of Phase 2 of EnTRAC in January of 2005. A zero indicates that no allowance was available in that month. A numeric entry represents the total cubic meter volume that would have been made available on a first come, first served basis.

	Empress makeup	CDA makeup	EDA makeup	Empress suspension	CDA suspension	EDA suspension
Jan 2005	6,200,000	13,708,200	6,854,100	0	0	0
Feb 2005	5,600,000	9,286,200	9,286,200	0	0	0
Mar 2005	7,685,000	9,617,850	9,617,850	0	0	0
Apr 2005	7,950,000	9,949,500	9,949,500	7,950,000	41,726,744	1,393,368
May 2005	4,929,000	15,500,000	5,062,300	8,215,000	40,300,000	806,000
Jun 2005	4,770,000	15,000,000	4,899,000	7,950,000	19,140,000	750,000
Jul 2005	4,929,000	15,500,000	5,062,300	8,215,000	20,783,000	2,952,400
Aug 2005	3,289,968	15,500,000	5,062,300	6,579,967	19,778,000	775,000
Sep 2005	3,183,840	15,000,000	4,899,000	6,367,710	18,568,000	1,322,000
Oct 2005	3,289,968	15,500,000	5,062,300	6,579,967	27,900,000	886,600
Nov 2005	3,183,840	15,000,000	4,899,000	6,367,710	18,434,000	4,221,000
Dec 2005	3,289,968	15,500,000	5,062,300	4,092,000	10,638,000	1,702,000
Jan 2006	3,289,968	15,500,000	5,062,300	9,490,000	23,600,000	0
Feb 2006	3,065,456	14,000,000	4,564,000	0	0	0
Mar 2006	589,000	15,500,000	5,062,300	4,245,120	19,103,040	2,387,880
Apr 2006	3,183,840	14,909,100	3,000,000	7,959,600	31,838,670	3,979,800
May 2006	3,289,968	15,406,070	3,100,000	8,224,920	43,687,277	5,662,460
Jun 2006	3,183,840	8,976,741	323,652	11,939,430	45,507,990	2,250,000

Witnesses: J. Collier
M. Giridhar
A. Kacicnik
I. MacPherson
B. Manwaring
D. Small

	Empress makeup	CDA makeup	EDA makeup	Empress suspension	CDA suspension	EDA suspension
Jul 2006	3,289,968	7,182,259	366,435	16,449,840	42,444,123	6,913,000
Aug 2006	3,289,968	8,990,713	385,764	16,449,840	57,526,489	6,482,326
Sep 2006	3,183,840	15,437,823	1,267,658	11,939,490	58,657,140	8,482,500
Oct 2006	3,289,968	9,748,409	285,764	12,337,473	33,376,097	7,051,344
Nov 2006	3,979,830	8,939,490	3,000,000	7,959,660	25,838,670	6,000,000
Dec 2006	4,112,491	9,237,473	3,100,000	0	13,266,125	0
Jan 2007	4,112,491	9,237,473	3,100,000	0	18,359,750	4,722,978
Feb 2007	2,971,612	8,343,524	2,800,000	5,943,224	33,272,568	11,301,584
Mar 2007	3,289,999	9,237,473	3,100,000	4,112,491	11,544,408	793,096
Apr 2007	3,979,830	11,939,490	0	7,959,660	11,939,490	0
May 2007	4,112,491	8,380,013	6,716,782	8,702,574	32,899,959	12,337,504
Jun 2007	3,979,830	403,620	1,620	7,959,660	23,879,010	11,939,520
Jul 2007	6,579,998	0	0	6,579,998	35,951,162	12,337,504
Aug 2007	6,579,998	0	0	8,224,982	46,139,564	8,490,315
Sep 2007	3,979,830	0	0	3,979,830	39,002,400	3,979,830
Oct 2007	4,112,491	0	0	8,224,982	33,297,942	8,030,213
Nov 2007	0	0	0	3,449,186	6,898,372	3,151,304
Dec 2007	4,112,491	4,112,491	3,588,682	0	0	0

Witnesses: J. Collier
M. Giridhar
A. Kacicnik
I. MacPherson
B. Manwaring
D. Small

c) The table below provides the "BGA Disposition Gas Purchase and Sales Rates" on a monthly basis from October 31, 2005 to October 31, 2007.

12 Months Ending	EnTRAC BGA Gas Purchase Price Using 80% daily average AECO price less T-Service Credit For 12 months ending $ / m^3	EnTRAC BGA Gas Sale Price Using 120% daily average AECO price For 12 months ending $ / m^3
31-Oct-2005	0.198131	0.360755
30-Nov-2005	0.211293	0.379438
31-Dec-2005	0.220927	0.392795
31-Jan-2006	0.235475	0.413696
28-Feb-2006	0.240787	0.420834
31-Mar-2006	0.242980	0.423202
30-Apr-2006	0.241483	0.420284
31-May-2006	0.239287	0.416294
30-Jun-2006	0.236615	0.411612
31-Jul-2006	0.233127	0.405684
31-Aug-2006	0.229640	0.399758
30-Sep-2006	0.221145	0.386342
31-Oct-2006	0.202707	0.358384
30-Nov-2006	0.187200	0.334833
31-Dec-2006	0.179284	0.322659
31-Jan-2007	0.166405	0.303041
28-Feb-2007	0.163287	0.298092
31-Mar-2007	0.164886	0.300190
30-Apr-2007	0.166515	0.302889

Witnesses: J. Collier
M. Giridhar
A. Kacicnik
I. MacPherson
B. Manwaring
D. Small

12 Months Ending	EnTRAC BGA Gas Purchase Price Using 80% daily average AECO price less T-Service Credit For 12 months ending $ / m^3	EnTRAC BGA Gas Sale Price Using 120% daily average AECO price For 12 months ending $ / m^3
31-May-2007	0.168523	0.306165
30-Jun-2007	0.172098	0.311784
31-Jul-2007	0.173479	0.314119
31-Aug-2007	0.171145	0.310883
30-Sep-2007	0.168222	0.306753
31-Oct-2007	0.170011	0.309893

d) Gas in excess of the 20 day limit is purchased by the Company and is captured in the PGVA.

e) EGD presumes that FRPO is referring to the customer's BGA in this Interrogatory. It is the customer's responsibility to manage their BGA balance. If additional gas is required to bring it up to or within the 20 days tolerance, the customer would use the standard BGA management mechanisms of Make Up deliveries, Title Transfers, or Enhanced Title Transfer.

Witnesses: J. Collier
M. Giridhar
A. Kacicnik
I. MacPherson
B. Manwaring
D. Small

FRPO INTERROGATORY #3

INTERROGATORY

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.

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?

RESPONSE

a) As part of the gas supply plan, EGD budgets to use its long haul transportation contracts at 100 % load factor (e.g., TCPL, Alliance and Vector). This component of supply is planned to be received in equal daily deliveries throughout the year.

b) The gas supply plan also includes other seasonal and peaking supplies to meet winter demand and summer storage injection requirements. Premium paid for these supplies are recovered from load balancing charges for all customers.

Witnesses: J. Collier
A. Kacicnik
M. Suarez

FRPO INTERROGATORY #4

INTERROGATORY

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.

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?

RESPONSE

a) No, the gas supply planning is done in aggregate but takes into account the DP customers MDV deliveries. The adoption of check point balancing in the management of BGAs would not change the gas supply planning in aggregate (i.e., bundled System and DP customers).

b) n/a

c) No, because there is no need to do so. EGD does the load balancing for all bundled customers and DP customers return gas molecule through the annual BGA disposition process.

Witnesses: J. Collier
M. Giridhar
A. Kacicnik
D. Small
M. Suarez

FRPO INTERROGATORY #5

INTERROGATORY

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.

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?

RESPONSE

a) By "integrated pool" EGD interprets this to mean the aggregate bundled system and DP customers. The gas in storage targets established as part of the gas supply plan are the main criteria used to determine any changes to planned seasonal purchases.

b) Enbridge provides load balancing for all its ratepayers and takes corrective action in its seasonal supplies acquisitions. If EGD is short or long on supplies it is usually due to weather variations relative to the plan. Both DP and system customers consumption would be different to that assumed in the plan and both groups would be out in the same direction. Please also see the response to IGUA Interrogatory 3(b) at Exhibit IR11, Schedule 3.

c) There is no protocol per se. There are gas supply planning processes and ongoing operational processes to ensure that the firm demand of all its customers are met in a cost effective manner.

d) Please see response in b) above.

Witnesses: M. Giridhar
D. Small

FRPO INTERROGATORY #6

INTERROGATORY

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.

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?

RESPONSE

a) Cost premiums or discounts for gas purchases relative to the reference price are recorded in the PGVA. Enbridge does not sell gas other than to its retail customers, rather it holds enough flexibility in the form of discretionary Dawn supplies in its portfolio to respond to lower (or higher) than forecast demand.

b) The cost causality principle is maintained by ensuring that the composition of deferral / variance accounts and the methodology used to determine deferral / variance account balances are directly linked to how such costs are recovered in rates in the first place.

c) Please see Enbridge's evidence at Exhibit E1, Issue 4: Deferral and variance accounts and disposition methodology, Paragraphs 47 to 57, pages 15 to 20.

Witnesses: J. Collier
M. Giridhar
A. Kacicnik
D. Small

FRPO INTERROGATORY #7

INTERROGATORY

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.

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?

RESPONSE

a) and b)

When EGD develops its supply portfolio it uses a combination of contracted long haul capacity and a level of uncontracted seasonal supplies. If it is warmer than budget, EGD will not acquire seasonal supplies so that we are able to maintain operating our long haul pipeline contracts at 100% and thereby not incur UDC.

Witnesses: J. Collier
M. Giridhar
A. Kacicnik
D. Small

b) EGD operated its long haul contracts at 100 % during the winter of 2006-07

c) No, it was not required.

d) n/a

e) n/a

f) n/a

g) n/a

Witnesses: J. Collier
M. Giridhar
A. Kacicnik
D. Small

FRPO INTERROGATORY #8

INTERROGATORY

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.

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.

RESPONSE

a) and c)

Please see Enbridge's evidence at Exhibit E1, Page 47, Issue 9.1: What activities and underlying costs should be incorporated into the regulated gas supply and direct purchase options.

b) ABC is a non-utility service and outside the scope of this proceeding.

Witnesses: J. Collier
A. Kacicnik
M. Suarez

d) System Gas Charges: As per October 1, 2008 QRAM (EB-2008-0263) for Rate 1 (i.e. residential) customers:

System gas fee = 0.0185 c/m3.

A unit rate fee inclusive of commodity-related bad debt expense and working cash requirement as well as the system gas fee = 0.2213 c/m3

Gas supply charge (commodity plus unit rate fee from above) = 33.7551 c/m3

Direct Purchase Administration (DPAC) Charges:

Base Charge = $50.00 per pool per month
Maximum Charge = $815.00 per pool per month

Account Charge
New Accounts = $0.50 per month per account
Renewal Accounts = $0.15 per month per account

ABC Charges (note: ABC is a non-utility service):

Rate 1 = $1.05 per account per month
Rate 6 = $2.00 per account per month
All other = $5.00 per account per month

e) Enbridge's gas supply charges besides commodity costs also recover commodity-related bad debt expense and working cash requirement as well as the system gas fee. These charges recover the costs of providing the regulated system gas supply option. The DPAC recovers the incremental cost of facilitating the direct purchase supply option. ABC is a non-utility service. Gas vendors can outsource billing and collection to the utility using ABC service. Note that gas vendors operate in an unregulated marketplace and can choose to perform these functions themselves or outsource them to a service provider.

The regulated supply and direct purchase options are separate and different. The approach described in the paragraph above provides for no cross subsidy / level playing field between the system gas (i.e., the regulated supply option) and direct purchase options.

Witnesses: J. Collier
A. Kacicnik
M. Suarez

FRPO INTERROGATORY #9

INTERROGATORY

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)

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.

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?

RESPONSE

a) The total annualized forecast cost of system gas, inclusive of commodity costs, commodity-related bad debt expense, and working cash requirement, as well as system gas fee, are provided below. These costs are recovered through the gas supply charge which is paid by system gas customers only.

    2007 = $1,621,543 thousand (Final Board Order, EB-2006-0034)
    2006 = $2,114,691 thousand (Final Board Order, EB-2005-0001)

b) Please see the Company’s evidence at Exhibit E1, Paragraph 173, page 50 for an illustration of 2009 system gas fee on incremental cost basis. The Company has not conducted a fully allocated study regarding system gas fees since Enbridge’s 2005 Test Year Rate Case, RP-2003-0203.

Witnesses: J. Collier
A. Kacicnik
M. Suarez

c) No, Enbridge makes adjustments to its system gas supplies to reflect actual migration to or from the direct purchase option on an ongoing basis. The PGVA captures the variance between Enbridge's actual cost of gas purchases and the forecast.

Witnesses: J. Collier
A. Kacicnik
M. Suarez