

FRPO INTERROGATORY #7

INTERROGATORY

REF: Exhibit D1, Tab 2, Schedule 3, Page 5-6 and Schedule 7

Preamble: We would like to understand better the company's views of the impact on Direct Purchase customers. The above reference states: *"The impact of Direct Purchase customers shifting from Western or Ontario T-Service to Dawn T-Service is twofold: firstly, peak day deliveries to the franchise area via Ontario T-Service customers will decline (Line 8 of the Peak Day Supply Mix schedule); secondly, the Company needs to increase volumes delivered to the franchise area to replace the decline in volume delivered by Ontario T-Service customers (currently that deficiency is mostly visible as an increase in Peaking Service in Line 11 of Schedule 7). The expectation is that over time as the Dawn T-Service option becomes more prevalent then it will no longer be necessary for new Direct Purchase customers to demonstrate firm transportation commitments. However, the Company reserves the right to review this on a case by case basis should the Ontario T-Service option begin to increase or should other service types become available in the future."*

What is Enbridge's current policy for review of existing customers demonstrating firm transportation commitments?

- a) What criteria is used for acceptability for existing or new customers?
- b) What criteria would provide a threshold to eliminate this requirement?

RESPONSE

- a) The current criteria, as set out in Rider A of the Rate Handbook, is that FT capacity to be turned back must be replaced with alternative, contracted firm transportation of equivalent quality to the TCPL FT capacity. In the past, the Company has required customers to provide proof that the capacity has been contracted in their name.
- b) As mentioned in the preamble set out above, as customers convert to the Dawn T-Service option then it is possible that the criteria to demonstrate firm transportation for those service types could be eliminated due to the liquidity of the Dawn hub. The expectation is that the conversion to Dawn T-Service will be complete by the end of 2018 and therefore, EGD suggests revisiting this criteria at that time.

Witness: D. Small

For customers who wish to remain under the Ontario T-Service option, the Company suggests the current criteria remain in place, with the caveat that EGD would be prepared to review on a case by case basis and allow a customer using a third party's transportation to provide a written guarantee of delivery to EGD in place of requiring that customer to show its own firm transportation.