

INTERRUPTIBLE RATE

1. In the Settlement Proposal in the 2015 Earnings Sharing proceeding (EB-2016-0142), Enbridge agreed to investigate options for future changes to its interruptible service. It is not clear whether parties to that proceeding were aware of the efforts that Enbridge has already made to enhance its Interruptible Service Program. This evidence provides a summary of recent consultation efforts around and enhancements to Enbridge's Interruptible Service Program, as well as future plans in response to the commitment made in the 2015 Earnings Sharing proceeding.

A. Recent Enhancements to Enbridge's Interruptible Service Program

2. In the spring of 2014, Enbridge requested feedback from its Interruptible Service customers in an effort to determine how the program could be improved. This was done following the winter of 2013 to 2014 during which there were several instances of Curtailment. Enbridge's Account Executives had discussions with their Interruptible Service customers, asking them to express their concerns with the existing program and to suggest changes they would like to see made that would improve the program.
3. Enbridge made a number of changes to its Interruptible Service Program based on the feedback received from customers. The program changes can be grouped into three categories: (i) Communication; (ii) Penalties for Non-Compliance; and (iii) Curtailment Delivery Supply ("CDS") gas.

(i) Communication

4. One of the areas of focus from customers was on communications from the Company. In response, a number of changes were made.

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Improvements to Curtailment Notification

5. Customers indicated that they would like to receive more advance notification of the probability of Curtailment. In the past, Enbridge would update the hotline and website weekly, providing a three-day forecast for the probability of Curtailment. Based on customer feedback, during the peak season Enbridge has implemented a daily update to the hotline and website with a 5-day forecast. In addition to the daily forecast update, Enbridge now provides subscribed customers with information on the upcoming five-day forecast for the probability of Curtailment, should a “High” probability be forecasted within the next five days. Also, the notification now includes mean daily temperature and other operational considerations if applicable.

Implementation of Automated Notification System

6. In the fall of 2015, Enbridge implemented a new automated calling system (“Everbridge”) to notify Interruptible Service customers when Curtailment is called. In addition to the telephone notification, the automated call system sends text messages and email messages, offering the customer more options for receiving the notifications. This system has replaced the previous manual process whereby 20 individual call representatives were assigned to contact approximately 140 customers between them. The notifications were verbal only. Some customers had expressed concerns regarding the timeliness of the manual calls as well as the accuracy and consistency of the messages.
7. Another benefit of the automated system is that it now provides the customer with the flexibility to add multiple contacts for their organization instead of one primary contact.

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(ii) Non-Compliance Penalties

8. In the past, Enbridge would provide a summary of the Curtailment penalties to customers after the winter season was complete. Based upon feedback from customers, Enbridge has also developed a new process and reporting tools that enable the Company to calculate an estimate of Curtailment penalties within days of the curtailment instance. This new tool allows Enbridge to advise customers of their performance during a curtailment instance and the potential penalties. As a result, customers are better prepared for another Curtailment instance should there be one.

(iii) Curtailment Delivered Supply (CDS Gas)

9. CDS is an existing option that Enbridge offers to its Interruptible customers. If it is operationally feasible, Enbridge will permit customers to deliver additional gas on a Curtailment day. This allows them to continue to consume gas, provided that the consumption volume does not exceed the CDS nomination volume.
10. In the past, during a Curtailment instance, interruptible service customers would be required to deliver the CDS gas directly to the respective delivery area, (i.e., CDA or EDA). Enbridge has now added the flexibility for customers to deliver CDS gas at the Dawn Receipt Point as long as it is operationally feasible to do so. Customers have indicated that they appreciate the opportunity for cost savings that this option provides.

Make-up CDS Pilot Program

11. Over the last two winter seasons Enbridge has offered a new program that allows customers to nominate make-up should the Curtailment advice notice indicate a high probability of Curtailment being called in the next five days. In the event that

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Curtailment is called and CDS is allowed, the customer can then convert their make-up nomination to a CDS nomination. The market asked for this flexibility as it is a more cost effective way to procure gas on a curtailment day.

B. Future Plans

12. The Settlement Proposal in the 2015 Earnings Sharing Proceeding (EB-2016-0142) includes the following:

Parties have requested and Enbridge has agreed that it will commence a process to consider whether there are cost-effective changes that may be made to interruptible distribution service that would make that service more attractive to customers, and thereby avoid incremental firm transportation capacity or other costs. Enbridge will present an analysis of the value that the Company would pay for the seasonal credit and will discuss with stakeholders (including large volume customers) what changes they might like to see to the interruptible program that would make it more cost effective. There is no expectation that any new rate offering would be available before 2018 at the earliest, although Enbridge will report on this initiative in its 2017 Rate Adjustment Application.

13. As agreed, Enbridge will undertake analysis of the value of seasonal credit costs and will discuss with customers whether there are any further changes to the Interruptible Service Program that would make it more attractive.
14. The Company plans to begin its analysis and consultation as soon as possible following the end of the 2017 winter season. This will give Enbridge and its customers the opportunity to take into consideration any impacts this upcoming winter may have. Last winter was mild and there was very little Curtailment requirement. If the current winter is closer to budget or slightly colder and Enbridge needs to curtail more, this could impact customer decisions around the value and attractiveness of the Interruptible Service Program.

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