

BOMA INTERROGATORY #23

INTERROGATORY

Ref: Ibid, p21

For what period does a "medium term weather forecast" make predictions? How accurate has it been since EGD began using it?

RESPONSE

As a part of the development of its Gas Supply Plan the Company will identify a Dawn purchase requirement for the winter period i.e. November to March. The Company has stated that it will manage that supply requirement through a series of seasonal, term and monthly RFPs as well as daily purchases. Once the seasonal and term RFPs have been completed there will be a remaining level of Dawn requirement to be acquired to meet budget demand. This remaining requirement would be acquired either through a monthly RFP or daily purchase.

As discussed on page 21 of 27 of Exhibit D1, Tab 2, Schedule 2 the use of a medium term forecast is intended to provide Enbridge with the ability to adjust planned month-ahead supplies sooner. Below is an example of how a medium term forecast would assist in the planning process.

In mid- December the Company will issue RFPs for various supplies for the month of January to fill various pipeline contracts (i.e., TCPL and Vector) as well as for Dawn purchases. Assume for illustrative purposes that after making seasonal and term arrangements, EGD is left with a remaining daily requirement of 400 mmcf / day at Dawn based upon budget demand. If the medium term forecast was to indicate that the expected degree days in January are in line with budgeted degree days then the Company could proceed with an RFP with the intent to acquire or lock up some amount of that remaining Dawn requirement, for example, 200 mmcf / day leaving 200 mmcf / day to be purchased on the day. However, if the medium term forecast suggested that January was to be colder and the daily requirement rose to 600 mmcf / d then the Company would still issue an RFP but could choose to lock up 400 mmcf / day and then buy the remaining 200 mmcf on the day. Conversely, if the medium term forecast indicated that January was to be warmer and the daily requirement was to decrease to 200 mmcf / day, the Company could then elect not to issue an RFP.

EGD began using a medium term forecast as part of its gas supply planning criteria in 2015 as a result of the extreme weather experienced in the winter of 2013 / 14. The

Witness: D. Small

Company provided a response to a Board Staff interrogatory (EB-2014-0276 Exhibit I.D1.EGDI.STAFF.11) which explained what would trigger Enbridge to include in its demand assessment the medium term weather forecast. While the forecasts themselves were never intended to be judged by how accurate they were, this has been a useful tool. In 2015, when demand was colder than budget, EGD avoiding buying a sizeable amount of gas in the day market and in 2016 and 2017, when demand was lower than budget, the Company avoided acquiring unnecessary monthly supplies.