

ENBRIDGE GAS INC.
Answer to Interrogatory from
Board Staff (STAFF)

Reference: Exhibit B1/Tab 1/Schedule 1/pg. 18 and Appendix A/pgs. 1-5

Question:

In the MAADs proceeding, the applicant indicated that post amalgamation, contracts between Enbridge Gas Distribution and Union Gas will cease to exist. The accounting order with respect to the Purchase Gas Variance Account removed the reference to recording amounts related to Limited Balancing Agreement with Union Gas.

- a) Different rate zones still exist for Enbridge Gas Distribution and Union Gas. Please explain how the removal of the amounts relating to the Limited Balancing Agreement will impact the amounts being allocated to customer groups in different rate zones.
- b) After the Limited Balancing Agreement is ceased, please explain whether revenues/costs are still tracked between the different rate zones.

Response

- a) As part of the MAADs proceeding, Enbridge Gas indicated that upon amalgamation it planned to discontinue charging Limited Balancing Agreement (“LBA”) fees between the Union rates zones and the EGD rate zone¹. LBA fees were previously charged at interconnections between legacy Union and legacy EGD on daily and cumulative imbalances outside of agreed upon tolerances. Upon amalgamation, LBA fees are no longer required as Enbridge Gas operates an integrated system for all rates zones.

Prior to amalgamation, the revenue from the LBA was recorded in Union’s Short-Term Storage and Other Balancing Services deferral account (179-70) of which 90% was credited to the benefit of Union’s in-franchise customers. The cost of the LBA was recorded in EGD’s Purchase Gas Variance Account as a charge to EGD’s customers.

The impact to Enbridge Gas customers in the different rate zones related to the LBA are not a material benefit or cost. Table 1 provides the LBA fees charged by legacy Union to legacy EGD from 2013 to 2018.

¹ EB-2017-0306/EB-2017-0307, Exhibit C.SEC.1, Attachment 1, p.3.

Table 1
LBA Fees Charged by Union to EGD

<u>Line</u> <u>No.</u>	<u>Particulars (\$000's)</u>	<u>LBA</u> <u>Fees</u> (a)
1	2018	430
2	2017	381
3	2016	968
4	2015	282
5	2014	237
6	2013	360

- b) No, the Limited Balancing Agreement revenues/costs are not tracked between the different rate zones. LBA fees are no longer required as Enbridge Gas operates an integrated system for all rates zones.