

BOARD STAFF INTERROGATORY #4

INTERROGATORY

Ref: Manufactured Gas Plant Deferral Account
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Preamble:

Enbridge stated that it is not requesting clearance of the balance in the 2016 Manufactured Gas Plant Deferral Account. The balance in the account was transferred to the 2017 version of the account.

Question(s):

- a) Please explain why Enbridge is not seeking disposition of the balance in the account as part of the current proceeding.

RESPONSE

The balance formerly in the 2016 MGPDA is not being requested for clearance, and as a result has been transferred to the 2017 MGPDA in accordance with the Company's EB-2016-0215 proposal/evidence supporting the 2017 MGPDA. The balance represents the accumulation of costs incurred since 2006, the year in which the account was first approved, which have been carried forward through to the current account balance. Most of the amounts recorded within the 2017 MGPDA arise from Enbridge's defense of a lawsuit brought by Cityscape Residential Inc. against the Company in relation to alleged contamination at a site in Toronto. During 2014, after a prolonged period of inactivity, the plaintiff acted to move the lawsuit forward. In response, Enbridge brought a motion to dismiss the case for delay. That motion has been adjourned as the parties continue to engage in settlement discussions.

The rationale for rolling the 2016 MGPDA balance forward was that the majority of the costs contained within the account relate to the ongoing legal proceeding with Cityscape, which to this point has not achieved a resolution. The Company expects that it will seek clearance of the account upon completion of the Cityscape lawsuit, possibly as part of the 2017 ESM/Deferral and Variance Account Clearance Proceeding. If resolution of the Cityscape lawsuit is not achieved, Enbridge may still seek clearance of the MGPDA balance in the above mentioned proceeding, depending on the magnitude of the amount recorded within the account.

Witnesses: R. Small

In any event, though, because the MGPDA relates to all of the Company's former MGP sites, it is anticipated that the MGPDA will continue beyond the time of any initial clearance and beyond the time that the Cityscape lawsuit is completed.

There is no materiality threshold associated with the MGPDA.