

POLICIES & GUIDELINES

Policy #: 07-DP-Auth-014

North South North and South

Subject: Authorization of Interruptible Direct Purchase (DP) Balancing Transactions	Effective: November 1, 2017
Applies to: Customer with a Direct Purchase contract (Bundled-T, T1, T2, T3 or Unbundled (U2 incremental supply only)) in Union South or Union North (the combined North West and North East Zones).	
Purpose: To define the process and evaluation criteria Enbridge Gas applies when a customer requests authorization for an Interruptible direct purchase balancing transaction.	
Background: <i>(Not to limit the applicability of the policy)</i> Customer's consumption on an actual basis will differ from what was forecasted when the contract was established or amended. DP balancing transactions are used to manage consumption variances at the end use location, balancing supply to demand. In the case of a Bundled-T customer the Balancing Criteria section of the Direct Purchase (DP) status report summarizes the calculations used to determine the customer/agent's potential balancing actions. It includes two variances: <ol style="list-style-type: none">1. Current BGA Variance - The difference between the current BGA balance and forecasted BGA balance for the same month from the most recent contract amendment; and2. Projected BGA Variance at Next Balancing Point - The difference between the projected BGA balance (reflecting actual information to date and any new forecast information) and the forecasted BGA balance for the next balancing point (checkpoint or contract expiry) based on the most recent contract amendment. Generally, Enbridge Gas accepts balancing actions based on the lesser of the two variances - provided that the balancing action will bring the BGA balance closer to the forecast curve without overcorrecting. Customers may transact based on the projected variance only when the DP Status report for activity two months prior to a checkpoint or expiry month is available (e.g. mid-August for September checkpoint). DP balancing transaction types, fees, and considerations are outlined on Enbridge Gas' Web Site.	
Policy: Bundled-T <ul style="list-style-type: none">• Enbridge Gas will authorize balancing transactions based on the following criteria:<ul style="list-style-type: none">○ There is a demonstrated need for the requested transaction.○ Requested transaction will not negatively impact Enbridge Gas' system.○ The transaction will not take the customer outside their current credit limits.	

- All Bundled-T balancing transactions require an Authorization Notice prior to the transaction being nominated.
- If approved by Enbridge Gas (Enbridge Gas shall not unreasonably withhold acceptance), the customer is responsible for all applicable charges identified by Enbridge Gas, if charges are applicable.
- Ex-Franchise Transfers, Diversions, Suspensions and Incremental Supply transactions are interruptible (see [Priority of Service Policy #07-CM-POS-015](#)) and subject to Enbridge's operational capability.
- Authorization of a balancing transaction does not constitute authorization of any other service or overrun of any other contract parameter.

T1, T2 and T3

- Only firm (DCQ Assignments) and market-based (Storage and Loan) services require an Authorization Notice or contract amendment prior to the transaction being nominated. T1/T2/T3 customers nominate In-Franchise Transfers (IFT), Ex-Franchise Transfers (EFT), Diversions, Suspensions, or Incremental Supply balancing transactions directly.
- If scheduled by Enbridge Gas through the nomination process, the customer is responsible for all applicable charges identified by Enbridge Gas on the web site.
- With the exception of In-Franchise Transfers and DCQ Assignments, all balancing transactions are interruptible (see [Priority of Service Policy #07-CM-POS-015](#)) and subject to Enbridge's operational capability.
- Scheduling of the balancing transaction does not constitute authorization of any other service or overrun of any other contract parameter.
- T2 customers that contract for the Customer Managed Service option may nominate a Transfer During Interruption transaction to manage gas between the Daily Variance and Storage accounts only when an interruption of storage injections or withdrawals is in effect.

Unbundled

- Only incremental supply transactions that will exceed contract entitlements require an Authorization Notice prior to the transaction being nominated.
- Enbridge will authorize the transaction provided the requested transaction will not negatively impact Enbridge Gas' system.
- Scheduling of the balancing transaction does not constitute authorization of any other service or any overrun of any other contract parameter.

Procedures:

1. Where an Authorization Notice or contract amendment is required, customer's request should be made at least 3 business days in advance of the effective date of the transaction. Requests made with shorter notice will be evaluated on a reasonable efforts basis. Transactions submitted via Enerline can be processed with only 1 business days' notice. If an Authorization Notice or contract amendment is not required, a T1, T2, T3 or Unbundled customer can go directly to Step 8. Refer to [Balancing Services on Enbridge Gas' Web Site for processing timelines](#).
2. The customer's transaction request must specify the contract SA#, the quantity of gas, start date, end date, the "from" party, the "to" party (if applicable), a supplier and receipt point (if applicable).

3. Enbridge Gas evaluates the request based on the outlined criteria.
4. Enbridge Gas considers any restrictions that may exist for its system at the time, whether credit requirements are met, and whether all contract paperwork is current.
5. If acceptable, Enbridge Gas to issue an authorization notice or contract amendment to customer to confirm acceptance of the request.
6. Customer must sign the authorization notice or contract amendment and return signed notice/amendment back to Enbridge Gas.
7. Enbridge Gas to sign and provide a copy of the fully executed authorization notice or contract amendment to customer.
8. If applicable, Customer must nominate the transaction per the nominations procedures outlined in the contract. Customer must identify the contract SA# when nominating the supply and must identify the other party to the transaction if customer had not previously done so.
9. Enbridge Gas to confirm/schedule the nomination as outlined in the contract.
10. The transaction to flow as scheduled and is reflected in customer's BGA/Storage Account, unless otherwise interrupted.

Note: Signed authorization may include electronic means.