

ENERGY PROBE INTERROGATORY #12

INTERROGATORY

Reference: Exhibit E2, Tab 1, Schedule 2

- a) Please provide a version of Exhibit E2 Tab 1, Schedule 2, Page 1 that includes the issue dates and terms of existing and forecast debt.
- b) Please discuss the factors playing into the decisions to issue short, medium, and long term debt.
- c) Are these decisions made By Enbridge (Corporate) Treasury or by EGD?
- d) For the proposed 2017 \$300 million debt issues, please confirm the proposed terms and the basis of the proposed mix (term etc.).
- e) With Regard to preferred shares please indicate if these are issued by Enbridge (and assigned to EGD) or EGD directly
- f) Please provide a schedule showing actual and if applicable, forecast preferred shares (pfs) and the Grade(s), Rate and Reset provision for each issue.
- g) How much of the \$100 million pfs will be reset in 2017 and what will be the forecast reset rate(s) and reduction in annual costs.

RESPONSE

- a) Please refer to the attachment to this interrogatory for an updated version of the referenced exhibit which includes the requested information.
- b) The tenor of debt issuances is based on external factors including market demand and pricing as well as internal factors including its fixed to floating ratio.
- c) Funding decisions are made jointly by Enbridge Treasury and Enbridge Gas Distribution Inc.
- d) Terms of the forecast 2017 \$300 million debt issues are provided in Table 2 of Exhibit E1, Tab 3, Schedule 1.

Witnesses: R. Craddock
R. Small

- e) The preferred shares were issued directly by Enbridge Gas Distribution Inc. in 1999.
- f) There are no forecast preferred share issuances for Enbridge Gas Distribution Inc. Preferred share dividends are paid at a rate of 80% of the prime rate. On July 1, 2019, and every five years thereafter, the Group 3, Series D preference shares can be converted, at the holder's option, into Group 2, Series D preference shares, on a one-for-one basis, and will pay fixed cumulative cash dividends that are not less than 80% of the Government of Canada yield applicable to the fixed dividend period. The Group 3, Series D preference shareholders opted not to convert their shares into Group 2, Series D preference shares effective July 1, 2014.
- g) No preferred shares reset in 2017.

Witnesses: R. Craddock
R. Small