

ENERGY PROBE INTERROGATORY #8

INTERROGATORY

Reference: Exhibit D1, Tab 2, Schedule 4, Page 3, Figure 1

Preamble: Enbridge's unaccounted for gas volumes have been increasing over the last decade and, in recent years, have been higher than Board-approved volumes (nearly double in 2014).

- a) Can Enbridge explain why unaccounted-for-gas volumes have been increasing?
- b) Can Enbridge detail the impacts that increase has on the residential rate class?

RESPONSE

- a) Enbridge has examined the elements that potentially contribute to unaccounted-for-gas volumes ("UAF") and they have not shown any marked variability. In addition, Enbridge has over the years, focused on various programs within its Operations and Engineering functions to ensure the safe and reliable operation of its infrastructure. Integrity and damage prevention programs have demonstrated improved metrics confirming the effectiveness of these efforts.

As available, Enbridge compares its performance relative to other utilities in this area. Based on the last update from the American Gas Association in August 2015, Enbridge's UAF as a percentage of throughput is comparable with the average from 194 natural gas utilities.

- b) The forecast unaccounted gas volumes are priced at the test year forecast PGVA reference price and the resulting cost forms part of the Company's gas cost to operations budget as found at Exhibit D1, Tab 2, Schedule 5. As part of the Company's Quarterly Rate Adjustment Mechanism ("QRAM"), the cost of the unaccounted for gas volumes is updated to reflect each quarter's proposed PGVA reference price. The cost of unaccounted for gas is recovered from all bundled customers and is allocated to the rate classes based on the bundled delivery volumes. The cost is recovered in the delivery component of customer's rates.

Witnesses: M. Kirk  
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