

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO
TCPL INTERROGATORY #16

INTERROGATORY

Issue A1

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, Attachment 1, Page 1, Table A1, and Pages 4-6, Tables A4, A5, and A6.

Preamble

TransCanada wishes to better understand the calculation of EGD peaking supplies cost and how the proposed replacement of this supply affects TransCanada.

Request

- (a) Please provide the detailed calculations of each component of the annual peaking supplies cost including contract demand volumes used to calculate each part of the demand and the volumes used to calculate each component of the commodity charges in the Tables included in reference (i).
- (b) Please explain how each of the peaking arrangements described in Table A1 in the reference is delivered to EGD and provide details of the daily and annual volumes associated with those arrangements by delivery area. Also please describe what transportation services or arrangements are used to deliver these supplies to EGD.

RESPONSE

a) and b) Peaking supplies are utilized by Enbridge to meet demand in peak and near peak conditions. Generally, a peaking contract will provide Enbridge with the right to call on supply when required. This call option, otherwise known as a peaking bullet, can be exercised during the winter but typically only for a pre-specified number of days, for example 10 days. Peaking supplies are a delivered supply meaning that when called, the supply arrives in Enbridge's market, either the Enbridge CDA or Enbridge EDA. Consequently, Enbridge does not know the supply and transportation arrangements underpinning these supplies.

Peaking supplies are acquired through an RFP process conducted by Enbridge each year. Generally a peaking contract will include a monthly demand charge and

Witness: J. Denomy

commodity pricing is tied to an index, for example Dawn or Iroquois plus a commodity price premium. Pricing for the peaking contracts utilized for the expected gas supply benefits are based on the peaking contracts Enbridge had for the 2012/2013 gas year. Details of the peaking contracts to the Enbridge CDA are provided in the table below.

Contract 1		Contract 2		Contract 3	
Contract Demand (Mmbtu)	15,000	Contract Demand (Mmbtu)	25,000	Contract Demand (Mmbtu)	60,000
Contract Demand (GJ)	15,826	Contract Demand (GJ)	26,376	Contract Demand (GJ)	63,303
Bullets	10	Bullets	10	Bullets	10
Term	Dec-March	Term	Dec-March	Term	Dec-March
Index	Iroquois	Index	Iroquois	Index	Dawn+CDA Transport
Demand Charge (USD/Mmbtu)	0.70	Demand Charge (USD/Mmbtu)	0.75	Demand Charge (USD/Mmbtu)	0.95
Premium (USD/Mmbtu)	0.00	Premium (USD/Mmbtu)	0.20	Premium (USD/Mmbtu)	0.25
Demand Charge (USD)	\$105,000	Demand Charge (USD)	\$250,000	Demand Charge (USD)	\$570,000

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