

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO  
TCPL INTERROGATORY #6

INTERROGATORY

Issue A1

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, Page 9

Preamble

EGD states that in Scenario 1 (previous Base Case) it assumes that in addition “This scenario also assumes that Direct Purchase customers would contract for approximately 158,000 GJ/d of long haul firm transportation capacity from Empress and continue to receive an assignment from the Company of approximately 42,000 GJ/d of short haul firm transportation capacity from Dawn to the Enbridge CDA absent the GTA Project facilities.”

Request

- (a) How much long haul firm transportation capacity has been contracted by Direct Purchase customers to date? When does EGD expect direct purchase customers to contract for long haul firm transportation capacity for the full 158,000 GJ/d? Please provide the basis for the answer.
- (b) Please explain the effects, including financial, on EGD’s system supply customers if EGD took back the 42,000 GJ/d of assigned short haul capacity & used it for system gas customers and Direct Purchase customers were obligated to supply their requirements to EGD using long haul firm transportation capacity.
- (c) Please explain the effects, including financial, on EGD’s system supply customers if, in addition to the actions in b) above, EGD obligated the Direct Purchase customers to supply the 158,000 GJd of requirements to EGD using long haul firm transportation capacity beyond November 2015.
- (d) Please identify which TransCanada contract the 42,000 GJ/d that is assigned to Direct Purchase customers is assigned from.
- (e) What quantity is forecast to be assigned to the Direct Purchase shippers for November 1, 2014, November 1, 2015, and November 1, 2016?
- (f) Does EGD plan to renew this contract beyond 2015 or 2016 and if so, how much of this contract will be renewed?

Witness: J. Denomy

## RESPONSE

- a) Enbridge is unable to provide the requested information. Enbridge understands that its Direct Purchase customers have an obligation to ensure their supplies are delivered to Enbridge's franchise. Enbridge does provide an assignment of capacity to Direct Purchase customers, however, for the majority of Direct Purchase deliveries Enbridge does not know the contracting arrangements underpinning these delivered supplies.

Given that TransCanada is exercising the pricing discretion granted by the NEB in its RH-003-2011 Decision it is not unreasonable to assume that Direct Purchase customers will firm up their portfolios.

Enbridge would note that the Future Contract Demand Energy<sup>1</sup> report posted on TransCanada's website dated August 7, 2013 indicates approximately 660 TJ/d of new FT and FT-NR contracts will begin flowing in October and November of this year. Enbridge would also note TransCanada indicated, during its second-quarter financial results conference call, that approximately 1 Bcf/d of new FT contracts have been initiated since the NEB Decision was issued.

- b) The System Reliability Settlement Agreement (EB-2010-0231) requires Enbridge to assign a portion of its Dawn to Enbridge CDA contracts to Direct Purchase customers and to replace this capacity with an equivalent amount of STFT for the November 1 to March 31 period of each gas year. Assuming the commodity prices, tolls and fuel ratios provided in Exhibit E, Tab 3, Schedule 9, Tables A1 to A3 and the current minimum bid floors for winter blocks of STFT (290% of the corresponding FT toll), Enbridge's System gas customers would save approximately \$242 million over the 2015 to 2025 timeframe for the scenario suggested.
- c) As discussed in the response to a) above, other than the capacity assigned by Enbridge to Direct Purchase Customers, Enbridge does not know the contractual arrangements underpinning Direct Purchase supplies and therefore cannot provide a response.
- d) Dawn to Enbridge CDA capacity on contract #20266 is currently assigned to Direct Purchase customers for the 2012/2013 gas year.

---

<sup>1</sup> [http://www.transcanada.com/customerexpress/docs/ml\\_contracts/Future\\_CDE.pdf](http://www.transcanada.com/customerexpress/docs/ml_contracts/Future_CDE.pdf)

- e) Enbridge currently has 42,232 GJ/d of its Dawn to Enbridge CDA capacity assigned to Direct Purchase customers. Enbridge has assumed that this amount of assigned capacity will occur on November 1<sup>st</sup> of 2014, 2015 and 2016. The amount of capacity assigned each year is based on the formula and timing specified in the System Reliability Settlement Agreement (EB-2010-0231).
- f) Enbridge intends to continue to renew contract #20266 for the foreseeable future.

Witness: J. Denomy