

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 1 / Schedule 1/ p. 6

Preamble: EGI's evidence states: *The EGD rate zone's October 1, 2018 EB-2018-0249 rates have a Purchased Gas Variance Account ("PGVA") reference price of \$163.524 103m3. The PGVA reference price is comprised of commodity, transportation and load balancing costs. In order for adjustments to gas cost rates to only capture / reflect the impacts of the plan mix change in the 2019 gas supply portfolio versus the 2018 portfolio, the cost of the 2019 portfolio is based on the October 1, 2018 QRAM PGVA reference price of \$163.524 103m3. This approach ensures that the proposed rate impacts are a function of the year-over-year changes in gas supply portfolio only and net of price / cost changes that are otherwise captured through the QRAM methodology.*

Question:

Being respectful of PO No. 2 which excludes gas supply costs which are the subject of a future proceeding, we are interested in understanding the year over year changes associated with gas supply or load balancing costs that are embedded in the distribution rates.

For gas supply or load-balancing costs included in distribution rates:

- a) Please provide a brief summary of the principles used to separate gas supply or load balancing costs between gas supply costs and distribution costs.
- b) Please provide any changes to cost allocation methodologies, practices or assumptions from 2018 to 2019.
- c) Please provide a summary of the categories of gas supply or load balancing costs that are allocated to distribution rates.
- d) Please provide a comparison of the 2018 and 2019 costs for each of those categories of cost.
- e) Please explain the drivers associated with any material changes in the quantum of costs allocated to distribution rates.

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## Response

- a) Enbridge Gas would like to highlight that gas cost rates and distribution rates are derived on a stand-alone / separate basis. As stated in the evidence at Exhibit B1, Tab 1, Schedule 1, Page 8, starting at line 3, it is for customer billing purposes that the unit rates developed to recover the elements of the gas costs which support the provision of delivery service to customers (i.e., contracted storage and associated transportation, lost and unaccounted for gas) are added to the distribution rates and recovered through the delivery charges on customers' bills. And similarly, while the distribution costs are recovered in rates primarily through the delivery rates, some distribution related costs and associated unit rates are recovered through the Company's commodity, transportation, and load balancing charges.

This Board-approved approach ensures that charges on customers' bills reflect / are based on cost causality for the services provided and that only customers who subscribed for specific services pay for the costs of those services. For example, the cost of facilitating the Sales service (i.e., system gas) supply option (which is part of the Company's distribution costs) should be recovered from customers who take the Sales service. The cost of unaccounted for gas, given it represents gas losses on the gas distribution system, should be recovered from all customers through delivery charges regardless of the type of service (i.e., Sales service, Western T-service, etc.) they are taking.

As described in evidence at Exhibit B1, Tab 1, Schedule 1, Appendix C, the EGD rate zone operated under Custom Incentive Rate ("IR") rate setting framework approved by the Board under EB-2013-0202 for the 2014 to 2018 period.

The Company used the fully allocated cost study ("FACS") to allocate the Allowed Revenue to the customer classes and develop rates to recover the Allowed Revenue based on the results of the FACS. The FACS was updated annually to reflect forecast costs and forecast cost drivers with the results being used as the starting point for rate design.

As noted above, the rates designed based on the results of the FACS (i.e., based on cost causality) have most of the distribution costs recovered through the Company's delivery rates, however, some distribution related costs are recovered from the commodity, transportation and load balancing rates (given that such distribution costs (i.e., system gas administration, bad debt commodity, or return on gas in inventory) support provisions of these services to customers). Similarly, some gas costs, storage and related transportation, and lost and unaccounted for gas (i.e., commodity) costs are recovered through the Company's delivery rates.

The EGD rate zone will adopt Price Cap IR rate setting framework for the 2019 to 2023 period. Under Price Cap IR distribution related revenues and rates are derived based on a Price Cap Index ("PCI"), which is comprised of an inflation factor, a productivity factor, and a stretch factor.

The pass through (Y-factor) costs, such as DSM and gas costs, are not subject to the PCI and are passed through to customers at cost. The pass through (Y-factor) costs reflect forecast of costs for these elements for the test year. For this reason, Enbridge Gas is able to update not only the forecast level of pass through costs but also allocations of pass through costs each year of an IR rate setting period.

b) There are no changes to cost allocation methodologies, practices, or assumptions from 2018 to 2019.

c, d, and e) The categories of gas costs that are recovered through the Company's delivery charges, as discussed above, can be found for 2019 at Exhibit F1, Tab 1, Schedule 9, Page 2, Items 3.1 to 4.1 and for 2018 at Exhibit F1, Tab 1, Schedule 4, Appendix A, Attachment 1, Items 3.1 to 4.1.

For 2019, approximately \$187.8 M of the total gas cost forecast of approximately \$1,598.1 M will be recovered from customers through the delivery charges.

For 2018, approximately \$184.2 M of the total gas cost forecast of approximately \$1,547.8 M was recovered from customers through the delivery charges.

The difference in allocated costs is driven by year-over-year change in demand / volumetric requirements and in the gas supply mix.

Exhibit F1, Tab 1, Schedule 6, pages 1 to 3 shows how distribution and gas cost unit rates are added together in order to derive the proposed delivery charge unit rates for each customer class

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Reference: Exhibit B1 / Tab 1 / Schedule 1/ p. 8

Preamble: EGI's evidence states: *Similarly, the distribution costs are recovered in rates primarily from the delivery rates, however, some distribution related unit rates / costs are recovered from the Company's commodity, transportation, and load balancing charges*

Question:

Please identify the categories of distribution costs captured in each of:

- a) Commodity
- b) Transportation
- c) Load Balancing

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**Response**

a- c) Please see Exhibit I.FRPO.3.

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Preamble: EGI's evidence states: *Similarly, the distribution costs are recovered in rates primarily from the delivery rates, however, some distribution related unit rates / costs are recovered from the Company's commodity, transportation, and load balancing charges*

Question:

Please provide the total forecasted cost for each of the above categories:

- a) 2018
- b) 2019
- c) Please provide the drivers for any material difference between the two years.
- d) Please provide any changes to cost allocation methodologies, practices or assumptions from to 2018 to 2019.

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**Response**

- a) Enbridge Gas would like to highlight that gas cost rates and distribution rates are derived on a stand-alone / separate basis, which was also noted in the lead-in to the response to Exhibit I.FRPO.1.

Further, as described in Exhibit I.FRPO .1, until 2019 the Company used the fully allocated cost study ("FACS") to allocate the Allowed Revenue to the customer classes and develop rates to recover the Allowed Revenue based on the results of the FACS. The FACS was updated annually to reflect forecast costs and forecast cost drivers with the results being used as the starting point for rate design. The rates designed based on the results of the FACS (i.e. based on cost causality) have most of the distribution costs recovered through the Company's delivery rates, however, some distribution related costs are recovered from the commodity, transportation and load balancing rates. Similarly, some gas costs are recovered through the Company's delivery rates.

The total 2018 forecast distribution costs recovered through the Company's gas supply commodity, transportation, and load balancing charges are provided for each customer class in the evidence at:

Exhibit F1, Tab 1, Schedule 4, pages 1 to 11, Col. K, Line 8 to 11, and Exhibit F1, Tab 1, Schedule 5, pages 1 to 22, Col. B, Line 8 to 11.

For 2018, approximately \$42.2 M of the total forecast distribution cost of approximately \$1,212.4 M was recovered from customers through the gas supply commodity, transportation, and load balancing charges.

The categories of distribution costs recovered through these charges include:

For the gas supply commodity charges:

system gas fee (cost of facilitating Sales (i.e., system gas) service)  
commodity related working cash requirement  
commodity related bad debt expense

For the transportation charges:

part of the transmission segment (Segment A) of the GTA project<sup>(1)</sup>

For the load balancing charges:

carrying cost of gas in inventory  
part of the transmission segment (Segment A) of the GTA project<sup>(1)</sup>

Note (1): The OEB approved Segment A of the GTA project for Enbridge Gas to improve diversity and security of its upstream supplies, to facilitate the shift in gas supplies from long haul to short haul, and to accommodate more supply purchases at Dawn. The recovery reflects cost causality / usage of Segment A.

- b) The total 2019 forecast distribution costs and associated unit rates recovered through the Company's gas supply commodity, transportation, and load balancing charges are provided for each customer class in the evidence at:

Exhibit F1, Tab 1, Schedule 5, pages 1 to 22, Col. G and J, Line Nos 8 to 11.

The Price Cap Index adjustment of 1.07% on the 2018 amount of approximately \$42.2 M results in approximately \$0.45 M of additional revenue to be recovered from customers in 2019.

Exhibit F1, Tab 1, Schedule 6, pages 1 to 3 shows how distribution and gas cost unit rates are added together in order to derive the proposed unit rates for gas supply

commodity, transportation, and load balancing charges for each customer class.

- c) As described in evidence at Exhibit B1, Tab 1, Schedule 1, Appendix C, the EGD rate zone will adopt Price Cap IR rate setting framework for the 2019 to 2023 period. Under Price Cap IR distribution related revenues and rates are derived based on a Price Cap Index ("PCI"), which is comprised of an inflation factor, a productivity factor, and a stretch factor.

Accordingly, the year-over-year change in these costs for the 2019 to 2023 IR period will be a function of the Price Cap Index as shown at Exhibit F1, Tab 1, Schedule 5, pages 1 to 22, Line 8 to 11.

- d) Under Price Cap IR distribution related revenues and rates are derived based on a Price Cap Index (i.e., formulaic derivation). Consequently, cost allocation will not be carried out for these cost elements during the 2019 to 2023 IR period.

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Reference: Exhibit B1 / Tab 1 / Schedule 1/ p. 28-29

Preamble: EGI's evidence states: *Enbridge Gas also proposes to build into rates the surplus Dawn-Parkway capacity of 30,393 GJ/d resulting from the 2017 Dawn-Parkway Expansion project (EB-2015-0200). As part of the 2017 Dawn-Parkway proceeding, parties agreed Union would credit the Lobo D/Bright C/Dawn H Compressor Project Deferral Account (Account No. 179-144) for revenue generated from the 30,393 GJ/d of surplus capacity. Enbridge Gas anticipates that this surplus capacity will be sold long-term beginning on November 1, 2018 and for the remainder of the deferred rebasing period.*

Question:

For the Dawn-Parkway system

- a) What, if any, capacity was turned back in 2018?
- b) How much additional capacity was sold in 2018?
- c) What was the 2018/19 winter design capacity of the system?
- d) What was the 2018/19 design day demand on the system?
- e) What if, any capacity, is scheduled for turnback in 2019?

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**Response**

- a) 159,978 GJ/d of Dawn to Parkway capacity was turned back in 2018. This total included 70,009 GJ/d of capacity for TCE Halton Hills as was allowed in the Parkway Delivery Obligation Settlement Agreement (EB-2013-0365). However, this 70,009 GJ/d of capacity is not available to be re-sold as it is required to serve TCE Halton Hills demand.
- b) 42,378 GJ/d of Dawn to Parkway capacity was sold beginning November 1, 2018.
- c) 7873 TJ/d
- d) 7747 TJ/d
- e) 336,586 GJ/d of Parkway to Dawn capacity was turned back effective March 31, 2019 and 56,021 GJ/d of Dawn to Parkway capacity will be turned back effective November 1, 2019.



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Question:

Please provide the EGI index of customers for the Dawn-Parkway system as of Jan. 1, 2019 including totals to each delivery point.

- a) What is the forecasted revenue in 2019 for C1 contracts that were in place January 1, 2019?

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**Response**

Please see Attachment 1 for the original January 1, 2019 Transportation Index of Customers as posted on the Union Gas website. Please see Attachment 2 for the January 1, 2019 Transportation Index of Customers showing only those contracts on the Dawn-Parkway system with subtotals for each contracted path.

- a) The forecasted revenue in 2019 for the C1 contracts that were in place January 1, 2019 is \$15.3 million.

January 2019

Customer Name	Contract Identifier	Receipt Point	Delivery Point	Quantity (GJ)	Start Date	End Date	Negotiated Rate	Affiliate
St. Lawrence Gas Company, Inc.	C10076	Parkway	Dawn	10,785	01-Apr-07	31-Mar-21	N	Y
Greenfield Energy Centre LP	C10083	Dawn	Dawn-Vector	92,845	01-Mar-08	31-Oct-21	N	N
Energir, L.P. by its General Partner Energir Inc	C10087	Parkway	Dawn	100,000	01-Apr-11	31-Mar-19	N	N
TransCanada Pipelines Limited	C10097	Dawn	Dawn (TCPL)	500,000	01-Nov-10	31-Oct-21	N	N
York Energy Centre LP	C10102	Dawn	Parkway	11,654	01-Apr-12	31-Oct-22	N	N
Bluewater Gas Storage, LLC	C10105	Bluewater	Dawn	123,000	01-Nov-13	31-Oct-23	N	N
Emera Energy Limited Partnership	C10106	Ojibway	Dawn	21,016	01-Nov-15	31-Oct-20	N	N
Emera Energy Limited Partnership	C10107	Kirkwall	Dawn	73,745	01-Nov-15	31-Oct-21	N	N
Emera Energy Limited Partnership	C10108	Kirkwall	Dawn	26,335	01-Apr-15	31-Mar-21	N	N
Seneca Resources Company, LLC	C10109	Kirkwall	Dawn	388,261	01-Nov-16	31-Mar-23	Y	N
Rover Pipeline LLC	C10113	Ojibway	Dawn	36,927	01-Nov-17	31-Oct-25	N	N
TransCanada Pipelines Limited	C10114	Parkway	Dawn	516,787	01-Nov-17	31-Oct-20	N	N
TransCanada Pipelines Limited	C10115	Parkway	Dawn	42,202	01-Nov-17	31-Oct-22	N	N
Husky Oil Operations Limited	HUB00210343	Dawn	Parkway	1,200	01-Dec-18	28-Feb-19	Y	N
BP Canada Energy Group ULC	HUB040E60	Dawn	Parkway	1,277	01-Nov-18	31-Oct-19	N	N
BP Canada Energy Group ULC	HUB040E61	Dawn	Parkway	3,053	01-Nov-18	31-Oct-19	N	N
BP Canada Energy Group ULC	HUB040E62	Dawn	Parkway	10,789	01-Nov-18	31-Oct-19	N	N
Vermont Gas Systems, Inc.	HUB100T0047	Dawn	Parkway	10,551	01-Nov-18	31-Mar-19	Y	N
Vermont Gas Systems, Inc.	HUB100T0048	Dawn	Parkway	5,275	01-Nov-18	31-Mar-19	Y	N
Shell Energy North America (Canada) Inc.	HUB164T0122	Dawn	Ojibway	20,000	01-Dec-18	31-Mar-19	Y	N
Just Energy Ontario L.P.	HUB250T004	Dawn	Parkway	5,275	01-Nov-18	31-Mar-19	Y	N
Just Energy Ontario L.P.	HUB250T005	Dawn	Parkway	1,055	01-Nov-18	31-Mar-19	Y	N
Tidal Energy Marketing Inc.	HUB305T168	Ojibway	Dawn	10,551	01-Nov-18	31-Mar-19	Y	Y
Ontario Power Generation Inc.	HUB335T0015	Parkway	Dawn	2,650	06-Nov-18	31-Oct-19	Y	N
Suncor Energy Marketing Inc.	HUB345T0418	Dawn	Parkway	3,587	01-Nov-18	31-Mar-19	Y	N
Suncor Energy Marketing Inc.	HUB345T0419	Dawn	Parkway	2,638	01-Nov-18	31-Mar-19	Y	N
Suncor Energy Marketing Inc.	HUB345T0423	Dawn	Parkway	10,551	01-Dec-18	31-Mar-19	Y	N
Emera Energy Limited Partnership	HUB380T0263	Ojibway	Dawn	13,188	01-Jan-19	31-Mar-19	Y	N
Bluewater Gas Storage, LLC	HUB507T133	Dawn	Dawn-Vector	123,001	01-Nov-18	31-Mar-19	Y	N
NextEra Energy Marketing, LLC	HUB526T0005	Dawn	Parkway	2,639	01-Nov-18	31-Mar-19	Y	N
NextEra Energy Marketing, LLC	HUB526T0006	Dawn	Parkway	5,275	01-Nov-18	31-Mar-19	Y	N
EDF Trading North America, LLC	HUB561T0951	Dawn	Parkway	31,652	01-Nov-18	31-Mar-19	Y	N
EDF Trading North America, LLC	HUB561T0990	Dawn	Parkway	15,826	01-Nov-18	31-Mar-19	Y	N
Hartree Partners, LP	HUB566T0301	St. Clair	Dawn	10,551	01-Nov-18	31-Mar-19	Y	N
MIECO INC.	HUB615T0144	St. Clair	Dawn	10,551	01-Nov-18	31-Mar-19	Y	N
Twin Eagle Resource Management Canada, LLC	HUB618T0083	Dawn	Parkway	3,000	01-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0120	Dawn	Parkway	2,638	01-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0123	Dawn	Parkway	5,275	01-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0124	Dawn	Parkway	5,275	01-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0125	Dawn	Parkway	5,275	01-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0126	Dawn	Parkway	5,275	01-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0130	Dawn	Parkway	5,275	01-Jan-19	31-Jan-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0131	Dawn	Parkway	21,101	01-Jan-19	31-Jan-19	Y	N
Basic Energy Inc.	HUB750T001	Dawn	Parkway	180	01-Nov-18	31-Mar-19	Y	N
Energir, L.P. by its General Partner Energir Inc	M12007D	Dawn	Parkway	21,021	01-Nov-91	31-Oct-19	N	N
1425445 Ontario Limited o/a Utilities Kingston	M12077	Dawn	Parkway	6,322	01-Apr-04	31-Mar-21	N	N
Stelco Inc.	M12085	Dawn	Parkway	11,087	16-Sep-14	31-Oct-20	N	N
Energir, L.P. by its General Partner Energir Inc	M12092	Dawn	Parkway	35,000	01-Nov-06	31-Oct-19	N	N
Energir, L.P. by its General Partner Energir Inc	M12109	Dawn	Parkway	65,000	01-Nov-07	31-Oct-27	N	N
Goreway Station Partnership by its managing partner Goreway Power Station Holdings ULC	M12110	Dawn	Parkway	140,000	01-Nov-07	31-Oct-28	N	N
Vermont Gas Systems, Inc.	M12119	Dawn	Parkway	20,000	01-Nov-07	31-Oct-21	N	N
Greater Toronto Airport's Authority	M12120	Dawn	Parkway	7,500	01-Nov-07	31-Oct-21	N	N
St. Lawrence Gas Company, Inc.	M12126	Dawn	Parkway	10,785	01-Nov-08	31-Oct-21	N	Y

January 2019

Customer Name	Contract Identifier	Receipt Point	Delivery Point	Quantity (GJ)	Start Date	End Date	Negotiated Rate	Affiliate
Thorold CoGen L.P. by its General Partner Northland Power Thorold Cogen GP Inc.	M12129	Dawn	Kirkwall	49,500	01-Sep-09	31-Aug-29	N	N
Portland Energy Centre L.P. by its General Partner, Portland Energy Centre Inc.	M12130	Dawn	Parkway	100,000	13-Jan-09	31-Oct-28	N	N
Energy L.P. by its General Partner Energir Inc	M12132	Dawn	Parkway	52,343	01-Apr-09	31-Mar-21	N	N
Ag Energy Co-operative Ltd.	M12151	Dawn	Parkway	1,247	01-Nov-08	31-Oct-20	N	N
The Narragansett Electric Company d/b/a National Grid	M12164	Dawn	Parkway	1,081	01-Nov-11	31-Oct-21	N	N
Connecticut Natural Gas Corporation	M12166	Dawn	Parkway	6,410	01-Nov-11	31-Oct-21	N	N
Ag Energy Co-operative Ltd.	M12167	Dawn	Parkway	1,900	01-Nov-11	31-Oct-21	N	N
Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc.	M12171	Dawn	Parkway	21,825	01-Nov-11	31-Oct-21	N	N
Energir, L.P. by its General Partner Energir Inc	M12172	Dawn	Parkway	22,908	01-Apr-10	31-Mar-21	N	N
Energir, L.P. by its General Partner Energir Inc	M12176	Dawn	Parkway	88,728	01-Apr-11	31-Mar-21	N	N
Central Hudson Gas & Electric Corporation (a subsidiary of CH Energy Group, Inc.)	M12182	Dawn	Parkway	5,467	01-Nov-11	31-Oct-21	N	N
York Energy Centre LP	M12184	Dawn	Parkway	76,000	01-Apr-12	31-Oct-22	N	N
Niagara Mohawk Power Corporation d/b/a National Grid	M12186	Dawn	Parkway	55,123	01-Nov-11	31-Oct-21	N	N
Vermont Gas Systems, Inc.	M12190	Dawn	Parkway	500	01-Nov-10	31-Oct-21	N	N
The Brooklyn Union Gas Company d/b/a National Grid NY	M12193	Dawn	Parkway	12,953	01-Nov-10	31-Oct-21	N	N
KeySpan Gas East Corporation d/b/a National Grid	M12194	Dawn	Parkway	17,162	01-Nov-10	31-Oct-20	N	N
Central Hudson Gas & Electric Corporation (a subsidiary of CH Energy Group, Inc.)	M12195	Dawn	Parkway	10,792	01-Nov-10	31-Oct-21	N	N
Boston Gas Company d/b/a National Grid	M12197	Dawn	Parkway	9,282	01-Nov-10	31-Oct-21	N	N
Colonial Gas Company d/b/a National Grid	M12198	Dawn	Parkway	6,475	01-Nov-10	31-Oct-21	N	N
Boston Gas Company d/b/a National Grid	M12199	Dawn	Parkway	2,158	01-Nov-10	31-Oct-21	N	N
Liberty Utilities (EnergyNorth Natural Gas) Corp.	M12200	Dawn	Parkway	4,317	01-Nov-10	31-Oct-22	N	N
Connecticut Natural Gas Corporation	M12201	Dawn	Parkway	18,077	01-Nov-10	31-Oct-21	N	N
The Southern Connecticut Gas Company	M12202	Dawn	Parkway	34,950	01-Nov-10	31-Oct-21	N	N
Yankee Gas Services Company dba Eversource Energy	M12203	Dawn	Parkway	43,116	01-Nov-10	31-Oct-21	N	N
Bay State Gas Company dba Columbia Gas of Massachusetts	M12204	Dawn	Parkway	27,803	01-Nov-10	31-Oct-22	N	N
Connecticut Natural Gas Corporation	M12206	Dawn	Parkway	9,170	01-Nov-10	31-Oct-21	N	N
The Southern Connecticut Gas Company	M12207	Dawn	Parkway	13,970	01-Nov-10	31-Oct-21	N	N
The Brooklyn Union Gas Company d/b/a National Grid NY	M12208	Dawn	Parkway	30,217	01-Nov-10	31-Oct-21	N	N
KeySpan Gas East Corporation d/b/a National Grid	M12209	Dawn	Parkway	22,772	01-Nov-10	31-Oct-21	N	N
Yankee Gas Services Company dba Eversource Energy	M12210	Dawn	Parkway	20,560	01-Nov-10	31-Oct-21	N	N
Yankee Gas Services Company dba Eversource Energy	M12212	Dawn	Parkway	5,380	01-Nov-10	31-Oct-21	N	N
The Southern Connecticut Gas Company	M12213	Dawn	Parkway	9,735	01-Nov-10	31-Oct-21	N	N
Connecticut Natural Gas Corporation	M12214	Dawn	Parkway	6,489	01-Nov-10	31-Oct-21	N	N
Suncor Energy Products Partnership Produits Suncor Energie, S.E.N.C.	M12217	Dawn	Parkway	9,585	01-Nov-11	31-Oct-21	N	N
TransCanada Pipelines Limited	M12219	Kirkwall	Parkway	88,497	01-Nov-12	31-Oct-22	N	N
TransCanada Pipelines Limited	M12220	Kirkwall	Parkway	174,752	01-Nov-13	31-Oct-23	N	N
Emera Energy Limited Partnership	M12221	Kirkwall	Parkway	36,751	01-Nov-12	31-Oct-22	N	N
Energir, L.P. by its General Partner Energir Inc	M12222	Dawn	Parkway	257,784	01-Nov-15	31-Oct-25	N	N
Vermont Gas Systems, Inc.	M12224	Dawn	Parkway	8,100	01-Nov-14	31-Oct-24	N	N
TransCanada Pipelines Limited	M12230	Kirkwall	Parkway	36,301	01-Nov-16	31-Oct-31	N	N
Energir, L.P. by its General Partner Energir Inc	M12232	Dawn	Parkway	39,507	01-Nov-16	31-Oct-31	N	N
Energir, L.P. by its General Partner Energir Inc	M12233	Dawn	Parkway	19,754	01-Nov-16	31-Oct-31	N	N
Energir, L.P. by its General Partner Energir Inc	M12237	Dawn	Parkway	85,680	01-Nov-16	31-Oct-31	N	N
Energir, L.P. by its General Partner Energir Inc	M12244	Dawn	Parkway	36,670	01-Nov-17	31-Oct-32	N	N
TransCanada Energy Ltd.	M12246	Dawn	Parkway	143,775	01-Nov-17	31-Oct-32	N	N
St. Lawrence Gas Company, Inc.	M12249	Dawn	Parkway	10,412	01-Nov-17	31-Oct-32	N	Y
1425445 Ontario Limited o/a Utilities Kingston	M12251	Dawn	Parkway	5,000	01-Nov-17	31-Oct-32	N	N
1425445 Ontario Limited o/a Utilities Kingston	M12252	Kirkwall	Parkway	1,000	01-Nov-17	31-Oct-32	N	N

January 2019

Customer Name	Contract Identifier	Receipt Point	Delivery Point	Quantity (GJ)	Start Date	End Date	Negotiated Rate	Affiliate
The Corporation of the City of Kitchener	M12253	Kirkwall	Parkway	10,000	01-Nov-17	31-Oct-32	N	N
DTE Energy Trading, Inc.	M12255	Kirkwall	Parkway	73,854	01-Nov-17	31-Oct-31	N	N
Northern Utilities, Inc.	M12256	Dawn	Parkway	42,962	01-Nov-17	31-Oct-33	N	N
Portland Natural Gas Transmission System	M12266-AS1	Dawn	Parkway	1,957	01-Nov-18	31-Oct-40	N	N
Enbridge Gas New Brunswick Limited Partnership by its General Partner, Enbridge Gas New Brunswick Inc.	M12270	Dawn	Parkway	2,650	01-Nov-18	31-Oct-40	N	Y
Boston Gas Company d/b/a National Grid	M12273	Dawn	Parkway	22,332	01-Nov-18	31-Oct-40	N	N
The Narragansett Electric Company d/b/a National Grid	M12274	Dawn	Parkway	11,349	01-Nov-18	31-Oct-40	N	N
Heritage Gas Limited	M12276	Dawn	Parkway	3,978	01-Nov-18	31-Oct-40	N	N
Enbridge Gas New Brunswick Limited Partnership by its General Partner, Enbridge Gas New Brunswick Inc.	M12277	Dawn	Parkway	112	01-Nov-18	31-Oct-40	N	Y
TransCanada Pipelines Limited	M12X004	Dawn	Parkway	50,000	01-Sep-11	31-Aug-21	N	N
TransCanada Pipelines Limited	M12X005	Dawn	Parkway	78,316	01-Sep-11	31-Aug-21	N	N
TransCanada Pipelines Limited	M12X013	Dawn	Parkway	62,695	01-Nov-12	31-Oct-23	N	N
1425445 Ontario Limited o/a Utilities Kingston	M12X015	Dawn	Parkway	5,000	01-Apr-14	31-Mar-24	N	N
Market Hub Partners Canada L.P.	M16004	Dawn	Market Hub Partners - St. Clair Pool	9,000	01-Jun-07	31-May-21	N	Y
Market Hub Partners Canada L.P.	M16004	Market Hub Partners - St. Clair Pool	Dawn	5,000	01-Jun-07	31-May-21	N	Y
Enbridge Gas Inc. (In-Franchise Customers - EGD Zone) *		Dawn	Parkway	2,917,173	01-Jan-19	31-Oct-19	N	Y
Enbridge Gas Inc. (In-Franchise Customers - EGD Zone) **		Dawn	Kirkwall	67,929	01-Jan-19	31-Oct-19	N	Y
Enbridge Gas Inc. (In-Franchise Customers - EGD Zone) ***		Parkway	Dawn	236,586	01-Jan-19	31-Mar-19	N	Y
In-Franchise Customers - Union South and North Zones		Dawn	Parkway	2,333,248	01-Nov-18	31-Oct-19	N	Y

\* - comprised of former contract #'s: M12079B, M12080, M12108, M12125, M12188, M12225, M12234, M12250 & M12X006

\*\* - comprised of former contract #'s: M12079A & M12175

\*\*\* - comprised of former contract #: C10009

Customer Name	Contract Identifier	Receipt Point	Delivery Point	Quantity (GJ)	Start Date	End Date	Negotiated Rate	Affiliate
Emera Energy Limited Partnership	C10107	Kirkwall	Dawn	73,745	1-Nov-15	31-Oct-21	N	N
Emera Energy Limited Partnership	C10108	Kirkwall	Dawn	26,335	1-Apr-15	31-Mar-21	N	N
Seneca Resources Company, LLC	C10109	Kirkwall	Dawn	388,261	1-Nov-16	31-Mar-23	Y	N
<b>SUBTOTAL (Kirkwall to Dawn)</b>				<b>488,341</b>				
St. Lawrence Gas Company, Inc.	C10076	Parkway	Dawn	10,785	1-Apr-07	31-Mar-21	N	Y
Energir, L.P. by its General Partner Energir Inc	C10087	Parkway	Dawn	100,000	1-Apr-11	31-Mar-19	N	N
TransCanada Pipelines Limited	C10114	Parkway	Dawn	516,787	1-Nov-17	31-Oct-20	N	N
TransCanada Pipelines Limited	C10115	Parkway	Dawn	42,202	1-Nov-17	31-Oct-22	N	N
Ontario Power Generation Inc.	HUB335T0015	Parkway	Dawn	2,650	6-Nov-18	31-Oct-19	Y	N
Enbridge Gas Inc. (In-Franchise Customers - EGD Zone) ***		Parkway	Dawn	236,586	1-Jan-19	31-Mar-19	N	Y
<b>SUBTOTAL (Parkway to Dawn)</b>				<b>909,010</b>				
Thorold CoGen L.P. by its General Partner Northland Power	M12129	Dawn	Kirkwall	49,500	1-Sep-09	31-Aug-29	N	N
Thorold Cogen GP Inc.		Dawn	Kirkwall	67,929	1-Jan-19	31-Oct-19	N	Y
Enbridge Gas Inc. (In-Franchise Customers - EGD Zone) **				<b>117,429</b>				
York Energy Centre LP	C10102	Dawn	Parkway	11,654	1-Apr-12	31-Oct-22	N	N
Husky Oil Operations Limited	HUB002T0343	Dawn	Parkway	1,200	1-Dec-18	28-Feb-19	Y	N
BP Canada Energy Group ULC	HUB040E60	Dawn	Parkway	1,277	1-Nov-18	31-Oct-19	N	N
BP Canada Energy Group ULC	HUB040E61	Dawn	Parkway	3,053	1-Nov-18	31-Oct-19	N	N
BP Canada Energy Group ULC	HUB040E62	Dawn	Parkway	10,789	1-Nov-18	31-Oct-19	N	N
Vermont Gas Systems, Inc.	HUB100T0047	Dawn	Parkway	10,551	1-Nov-18	31-Mar-19	Y	N
Vermont Gas Systems, Inc.	HUB100T0048	Dawn	Parkway	5,275	1-Nov-18	31-Mar-19	Y	N
Just Energy Ontario L.P.	HUB250T004	Dawn	Parkway	5,275	1-Nov-18	31-Mar-19	Y	N
Just Energy Ontario L.P.	HUB250T005	Dawn	Parkway	1,055	1-Nov-18	31-Mar-19	Y	N
Suncor Energy Marketing Inc.	HUB345T0418	Dawn	Parkway	3,587	1-Nov-18	31-Mar-19	Y	N
Suncor Energy Marketing Inc.	HUB345T0419	Dawn	Parkway	2,638	1-Nov-18	31-Mar-19	Y	N
Suncor Energy Marketing Inc.	HUB345T0423	Dawn	Parkway	10,551	1-Dec-18	31-Mar-19	Y	N
NextEra Energy Marketing, LLC	HUB526T0005	Dawn	Parkway	2,639	1-Nov-18	31-Mar-19	Y	N
NextEra Energy Marketing, LLC	HUB526T0006	Dawn	Parkway	5,275	1-Nov-18	31-Mar-19	Y	N
EDF Trading North America, LLC	HUB561T0951	Dawn	Parkway	31,652	1-Nov-18	31-Mar-19	Y	N
EDF Trading North America, LLC	HUB561T0990	Dawn	Parkway	15,826	1-Nov-18	31-Mar-19	Y	N
Twin Eagle Resource Management Canada, LLC	HUB618T0083	Dawn	Parkway	3,000	1-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0120	Dawn	Parkway	2,638	1-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0123	Dawn	Parkway	5,275	1-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0124	Dawn	Parkway	5,275	1-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0125	Dawn	Parkway	5,275	1-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0126	Dawn	Parkway	5,275	1-Nov-18	31-Mar-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0130	Dawn	Parkway	5,275	1-Jan-19	31-Jan-19	Y	N
Castleton Commodities Merchant Trading L.P.	HUB623T0131	Dawn	Parkway	21,101	1-Jan-19	31-Jan-19	Y	N
Basic Energy Inc.	HUB750T001	Dawn	Parkway	180	1-Nov-18	31-Mar-19	Y	N
Energir, L.P. by its General Partner Energir Inc	M12007D	Dawn	Parkway	21,021	1-Nov-91	31-Oct-19	N	N
1425445 Ontario Limited o/a Utilities Kingstons	M12077	Dawn	Parkway	6,322	1-Apr-04	31-Mar-21	N	N
Stelco Inc.	M12085	Dawn	Parkway	11,087	16-Sep-14	31-Oct-20	N	N
Energir, L.P. by its General Partner Energir Inc	M12092	Dawn	Parkway	35,000	1-Nov-06	31-Oct-19	N	N
Energir, L.P. by its General Partner Energir Inc	M12109	Dawn	Parkway	65,000	1-Nov-07	31-Oct-27	N	N
Goreway Station Partnership by its managing partner Goreway Power Station Holdings ULC	M12110	Dawn	Parkway	140,000	1-Nov-07	31-Oct-28	N	N
Vermont Gas Systems, Inc.	M12119	Dawn	Parkway	20,000	1-Nov-07	31-Oct-21	N	N
Greater Toronto Airports Authority	M12120	Dawn	Parkway	7,500	1-Nov-07	31-Oct-21	N	N
St. Lawrence Gas Company, Inc.	M12126	Dawn	Parkway	10,785	1-Nov-08	31-Oct-21	N	Y
Portlands Energy Centre L.P. by its General Partner, Portlands Energy Centre Inc.	M12130	Dawn	Parkway	100,000	13-Jan-09	31-Oct-28	N	N
Energir, L.P. by its General Partner Energir Inc	M12132	Dawn	Parkway	52,343	1-Apr-09	31-Mar-21	N	N
Ag Energy Co-operative Ltd.	M12151	Dawn	Parkway	1,247	1-Nov-08	31-Oct-20	N	N
The Narradansett Electric Company d/b/a National Grid	M12164	Dawn	Parkway	1,081	1-Nov-11	31-Oct-21	N	N

January 2019

Customer Name	Contract Identifier	Receipt Point	Delivery Point	Quantity (GJ)	Start Date	End Date	Negotiated Rate	Affiliate
Connecticut Natural Gas Corporation	M12166	Dawn	Parkway	6,410	1-Nov-11	31-Oct-21	N	N
Aq Energy Co-operative Ltd.	M12167	Dawn	Parkway	1,900	1-Nov-11	31-Oct-21	N	N
Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc.	M12171	Dawn	Parkway	21,825	1-Nov-11	31-Oct-21	N	N
Energir, L.P. by its General Partner Energir Inc	M12172	Dawn	Parkway	22,908	1-Apr-10	31-Mar-21	N	N
Energir, L.P. by its General Partner Energir Inc	M12176	Dawn	Parkway	88,728	1-Apr-11	31-Mar-21	N	N
Central Hudson Gas & Electric Corporation (a subsidiary of CH Energy Group, Inc.)	M12182	Dawn	Parkway	5,467	1-Nov-11	31-Oct-21	N	N
York Energy Centre LP	M12184	Dawn	Parkway	76,000	1-Apr-12	31-Oct-22	N	N
Niagara Mohawk Power Corporation d/b/a National Grid	M12186	Dawn	Parkway	55,123	1-Nov-11	31-Oct-21	N	N
Vermont Gas Systems, Inc.	M12190	Dawn	Parkway	500	1-Nov-10	31-Oct-21	N	N
The Brooklyn Union Gas Company d/b/a National Grid NY	M12193	Dawn	Parkway	12,953	1-Nov-10	31-Oct-21	N	N
KeySpan Gas East Corporation d/b/a National Grid	M12194	Dawn	Parkway	17,162	1-Nov-10	31-Oct-20	N	N
Central Hudson Gas & Electric Corporation (a subsidiary of CH Energy Group, Inc.)	M12195	Dawn	Parkway	10,792	1-Nov-10	31-Oct-21	N	N
Boston Gas Company d/b/a National Grid	M12197	Dawn	Parkway	9,282	1-Nov-10	31-Oct-21	N	N
Colonial Gas Company d/b/a National Grid	M12198	Dawn	Parkway	6,475	1-Nov-10	31-Oct-21	N	N
Boston Gas Company d/b/a National Grid	M12199	Dawn	Parkway	2,158	1-Nov-10	31-Oct-21	N	N
Liberty Utilities (EnergyNorth Natural Gas) Corp.	M12200	Dawn	Parkway	4,317	1-Nov-10	31-Oct-22	N	N
Connecticut Natural Gas Corporation	M12201	Dawn	Parkway	18,077	1-Nov-10	31-Oct-21	N	N
The Southern Connecticut Gas Company	M12202	Dawn	Parkway	34,950	1-Nov-10	31-Oct-21	N	N
Yankee Gas Services Company dba Eversource Energy	M12203	Dawn	Parkway	43,116	1-Nov-10	31-Oct-21	N	N
Bay State Gas Company dba Columbia Gas of Massachusetts	M12204	Dawn	Parkway	27,803	1-Nov-10	31-Oct-22	N	N
Connecticut Natural Gas Corporation	M12206	Dawn	Parkway	9,170	1-Nov-10	31-Oct-21	N	N
The Southern Connecticut Gas Company	M12207	Dawn	Parkway	13,970	1-Nov-10	31-Oct-21	N	N
The Brooklyn Union Gas Company d/b/a National Grid NY	M12208	Dawn	Parkway	30,217	1-Nov-10	31-Oct-21	N	N
KeySpan Gas East Corporation d/b/a National Grid	M12209	Dawn	Parkway	22,772	1-Nov-10	31-Oct-21	N	N
Yankee Gas Services Company dba Eversource Energy	M12210	Dawn	Parkway	20,560	1-Nov-10	31-Oct-21	N	N
Yankee Gas Services Company dba Eversource Energy	M12212	Dawn	Parkway	5,380	1-Nov-10	31-Oct-21	N	N
The Southern Connecticut Gas Company	M12213	Dawn	Parkway	9,735	1-Nov-10	31-Oct-21	N	N
Connecticut Natural Gas Corporation	M12214	Dawn	Parkway	6,489	1-Nov-10	31-Oct-21	N	N
Suncor Energy Products Partnership Produits Suncor Energie, S.E.N.C.	M12217	Dawn	Parkway	9,585	1-Nov-11	31-Oct-21	N	N
Energir, L.P. by its General Partner Energir Inc	M12222	Dawn	Parkway	257,784	1-Nov-15	31-Oct-25	N	N
Vermont Gas Systems, Inc.	M12224	Dawn	Parkway	8,100	1-Nov-14	31-Oct-24	N	N
Energir, L.P. by its General Partner Energir Inc	M12232	Dawn	Parkway	39,507	1-Nov-16	31-Oct-31	N	N
Energir, L.P. by its General Partner Energir Inc	M12233	Dawn	Parkway	19,754	1-Nov-16	31-Oct-31	N	N
Energir, L.P. by its General Partner Energir Inc	M12237	Dawn	Parkway	85,680	1-Nov-16	31-Oct-31	N	N
Energir, L.P. by its General Partner Energir Inc	M12244	Dawn	Parkway	36,670	1-Nov-17	31-Oct-32	N	N
TransCanada Energy Ltd.	M12246	Dawn	Parkway	143,775	1-Nov-17	31-Oct-32	N	N
St. Lawrence Gas Company, Inc.	M12249	Dawn	Parkway	10,412	1-Nov-17	31-Oct-32	N	Y
1425445 Ontario Limited o/a Utilities Kingston	M12251	Dawn	Parkway	5,000	1-Nov-17	31-Oct-32	N	N
Northern Utilities, Inc.	M12256	Dawn	Parkway	42,962	1-Nov-17	31-Oct-33	N	N
Portland Natural Gas Transmission System	M12266-AS1	Dawn	Parkway	1,957	1-Nov-18	31-Oct-40	N	N
Enbridge Gas New Brunswick Limited Partnership by its General Partner, Enbridge Gas New Brunswick Inc.	M12270	Dawn	Parkway	2,650	1-Nov-18	31-Oct-40	N	Y
Boston Gas Company d/b/a National Grid	M12273	Dawn	Parkway	22,332	1-Nov-18	31-Oct-40	N	N
The Narragansett Electric Company d/b/a National Grid	M12274	Dawn	Parkway	11,349	1-Nov-18	31-Oct-40	N	N
Heritage Gas Limited	M12276	Dawn	Parkway	3,978	1-Nov-18	31-Oct-40	N	N

January 2019

January 2019

Customer Name	Contract Identifier	Receipt Point	Delivery Point	Quantity (GJ)	Start Date	End Date	Negotiated Rate	Affiliate
Enbridge Gas New Brunswick Limited Partnership by its General Partner, Enbridge Gas New Brunswick Inc.	M12277	Dawn	Parkway	112	1-Nov-18	31-Oct-40	N	Y
TransCanada Pipelines Limited	M12X004	Dawn	Parkway	50,000	1-Sep-11	31-Aug-21	N	N
TransCanada Pipelines Limited	M12X005	Dawn	Parkway	78,316	1-Sep-11	31-Aug-21	N	N
TransCanada Pipelines Limited	M12X013	Dawn	Parkway	62,695	1-Nov-12	31-Oct-23	N	N
1425445 Ontario Limited o/a Utilities Kingston	M12X015	Dawn	Parkway	5,000	1-Apr-14	31-Mar-24	N	N
Enbridge Gas Inc. (In-Franchise Customers - EGD Zone) *		Dawn	Parkway	2,917,173	1-Jan-19	31-Oct-19	N	Y
In-Franchise Customers - Union South and North Zones		Dawn	Parkway	2,333,248	1-Nov-18	31-Oct-19	N	Y
<b>SUBTOTAL (Dawn to Parkway)</b>				<b>7,379,255</b>				
TransCanada Pipelines Limited	M12219	Kirkwall	Parkway	88,497	1-Nov-12	31-Oct-22	N	N
TransCanada Pipelines Limited	M12220	Kirkwall	Parkway	174,752	1-Nov-13	31-Oct-23	N	N
Emera Energy Limited Partnership	M12221	Kirkwall	Parkway	36,751	1-Nov-12	31-Oct-22	N	N
TransCanada Pipelines Limited	M12230	Kirkwall	Parkway	36,301	1-Nov-16	31-Oct-31	N	N
1425445 Ontario Limited o/a Utilities Kingston	M12252	Kirkwall	Parkway	1,000	1-Nov-17	31-Oct-32	N	N
The Corporation of the City of Kitchener	M12253	Kirkwall	Parkway	10,000	1-Nov-17	31-Oct-32	N	N
DTE Energy Trading, Inc.	M12255	Kirkwall	Parkway	73,854	1-Nov-17	31-Oct-31	N	N
<b>SUBTOTAL (Kirkwall to Parkway)</b>				<b>421,155</b>				

\* - comprised of former contract #'s: M12079B, M12080, M12108, M12125, M12188, M12225, M12234, M12250 & M12X006

\*\* - comprised of former contract #'s: M12079A & M12175

\*\*\* - comprised of former contract #: C10009

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 1 / Schedule 1/ p. 32-33

Preamble: EGI's evidence states: *Enbridge Gas proposes to update the allocation of the PDO and PDCI demand-related costs based on the 2019 Dawn-Parkway design day demands and the allocation of the in-franchise compressor fuel costs based on 2019 forecast volumes.*

Question:

We would like to understand better this PDO and PDCI adjustment.

Is this adjustment premised on the principle that all of the costs of the Dawn-Parkway system including the 2015-2017 expansions are included?

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**Response**

No. Enbridge Gas has updated the allocation factors for PDO and PDCI costs in the current application to reflect the 2019 forecast consistent with the use of 2019 forecast billing units to derive the PDO rates provided at Exhibit F1, Tab 2, Rate Order, Working Papers, Schedule 11, pp. 7-9.



ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 1 / Schedule 1/ p. 32-33

Preamble: EGI's evidence states: *Enbridge Gas proposes to update the allocation of the PDO and PDCI demand-related costs based on the 2019 Dawn-Parkway design day demands and the allocation of the in-franchise compressor fuel costs based on 2019 forecast volumes.*

Question:

Is this precisely the same methodology including assumptions developed for and implemented in the 2014-2018 period?

- a) If not, please re-produce Tab F1, Tab 2, Rate Order, Working Papers, Schedule 11 using the original methodology and assumptions.
- b) If so, please describe what adjustments are taking place and provide the 2018 and 2019 figures for those respective categories of adjustments.

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**Response**

The methodology used to calculate the proposed 2019 PDO and PDCI costs is the same methodology used to calculate the Board-approved PDO and PDCI costs during the 2014 to 2018 period.

A description of the 2019 PDO and PDCI costs changes is provided in Table 1.

Table 1  
Summary of 2019 PDO and PDCI Changes

Line No.	Particulars (\$000's)	PDO and PDCI Costs		Change (c) = (b-a)
		2018	2019	
		Approved (1) (a)	Proposed (2) (b)	
1	PDO Demand Costs	9,726	10,880	1,154 (3)
2	PDO Fuel Costs	1,705	1,640	(64) (4)
3	PDCI Demand Costs	10,300	9,930	(370) (5)
4	PDCI Fuel Costs	2,364	2,272	(92) (6)
5	Total	<u>24,095</u>	<u>24,723</u>	<u>627</u>

Notes:

- (1) PDO Costs from EB-2017-0087, Rate Order, Working Papers, Schedule 20, p. 1 and updated PDCI costs from EB-2018-0253, Rate Order, Working Papers, Schedule 3, p. 1.
- (2) Exhibit F1, Tab 2, Rate Order, Working Papers, Schedule 11, p. 1.
- (3) 2019 PDO demand cost change related to the 70 TJ/d of Rate M12 turnback not offset by increased Rate T2 charges and a decrease in the proposed 2019 Rate M12 Dawn-Parkway demand charge.
- (4) 2019 PDO fuel cost change related to an update to the October 1, 2018 QRAM.
- (5) 2019 PDCI demand cost change related to a decrease in the proposed 2019 Rate M12 Dawn-Parkway demand charge.
- (6) 2019 PDCI fuel cost change related to an update to the 2019 Rate M12 Dawn-Parkway fuel ratio and the October 1, 2018 QRAM.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 1 / Schedule 1/ p. 42

Preamble: EGI's evidence states: *As of November 1, 2017 the initial Parkway shortfall has been fully eliminated as a result of Dawn to Kirkwall turnback, and therefore Union did not need to take action to manage the shortfall..*

Question:

We would like to understand better how the shortfall was managed in the period after PDO reduction started and November 1, 2017.

Please confirm that Union South experienced a peak day in mid-February 2015.

- a) What was the capacity of the Dawn-Parkway system for the winter of 2014/15?
- b) For the peak day or day of highest Dawn-Parkway throughput in February:
  - i) What was the throughput?
  - ii) What was the daily demand at Parkway?
  - iii) What was the daily demand at Kirkwall?
  - iv) What was the in-franchise demand?
  - v) Please explain how any shortfall was managed?

---

**Response**

While the heating degree day on February 15, 2015 reached the design heating degree day, the day was not considered a design day as it occurred on a holiday when gas usage is lower than if the weather condition occurred during a weekday.

- a) 6842 TJ/d
- b) The following are the results from February 15, 2015.
  - i) 5376 TJ/d
  - ii) 3844 TJ/d
  - iii) 976 TJ/d
  - iv) 1629 TJ/d
  - v) There was a system surplus in Winter 14/15 and therefore no shortfall to manage

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 1 / Schedule 1/ Appendix A/ page 2

Preamble: EGI's evidence states: *The PGVA will record adjustments related to transactional services activities which are designed to record the impact of direct and avoided costs between the PGVA and the TSDA. These adjustments are required to ensure appropriate allocation of costs and benefits to the underlying transactions and appropriate recording of amounts in the PGVA and TSDA for purposes of deferral account dispositions.*

Question:

We would like to understand better how these transactions are distinguished?

Please provide the policy or guidelines followed by staff to differentiate direct and avoided costs between PGVA and TSDA.

- a) Please clarify if this is a new practice or, if it has been in place, for how long.
- b) Please provide a few examples of how this policy or guideline is used.
- c) Are there any financial employee incentives tied to the level of margin for TSDA for those distinguishing the difference?

---

**Response**

- a) The practice of recording direct and avoided costs between the PGVA and the TSDA at EGD has been in place for more than 10 years.
- b) An example of Direct and Avoided costs would be in relation to fuel costs. If by entering in a Transactional Services deal the Company avoids fuel costs, the deemed fuel cost would be charged to the PGVA and credited to Transactional Services Revenue.

- c) There are no specific employee incentives tied to the level of margin for Transactional Services Revenue.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 1 / Schedule 1/ Appendix A/ page 2

Preamble: EGI evidences states: *In addition, the PGVA will record the amounts related to unforecast penalty revenues received from interruptible customers who do not comply with the Company's curtailment requirements, unauthorized overrun gas revenues, the use of electronic bulletin boards, and the unforecast Unabsorbed Demand Charge ("UDC") that arises as a consequence of the Company voluntarily leaving transportation capacity unutilized in order to gain a net benefit for the customer by purchasing lower priced unforecast discretionary delivered supplies.*

Question:

We are interested in understanding better how the un-forecast UDC costs will be tracked with the alternative purchases.

Please clarify EGI's intention regarding tracking these UDC costs. Please include explanation of:

- a) The timing of these UDC charges.
- b) The timing of corresponding alternative arrangements for the purpose of matching.
- c) How corresponding marketing of the unutilized capacity will be tracked.
- d) The determination of net benefit of the series of transactions.
- e) The allocation of the net benefit.

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**Response**

As per the Board's Procedural Order No. 3, the cost consequences of Gas Supply will be dealt with as part of a future proceeding.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 1 / Schedule 1/ Appendix A/ page 24

Preamble: EGI evidence states: *The purpose of the LRAM is to record the amount of distribution margin gained or lost when the Company's DSM programs are less or more successful than budgeted in the fiscal year.*

Question:

We would like to understand better the margin calculation associated with LRAM.

Using the Rate 6 class of customers, please describe from EGD's most recent approved DSM dispersal how margin is calculated ensuring that description is provided on:

- a) once the savings are verified, how the lost revenues are tied to costs.
- b) detail on how the costs are calculated for both fixed and variable costs of the company.

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**Response**

As noted in the evidence, the purpose of the LRAM is to record the amount of distribution margin gained or lost when the volumes savings associated with the Company's DSM programs are less or more successful than the volumes savings budgeted in the fiscal year. Please note however, that Rates 1 and 6 are not included in the LRAM as these rate classes are covered under the Average Use True-up Variance Account ("AUTVA").

- a- b) The distribution margin gained or lost is derived by applying the distribution margin rates to gained or lost volumes, this derives the revenue amount recorded in the LRAM account. The LRAM does not recognize or take into consideration the costs associated with the DSM programs.

The Company has provided comprehensive/detailed explanations of the derivation and application of the volumetric margin unit rates used to calculate both the LRAM and AUTVA amounts in previous proceedings including the 2016 deferral and variance account proceeding (EB-2017-0102, Exhibit I.C. EGDI.FRPO.12, pages 1 to 3) and in the 2017 deferral and variance account proceeding (EB-2018-0131, Exhibit I.C. EGDI.FRPO.9, pages 1 and 2).

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 1 / Schedule 1/ Appendix B/ page 11

Preamble: EGI evidence states: *To record as a debit in Deferral Account No. 179-131 a receivable from customers and a reduction in cost of gas for the unit rate of optimization revenues refunded to in-franchise customers multiplied by the actual distribution transportation volumes.*

Question:

We are interested in understanding better the allocations to this account.

How does EGI differentiate between releasing unplanned UDC transacted through release and holding the capacity for exchange opportunities?

- a) Please provide an example from this last winter to describe the considerations, evaluation and decision-making associated with these costs/opportunities.

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**Response**

As per the Board's Procedural Order No. 3, the cost consequences of Gas Supply will be dealt with as part of a future proceeding.



ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 1 / Schedule 1/ Appendix G/ page 1

Preamble: EGI evidence states: *Commitment to post the design day Dawn-Parkway system capacity required for Union North, Union South and Enbridge Gas zones on an aggregated basis online as part of the Index of Transportation Customers.*

Question:

Please provide the source of that commitment.

- a) Please provide the location, timing and frequency of the posting.

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**Response**

The source of the commitment was EB-2017-0306/EB-2017-0307, Exhibit C.TCPL.3, part f).

- a) As stated in EB-2017-0306/EB-2017-0307, Exhibit C.TCPL.3, part f), the posting will be maintained on the Union Gas website, under the Index of Transportation Customers and would be updated annually to align with the Design Day requirements identified in the annual Gas Supply planning process.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 2 / Schedule 1/ page 18-20

Preamble: EGI evidence states: *Given the magnitude of the \$95.3 million investment in the Sudbury Replacement project, incremental funding of the project is required. The cumulative revenue requirement of the project from 2018 through 2023 is over \$47 million. Union was not able to reprioritize 2018 Capital investment in order to fund this investment using existing rates. The purpose of the capital pass through mechanism was to provide a means for Union to make significant investments under its price cap plan. Given that the timing of the investment in the Sudbury Replacement project occurred in late 2018, Enbridge Gas will be impacted by the first full year revenue requirement in 2019, during which time the Incremental Capital Module will apply.*

Question:

We would like to understand better the decisions around the Sudbury Replacement project.

Please provide Union Gas' approved capital budget and actual expenditures for each year of the 2014-2018 IRM period.

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**Response**

The table below includes the 2013 Board Approved capital budget and the subsequent years of actual spend (2014-18).

	2013 Board Approved	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual
<b>Capex</b>	347.7	368.2	476.6	691.3	1034	519.2
Less Capital Pass-Through	80	52.6	154.6	352.6	690.8	81.1
<b>Total</b>	267.7	315.6	322	338.7	343.2	438.1

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit B1 / Tab 2 / Schedule 1/ page 18-20

Preamble: EGI evidence states: *Given the magnitude of the \$95.3 million investment in the Sudbury Replacement project, incremental funding of the project is required. The cumulative revenue requirement of the project from 2018 through 2023 is over \$47 million. Union was not able to reprioritize 2018 Capital investment in order to fund this investment using existing rates. The purpose of the capital pass through mechanism was to provide a means for Union to make significant investments under its price cap plan. Given that the timing of the investment in the Sudbury Replacement project occurred in late 2018, Enbridge Gas will be impacted by the first full year revenue requirement in 2019, during which time the Incremental Capital Module will apply.*

Question:

When was the need for the Sudbury Replacement first identified?

Please provide all internal reports and correspondence that pertain to the need and the timing for replacement.

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**Response**

Enbridge Gas declines to provide the requested information.

The identification of the need for the Sudbury Replacement can be found on pages 3, 4 5 and 6 of the pre filed evidence in the EB-2017-0180 proceeding. The Board approved the Sudbury Replacement project LTC on September 28, 2017.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit C1 / Tab 1 / Schedule 1/ page 45 and Exhibit C1 / Tab 2 / Schedule 1/ page 632, 637, et al. & 703

Preamble: EGI uses the term “intolerable risk”. We were unable to find a specific definition for the term in the AMP. We would like to understand better how this term is applied

Question:

Please provide EGI’s definition of “intolerable risk”.

- a) How would EGI measure or qualify an issue into that category?
- b) How would an issue move from a “tolerable risk” to an “intolerable risk”?

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**Response**

- a) The term “intolerable risk” is defined within the EGD rate zone’s Risk Tolerance Framework which is shown in Figure 4.1-7, Exhibit C1, Tab 2, Schedule 1, page.74. When a risk is evaluated in the intolerable (red) region, it is identified as an intolerable risk and has exceeded the acceptable risk limit. Enbridge Gas measures the risk using a risk assessment process which evaluates the risk across the risk dimensions outlined in Table 4.1-2 the Risk Dimensions, Exhibit C1, Tab 2, Schedule 1, page 72 for the EGD rate zone, and Exhibit C1, Tab 3, Schedule 1, page 53 for the Union rate zone.
- b) Per Table 4.1-1: Risk and Opportunity, Exhibit C1, Tab 2, Schedule 1, page 71, risk is defined as “A negative effect of uncertainty on the organization’s objectives expressed as a combination of the likelihood and consequence of a potential event”. If either or both likelihood and consequence have increased, there is potential of moving an issue from a “tolerable risk” to an “intolerable risk”.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit C1 / Tab 2 / Schedule 1/ pages 1-94

Preamble: We are interested in understanding better some aspects of the EGD Asset Management plan. In reviewing the document, it is evident that KPMG has performed a maturity assessment (p.59) and EGD followed Deloitte's Value-Based Assessment Management Model. However, in reviewing the evidence, it is unclear how either Consulting Firm recognizes the financial incentives to invest capital for the potential of enhanced return.

Question:

From Enbridge's engagement of KPMG, and potentially Deloitte, please provide information shared by the consulting firms that address the reality of shareholder incentives to invest capital.

- a) From those materials, please provide information shared by the consulting firm that address the role of employee incentives in enhancing or balancing the shareholder incentives.
- b) Please provide EGI's commentary on steps undertaken to ensure that its organizational leadership balances shareholder incentives with customer value in the area of capital planning and decision-making.

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**Response**

Enbridge Gas is committed to the safe, reliable, cost effective and environmentally responsible provision of natural gas to its customers. At the core of this commitment is the effective stewardship of EGD's assets through governance, policy and practices. EGD will apply leading asset management practises to effectively manage the life cycle of assets. Optimal value will be delivered to customers and stakeholders through a sustainable investment plan that balances cost, risk and performance.<sup>1</sup>

- a -b) No material on employee incentives in enhancing or balancing the shareholder incentives was provided. KPMG provided guidance on developing the maturity of the Asset Management practice in relation to ISO 55000 principles. One of the

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<sup>1</sup> Exhibit C1, Tab 2, Schedule 1, page 64.

principles is leadership commitment and another is alignment with strategic goals, both of which connect to the interests of our customers. As a public company, our strategic direction is focused on our stakeholder which includes public shareholders.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit C1 / Tab 2 / Schedule 1/ pages 1-94

Preamble: We respect that steel gas mains deteriorate over time. At the same time, replacement must occur in a prioritized fashion over decades.

Question:

Please provide any EGD or Union Gas studies that analyzed the merits (financial and risk-related) of enhanced cathodic protection investments to reduce risk and defer replacement requirements.

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**Response**

No such study has been performed at this time. All protected steel mains are monitored at a minimum annually for adequate cathodic protection levels, those areas where the cathodic protection has fallen below protection criteria are assessed by the Corrosion department and repairs are carried out to return the pipe to protected levels.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit C1, Tab 2, Schedule 1, Page 152

Preamble: EGI evidence states: *The predominant failure mechanism for copper risers at EGD is associated only with internal pipe conditions and is not affected by external conditions or the environment. Analysis determined that turbulent flow will be reached in copper risers at pressure as low as 5 PSIG at 30,000 BTU. The average furnace uses between 70,000 BTU to 100,000 BTU. A typical gas water heater uses between 36,000 BTU to 66,000 BTU. This supports the sampling which showed wall loss on all copper risers, as turbulent flow can be reached at such low pressure from standard home appliances. The localized corrosion failure is illustrated in Figure 5.2-55.*

Question:

We are interested in understanding better the risks associated with the erosion corrosion of the copper risers.

In imperial units (psig), what is the maximum and minimum pressure of the majority of EGD distribution systems?

- a) If EGD has multiple pressure ranges for distribution, please provide what term is used to describe the system, what range of pressures and the percentage of each systems of all EGD distribution systems under 100 psig.
- b) What percentage of these 280,000 risers would actually be exposed to 5 psig?
- c) Does EGD have a study that looks at the failure rates of the copper risers in different pressure systems?
  - i) If so, please file the study.
- d) Is EGD giving priority to the replacement of those risers exposed to the lowest pressures?

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**Response**

- a) All copper risers are operating at pressures less than 100 psig. Approximately 86% of the networks in the EGD rate zone's system operate at pressures under 100 psi.



- b) 99.6% would be exposed to 5 psig or greater. Approximately, 1000 units are operating below 5 psig.
- c) No, with the exception of the approximately 1000 units, copper risers are operating in the same range of system pressures.
- d) No, the risers at the lowest pressures would present the lowest probability of failure with all other conditions being equal.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit C1, Tab 3, Schedule 1, Page 161

Preamble: We would like to understand better the delineation between regulated and non-regulated investment in CNG stations.

Question:

How does Union Gas/EGI differentiate which stations are built inside or outside the regulated utility?

- a) Are the regulated stations receiving comparable Federal funding and the non-regulated stations?
  - i) If not, why not?

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**Response**

Enbridge Gas does not directly provide CNG retail services. The CNG assets owned by Enbridge Gas are typically rented/provided to customers that use those facilities to refuel fleet vehicles they may use and operate or to provide CNG refueling service to others. The determination as to whether a CNG customer rents the refueling facility from the Company or chooses to own and operate these facilities themselves is determined by the customer.

- a) Federal government funding in respect of CNG vehicle refueling facilities is subject to an application process. Any party seeking to avail themselves of this funding is free to apply for it. In some cases the funding has been provided to the utility where it is applied to reduce the capital cost of the utility assets required to connect the CNG refueling facility to the Company's gas distribution system. In other cases the funding has been awarded to the CNG customer and applied to enhance the economics of their CNG refueling initiative.
  - i. The direction of the funding between the utility and the retail CNG fuel provider would vary from one situation to another based on the characteristics of each project and the objectives of the federal government agency providing the funds.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit C1, Tab 3, Schedule 1, Page 176

Preamble: *EGI evidence states: Based on the current forecast for in-franchise general service and contract growth in the Panhandle Transmission System market, Union has identified the need to reinforce the Panhandle Transmission System for the 2026 to 2027 winter operating season.*

Question:

We would like to understand better Union Gas'/EGI efforts to consider market based solutions to avoid or defer infrastructure investment.

With increased capability to flow gas on Panhandle Eastern, has Union evaluated the benefit of offering an incentive for firm deliveries at Ojibway?

- a) If so, what has been done and what has been learned?
- b) If not, why not?

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**Response**

Please see the responses to EB-2016-0186, Exhibit B.FRPO.15 and Exhibit B.FRPO.18 as well as EB-2018-0013, Exhibit A, Tab 8, Schedule 2, Pages 1 to7 for an explanation of why increased firm deliveries at Ojibway cannot efficiently serve the forecast growth.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit E1 / Tab 4 / Schedule 2/ page 5

Preamble: EGI evidence states: *In 2017, EGD introduced a process to track and assess potential measurement errors at TCPL's gate stations, compiling a list of measurement assets at each gate station and identified the flow range of each device.*

Question:

We are interested in understanding better the process that EGI has implemented to assess potential measurement errors at TCPL gate stations.

Please provide a list of EGI station sites that have chromatographs or other instrumentation to measure the heat value of the gas received.

- a) Beyond the Victoria Square Station, please identify any concerns that EGI has discerned since implementing this program.
- b) What issues has this program addressed and rectified?
- c) Has EGI agreed to any improvements in custody transfer between itself and TCPL since the initiation of this program?
- d) If EGI has a chromatograph on the Ottawa line from TCPL, please provide the average daily heat value for the period of October 2018 to December 2018.
- e) If EGI has a chromatograph at Parkway, please provide the average daily heat value for the period of October 2018 to December 2018.

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**Response**

As per the Board's Procedural Order No. 3, the cost consequences of Gas Supply will be dealt with as part of a future proceeding.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit E1 / Tab 4 / Schedule 9/ page 2-3

Preamble: EGI evidence states: *This project, in-part, underpins elections made by Enbridge in TCPL's 2019 New Capacity Open Season ("NCOS") which includes 75,000 GJ per day of new short-haul capacity from Parkway to the Enbridge CDA.*

Question:

We are interested in understanding better the system demand need for this capacity.

For the 75,000 GJ per day evidenced in this section:

- a) Where is this incremental demand needed?
- b) In that location, how much has the 2019/20 demand increased over 2017/18?
- c) Is there any compensating reduction in capacity to reduce the impact of the cost of the incremental capacity?
  - i) If so, please provide the details of the reduction.
  - ii) If not, please provide details on the expected utilization of the excess capacity.

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**Response**

As per the Board's Procedural Order No. 3, the cost consequences of Gas Supply will be dealt with as part of a future proceeding.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit E1 / Tab 4 / Schedule 9/ page 3

Preamble: EGI evidence states: *Union Gas and TCPL each have NCOS offerings for transportation services with projected in service dates for each NCOS as early as November 1, 2021. Union Gas is offering M12 services the Dawn-to-Parkway System, while TCPL is offering various firm transportation services on the Mainline System. The NCOS offering from Union Gas was held from August 29, 2018 to November 16, 2018, while the NCOS offering from TCPL was held from October 15, 2018 to November 14, 2018*

Question:

We are interested in understanding the results of the open season in the context of asset utilization in the future.

Please provide the amount of capacity requested in the initial bid respecting that there are levels of additional negotiating and contracting steps to be exercised (i.e., we respect that the ultimate contracted quantity may vary from the initial bid in the contracting process but we are asking for an indication of the amount bid).

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**Response**

The amount of capacity requested in the initial bids is presented in the following table:

2021 Dawn – Parkway (GJ/d)	2021 Kirkwall – Parkway (GJ/d)	2022 Dawn – Parkway (GJ/d)	2022 Kirkwall – Parkway (GJ/d)
165,000	123,441	25,004	30,000

After initial bids were received and during the contract execution process with customers all of the Kirkwall-PKWY bids for both 2021 and 2022 were terminated and 5,333 GJ/d of the 2022 Dawn-PKWY was terminated.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit E1 / Tab 4 / Schedule 9/ page 3

Preamble: EGI evidence states: *Union Gas and TCPL each have NCOS offerings for transportation services with projected in service dates for each NCOS as early as November 1, 2021. Union Gas is offering M12 services the Dawn-to-Parkway System, while TCPL is offering various firm transportation services on the Mainline System. The NCOS offering from Union Gas was held from August 29, 2018 to November 16, 2018, while the NCOS offering from TCPL was held from October 15, 2018 to November 14, 2018*

Question:

With the best information available at this time, please provide the incremental capacity that would come on line in 2021.

- a) What, if any, facilities does EGI believe will be needed to meet this level of contracting?

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**Response**

Enbridge Gas is currently planning to construct approximately 10 kilometers of new NPS 48 pipeline between Kirkwall valve site and Hamilton valve site which will provide incremental capacity of approximately 84,000 GJ/day with an expected in-service date of November 1, 2021.

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit E1 / Tab 4 / Schedule 9/ page 3

Preamble: EGI evidence states: *Union Gas and TCPL each have NCOS offerings for transportation services with projected in service dates for each NCOS as early as November 1, 2021. Union Gas is offering M12 services the Dawn-to-Parkway System, while TCPL is offering various firm transportation services on the Mainline System. The NCOS offering from Union Gas was held from August 29, 2018 to November 16, 2018, while the NCOS offering from TCPL was held from October 15, 2018 to November 14, 2018*

Question:

Has EGI initiated any process to determine the markets ability to provide firm transport or obligated deliveries that would reduce potential infrastructure expenditures?

- a) If yes, please describe.
- b) If not, what inhibits EGI from taking this step contemplated in the Settlement Agreement of Union Gas in last Dawn-Parkway expansion build (EB-2015-0200)?

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**Response**

Once Enbridge Gas receives confirmed volumes for incremental Dawn-Parkway demand as a result of an open season, Enbridge Gas will evaluate all alternatives, including additional facilities and market alternatives, when reviewing plans to meet requested incremental demand.



ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Reference: Exhibit E1 / Tab 4 / Schedule 9/ page 3

Preamble: EGI's evidence states: *The 2018 to 2020 toll application was filed in December 2017 under hearing order RH-001-2018 and is currently under review by the NEB. In the meantime, the NEB has approved the tolls resulting from the RH-001-2014 Decision on an interim basis while the 2018 to 2020 toll application is under review. The 2019 Gas Costs budget is underpinned by the interim tolls which, compared to TCPL's previous finalized tolls, yield \$30-million in annual savings for EGD's transportation contracts that are in place for the 2019 calendar year.*

Question:

We would like to understand better the cost implications for Ontario resulting from the toll resetting process.

Please provide the applicable NEB reference and, ideally the link, for the TCPL 2018-2020 Rates proceeding.

- a) Please describe the methodology and the quantities used to determine the \$30 million in annual savings for EGD transportation contracts.
  - i) Please present the determination in a table.
- b) Using the same approach in a), please provide the comparable figure for Union Gas' TCPL transportation contracts.
- c) Did the former Enbridge Gas Distribution and Union Gas companies enter into an agreement to set tolls at the applied for levels?
  - i) If the applied for tolls were not tolls used to calculate the \$30 million in EGD transportation contract savings, please calculate the annual savings expected from the applied for tolls versus those in place in 2017 for:
    - (1) EGD transportation contracts
    - (2) Union Gas transportation contracts
    - (3) Please produce the above determination in a table that provides understanding of the calculation

- d) Did the NEB accept and implement the applied for tolls of that agreement or did they determine the agreement did not set tolls in the public interest?
- i) As a result of the NEB decision, please provide the annual savings expected from the approved tolls versus those in place in 2017 for:
- (1) EGD transportation contracts
  - (2) Union Gas transportation contracts
  - (3) Please produce the above determination in a table that provides understanding of the calculation.

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**Response**

As per the Board's Procedural Order No. 3, the cost consequences of Gas Supply will be dealt with as part of a future proceeding.