

FRPO INTERROGATORY #18

INTERROGATORY

REF: Exhibit D1, Tab 2, Schedule 11, page 14

Preamble: We would like to understand better the cost consequences of accepting Direct Purchase deliveries at alternate points different from Empress or Dawn.

What was the forecasted final cost of the changes to Enbridge systems to facilitate Dawn Access?

- a) With the implementation of EGD's new Entrac/DP systems, what is the estimated cost of implementing a new receipt point for direct purchase?
- b) Was this estimate available and shared at the time of the Dawn Access proceeding?
- c) Based upon this estimated cost, notwithstanding the Dawn Access settlement agreement threshold of 50,000 GJ's, would EGD consider reducing the threshold to allow the receipt point capacity to build?
 - i) If not, why not?
 - ii) If so, what steps does EGD believe need to be taken to establish these alternate delivery points?

RESPONSE

a and b)

The forecasted final cost is approximately \$6.5 million. The estimate at the time of the Dawn Access proceeding was \$6 million. It is important to note at the time of the estimate it did not include the cost to implement the heat value conversion and interest costs. In addition, the estimate did not include the extended project time line due to resources being pulled away to implement GDAR changes and Cap and Trade. The cost to activate a new receipt point is approximately \$25,000.

- c) EGD would be receptive to considering reducing the 50,000 GJ/day threshold identified in the Dawn Access Settlement as a requirement to allow new receipt points. The threshold volume would still need to be of an amount that would warrant spending

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monies to upgrade Entrac for a new receipt point. Even with a different threshold, EGD believes that any new receipt point must be of genuine interest from the Direct Purchase customers, at a liquid Hub which would provide alternatives should there be a failure of delivery by the Direct Purchase customer and that EGD must hold renewable transportation capacity from that Hub to the franchise areas.

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