

BOARD STAFF INTERROGATORY #7

INTERROGATORY

Ref: Operating Costs – Gas, Transportation and Storage Costs  
Exhibit D1 / Tab 2 / Schedule 3 / Page 4

Preamble:

Enbridge noted that, for the purposes of its 2018 rates application, it has assumed the originally planned in-service date for NEXUS of November 1, 2017 and therefore the pipeline would be fully in place for the 2018 calendar year. Enbridge is aware however, that the in-service date has been recently delayed to 2018 as a result of NEXUS not receiving Federal Energy Regulatory Commission (“FERC”) approval due to a lack of voting quorum. At this time the length of a delay is unknown. In order to mitigate the impact of the NEXUS in-service delay, Enbridge will continue to fill its Vector capacity with supply from Chicago until the contracted capacity on NEXUS comes into service. Enbridge proposed that any variances associated with a delay will be captured as a part of the 2018 PGVA.

Question(s):

- a) Please advise whether Enbridge has an estimate with respect to the length of the expected delay to the NEXUS in-service date.
- b) Please confirm that, on an actual basis, there are no costs incurred by Enbridge with respect to NEXUS until such time that the pipeline is placed in-service.
- c) Please explain why Enbridge has continued to assume that NEXUS will be placed in-service during 2018 for the purposes of its gas supply plan. Please discuss why Enbridge has not removed NEXUS from its plan and replaced it with the gas supply and transportation that Enbridge will likely use on an actual basis.

RESPONSE

- a) The most recent communication that Enbridge has received indicates an in-service date of September 1, 2018 for the Nexus Pipeline.
- b) Confirmed. Enbridge will only incur costs with respect to Nexus once the pipeline is in service.

Witness: D. Small

- c) As described at Exhibit D1, Tab 2, Schedule 3, page 4 of 16, the 2018 gas supply plan assumes that the Company will be acquiring gas throughout 2018 in the Kensington area at the interconnect to the Nexus Pipeline and transporting that supply to the Vector interconnect at Milford Junction and then from there via the Vector pipeline to Dawn. Absent the Nexus Pipeline being in service, EGD will procure the equivalent amount of supply in the Chicago area and transport that supply to Dawn via the entire Vector path – Chicago to Dawn.

As described above, the current estimate is that Nexus will be in-service sometime during 2018. The exact date is unknown at this time. As the Company has described, regardless of the in-service date of the Nexus Pipeline the Company is forecasting to receive a total of 175,000 Mmbtu/day via Vector at Dawn as a part of its 2018 supply plan.

The Company's believes that it is appropriate to leave the gas supply plan as filed for purposes of the derivation of the reference price within the 2018 QRAM applications, rather than estimating an in-service date for Nexus. As stated at Exhibit D1, Tab 2, Schedule 3, page 4 of 16, any variances – both commodity and transportation – associated with a delay in the in-service date will be captured in the 2018 Purchase Gas Variance Account ("2018 PGVA").