

FRPO INTERROGATORY #23

INTERROGATORY

REF: Exhibit H1, Tab 2, Schedule 1

Preamble: We would like to understand better the opportunities available to mitigate peak day driven costs through the use of Interruptible Contracting.

Did EGD invite or survey all types of contract customers including firm? If not, why not?

- a) Did EGD invite customers who migrated from Interruptible to Firm in the last 5-10 years? If not, why not?
- b) Did EGD ask what level of incentive would customers need to move from Firm to Interruptible?
  - i) If not, what are EGD's views on an appropriate approach to determining an appropriate economic incentive offered to customers to migrate to interruptible status to avoid future builds?
- c) Does EGD see any potential in assessing these incentives in the context of the Carbon Cap & Trade regime? Please explain how the economics of these incentives could be improved for customers and/or the company.

RESPONSE

- a) The intent of the consultative was to gather feedback from current interruptible customers from their experience based on the current interruptible program. Once that information has been reviewed and Enbridge has evaluated whether it can accommodate the suggestions received, then those suggestions will be shared at the next annual general large volume customer meetings (in each of the Company's franchise regions), which are attended by both firm and interruptible customers.
- b) No. The current curtailment credits are appropriately set. In most years, with the exception of 2013/2014 winter, customers would financially benefit from being on an interruptible rate.

Witness: R. DiMaria

- i) The Curtailment Program is currently operating well with a high compliance rate of 96%. Interruptible services are available to customers who can accommodate the total interruption of gas service when required by the Company through either a complete shutdown of operations or the ability and readiness to switch to an alternative fuel source.

Customers that have migrated in the past from interruptible service to firm service did so due to issues with complying with curtailment and/or did not like the uncertainty of the potential frequency of curtailment. The character of interruptible service and the issues explained in Exhibit H1-2-1, page 3, compel customers to sensibly and comprehensively evaluate the appropriateness of the curtailment program for their business.

- c) It is not clear that there would be any impacts to customers from Cap and Trade as Cap and Trade costs are determined on a per unit usage basis. Cap and Trade charges apply / are charged on customers' actual usage as per the Cap and Trade regulation.