

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.

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.¹

- 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

¹ 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.