

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO  
BOMA INTERROGATORY #1

INTERROGATORY

Issue: A.1

Enbridge has indicated that one of the benefits of its GTA project is that it will be able to access gas from the Marcellus and Utica basins (Marcellus gas) as a supplement to, or as a replacement for, supply from its current gas supply sources. Please indicate how much of the gas is replacement gas, and how much is incremental gas supply for its franchise. Please discuss fully.

(a) Please provide the amounts of gas that Enbridge has currently contracted for from the Marcellus basin (in both GJs per day and percentage of a bcf per day), commencing:

- November 1, 2013
- November 1, 2014
- November 1, 2015
- November 1, 2016
- After 2016

Please include any MOUs or other business agreements that have not yet been documented as contracts.

Please discuss the amount of gas that Enbridge intends to purchase from Marcellus for entry at Niagara/Chippawa over the next five years. Approximate amounts will suffice, and provide the term of the gas commodity (or bundled contract) in each case.

- (b) Provide the term of each of these gas purchases and whether they are renewable at the end of term and on what basis. Please indicate whether the purchases are for year round, seasonal, or peaking use.
- (c) Provide the pricing mechanism for each contract, eg. fixed price, indexed (which index). Provide the number of parties with whom gas supply contracts (with or without transportation) are signed; and the name of the suppliers (or at least the parties identified by number, supplier #1, etc.).

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- (d) Please provide the delivery point and the title transfer point for the gas under each of the contracts, eg. Niagara, Chippewa, Kirkwall, Parkway, Bram West, Lisgar, Other.
- (e) Is Enbridge using, or does it plan to use, Dawn storage for Marcellus gas it purchases, and to what extent, or would it flow the gas on a year-round basis and seasonal directly to its (Enbridge) service territory? Please discuss, and provide details of such contracted arrangements.
- (f) Has Enbridge contracted for transportation on the TCPL Niagara or does it intend to do so as part of its procurement of Marcellus gas for each year, commencing in the year 2013 through 2018? For how much capacity in each of the years? What are, or will be, the nature of the contracts, for example, FT, STFT, IT? What is, or will be, the receipt and delivery points for those contracts?
- (g) If Enbridge takes title delivery of the gas farther downstream than Niagara, please provide the contracted arrangement it has made, or will make, with Union Gas and, if necessary, with TransCanada.
- (h) At what gate station(s) does Enbridge intend to take Marcellus gas, at Lisgar, Parkway (suction), Bram West, Parkway West (suction)? Please explain the reason for the choice of delivery point. If more than one station will be used, provide the amount (actual or estimated) at each gate station, over the years 2013 to 2018.
- (i) Does Enbridge intend to use TCPL's Hamilton line to move any of the Marcellus gas to its system? If so, how much? What modifications to the Hamilton line would be necessary to allow Enbridge to use the line for that purpose? At what gate station would Enbridge take gas moved through the Hamilton line?
- (j) Has Enbridge already purchased and/or will Enbridge purchase additional volumes of Marcellus gas if the GTA project is not approved, or is only partially approved? Please explain fully.

Please explain to what extent Enbridge's actual or planned purchases of Marcellus gas represent incremental volumes for (i) either the GTA Influence Area, or (ii) other parts of its system, eg. the St. Catherine's area, or represents gas which will replace gas currently obtained from other supply basins. Please provide the data for each of the years 2013 through 2018. If some Marcellus gas is used to displace existing gas supplies, please show what supply will be reduced.

- (k) How much gas is consumed per day (peak, winter average, summer average) in the St. Catherine's (Niagara Region)? How does Enbridge currently supply gas to that region? What gas commodity contracts and transportation arrangements are used? Will these be displaced with Marcellus gas, in whole or in part?
- (l) Please list each of Enbridge's existing transportation contracts with TCPL and Union, the termination dates, terms, nature of contract, receipt and delivery points, etc.
- (m) Has Enbridge examined other methods of moving Marcellus gas to its service area in addition to through the proposed Segment A pipeline? Please discuss and provide the reasons each alternative route was rejected.

## RESPONSE

- a) Enbridge does not currently contract for any natural gas from the Marcellus basin. With the GTA Project Facilities in place the Company will contract for 200,000 GJ/d of firm transportation service from Niagara Falls to Enbridge Parkway CDA on the TransCanada system beginning in November 2015. Enbridge Parkway CDA will be a new delivery point created by TransCanada through removal of the Enbridge Parkway meter from the Enbridge CDA and adding it as a separate delivery point in its Tariff. The TransCanada Hamilton line will be utilized to provide service for the Niagara Falls to Enbridge Parkway CDA contract. It is expected that procurement of supplies for this transportation contract will occur at Niagara Falls. Commercial arrangements for procurement of gas at Niagara Falls have not been determined.
- b) Please see response to a) above.
- c) Please see response to a) above.
- d) Please see response to a) above.
- e) With the GTA Project facilities in place Enbridge will flow natural gas from Niagara Falls to the Enbridge Parkway CDA delivery point. To the extent that this gas is not required to meet market demand during the summer period it would be injected into Company owned storage and/or into storage the Company contracts for at Dawn and subsequently taken out of storage to meet seasonal demands.

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- f) Please see response to a) above.
- g) Please see response to a) above.
- h) Please see response to a) above.
- i) Please see response to a) above.
- j)
  - i. Please see response to a) above.
  - ii. Natural gas procured at Niagara Falls will flow directly into the GTA Project Influence Area and will be used to displace natural gas that would have otherwise been procured from the Western Canadian Sedimentary Basin and peaking supplies. Please see response to a) above.
- k) The Company declines to answer this interrogatory as it is not relevant to the GTA Project. Please see response to j) ii above.
- l) The table below lists each of Enbridge's existing transportation contracts with TransCanada and Union Gas as of May 2013.

<b><u>TransCanada Contracts</u></b>				
<b>Contract End Date</b>	<b>Service Type</b>	<b>Primary Receipt</b>	<b>Primary Delivery</b>	<b>Contract Demand (GJ/d)</b>
31-Oct-2014	FT	Empress	Enbridge CDA	40,093
31-Oct-2014	FT	Empress	Enbridge CDA	15,000
31-Oct-2014	FT	Empress	Enbridge CDA	8,375
31-Oct-2014	FT	Empress	Enbridge EDA	32,357
31-Oct-2014	FT	Empress	Enbridge EDA	21,584
31-Oct-2014	FT	Empress	Enbridge EDA	7,613
31-Oct-2014	FT	Empress	Enbridge EDA	19,692
31-Oct-2014	FT	Empress	Enbridge EDA	10,773
31-Oct-2014	FT	Empress	Enbridge EDA	10,773
31-Oct-2014	FT	Empress	Enbridge EDA	26,952
31-Oct-2014	FT	Empress	Enbridge EDA	25,000
31-Oct-2014	FT	Empress	Enbridge EDA	42,226
31-Oct-2014	FT	Empress	Enbridge EDA	451
31-Oct-2014	FT	Union Dawn	Enbridge CDA	4,818
31-Oct-2014	FT	Union Dawn	Enbridge CDA	145,000
31-Oct-2014	FT	Union Dawn	Enbridge EDA	114,000
31-Mar-2014	FT	Union Dawn	Iroquois	40,000
31-Oct-2014	STS	Union Parkway Belt	Enbridge CDA	153,700
31-Oct-2014	STS	Union Parkway Belt	Enbridge CDA	92,822
31-Oct-2014	STS	Union Parkway Belt	Enbridge CDA	37,370
31-Oct-2014	FT	Union Parkway Belt	Enbridge CDA	572
31-Oct-2014	STS	Union Parkway Belt	Enbridge EDA	35,089
31-Oct-2014	STS	Union Parkway Belt	Enbridge EDA	35,806
31-Oct-2014	STS	Union Parkway Belt	Enbridge EDA	9,716
31-Oct-2018	FT-SN	Union Parkway Belt	Victoria Square #2 CDA	85,000
<b><u>Union Gas Contracts</u></b>				
<b>Contract End Date</b>	<b>Service Type</b>	<b>Primary Receipt</b>	<b>Primary Delivery</b>	<b>Contract Demand (GJ/d)</b>
31-Mar-2014	M12	Dawn	Parkway	1,764,678
31-Oct-2018	M12	Dawn	Parkway	106,000
31-Oct-2019	M12	Dawn	Parkway	57,100
31-Oct-2015	M12	Dawn	Parkway	18,703
31-Oct-2022	M12X	Dawn	Parkway	200,000
31-Oct-2015	M12	Dawn	Parkway	10,692
31-Oct-2015	M12	Dawn	Kirkwall	35,806
31-Mar-2014	M12	Dawn	Kirkwall	32,123
31-Mar-2016	C1	Parkway	Dawn	236,586

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- m) No. Please refer to Exhibit A, Tab 3, Schedule 7 for a discussion of the alternatives considered by Enbridge. The alternatives under consideration did not explicitly target the Marcellus basin as a supply source. Rather, the GTA Project in its current form, along with the alternatives considered, were examined with a specific set of objectives. Displacing less secure elements of Enbridge's supply portfolio with more reliable supplies while reducing supply costs was one of these objectives.