

2017 GAS SUPPLY EVIDENCE OVERVIEW

1. The purpose of the D1, Tab 2 series of exhibits is to present the Company's 2017 gas supply evidence and resulting gas costs. The plan and associated documents provide an overview of the gas cost consequences of Enbridge's gas supply activities, including storage and transportation, for the 2017 Fiscal Year.
  
2. In the Settlement Proposal in the 2016 Rate Adjustment proceeding (EB-2015-0114), Enbridge agreed that:

In its 2017 rate adjustment application, it will augment the gas supply evidence so that, in addition to the material provided in this proceeding, there is an explanation of the principles driving the gas supply plan, and how those principles are being implemented by the detailed evidence on gas procurement and transportation.<sup>1</sup>

3. In accordance with the Settlement Proposal, Enbridge has expanded and reorganized its Gas Supply evidence for the 2017 filing.
  
4. The evidence in Exhibit D1, Tab 2 is organized in the following manner:
  - a) The Gas Supply Memorandum at Schedule 2 describes the gas supply planning process, including the underlying gas supply planning principles;
  - b) Schedule 3 explains how the gas supply planning principles were applied to the 2017 test year and provides an overview of the gas cost consequences of the Company's 2017 gas supply activities;
  - c) Supporting schedules detailing Enbridge's 2017 gas supply arrangements, and associated costs and volumes are found at Schedules 4 through 10;

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<sup>1</sup> EB-2015-0114, Exhibit N1, Tab 1, Schedule 1, Page 9

Witnesses: M. Kirk  
D. Small

d) Schedule 11 outlines future developments in the North American natural gas market currently being monitored by the Company.<sup>2</sup>

5. The Company acknowledges that there will likely be changes to the way that gas supply evidence is presented in future proceedings, as an outcome from the Distributor Gas Supply Planning Consultation (EB-2015-0238) and the update to the Filing Requirements for Natural Gas Distributor Rate Applications proceeding (EB-2016-0033. In a Report to the Board as part of EB-2015-0238, Board Staff issued recommendations for future processes that would consider and approve a five year framework as well as annual gas supply plans for Enbridge and Union Gas. The Board Staff Report suggests that further information about what is to be included in filings for these new processes will be forthcoming. Enbridge looks forward to working with Board Staff and stakeholders to determine the scope, content and timing of future gas supply filings and proceedings. In the meantime, Enbridge's evidence in this case does not try to anticipate what will be required in future proceedings.

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<sup>2</sup> The Company emphasizes that the overview of future supply considerations in Schedule 11 has been created on a best efforts basis, is subject to change and is not a request for preapproval.

Witnesses: M. Kirk  
D. Small