



Gazifère Inc.

Regulatory Cost Allocation Methodology Review – Revision 1

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Date: January 16, 2024

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GI-84
Document 1
89 pages
R-4194-2022

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Glossary

Term	Definition
Allocated Direct Cost	Costs that can be specifically attributed to a segment or sub-segment of Enbridge Inc. (e.g., Gazifère).
Allocated Indirect Cost	Costs that cannot be directly attributed to any individual or multiple segments, sub-segments, or LOBs. These costs are allocated to all eligible LOBs utilizing a prescribed Cost Driver.
BU	Business Unit.
CF FP&A	Central Functions Financial Planning and Analysis, a department within Enbridge Inc.
EGD	Enbridge Gas Distribution Inc.
EI	Enbridge Inc. The parent company of EGD and Gazifère.
ERP	Enterprise Resource Planning
Internal Cost	Costs incurred internally by Gazifère and not allocated to Gazifère by EI or EGD.
LOB	Line of Business. Enbridge Inc. assigns costs to LOBs through the RCAM.
RCAM	Regulatory Cost Allocation Methodology of Enbridge Inc.
Service Category	A category defined by a specific function (or service) in which similar cost pool items are consolidated for analysis and comparison. EI refers to some Service Categories as Centralized Functions in their internal documentation.

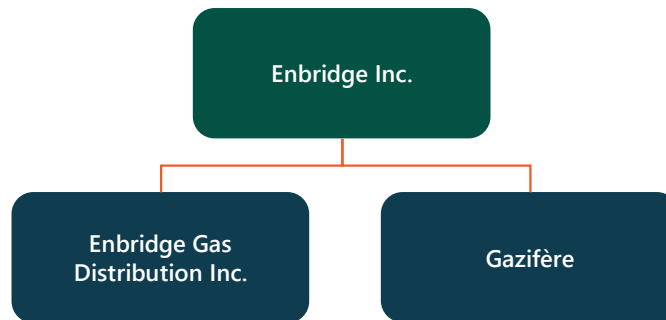
62 **1.0 Introduction and Background**

63 Gazifère Inc. (“Gazifère”) is one of two natural gas distributors in Quebec serving more than 43,500
 64 residential, commercial, institutional, and industrial customers. Gazifère employs approximately 100 staff
 65 and is based in Gatineau. Gazifère is responsible for distribution services across the area between Fort-
 66 Coulonge, Montebello and Grand-Remous. The organization’s service territory currently includes the
 67 city of Gatineau, which includes the former municipalities of Hull, Aylmer, Gatineau, Masson-Angers and
 68 Buckingham, as well as the municipality of Chelsea.

69 Enbridge Inc. (“EI”) is the publicly traded parent company of another natural gas distributor, Enbridge
 70 Gas Distribution Inc. (“EGD”) and Gazifère, which are both private corporations. The relationship
 71 between these entities is depicted in Figure 1.

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73 Figure 1: Corporate Relationship Between EI, EGD, and Gazifère



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76 Under this organizational structure, Gazifère receives cost allocations for corporate shared services from
 77 both EI and EGD. Both companies provide various corporate services to Gazifère, such as Technology
 78 and Information Services, Human Resources, Operations, and Engineering Support. The costs to provide
 79 these services are allocated by EI and EGD to Gazifère using their corporate cost allocation
 80 methodologies. Table 1 outlines the 2022 total Allocated Indirect and Direct Costs charged to Gazifère.

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Table 1: Table of Corporate Services Cost Allocation to Gazifère

Cost Pools (Affiliate Company)	2022 Allocated Indirect and Direct Costs (\$)	2022 Allocated Indirect and Direct Costs (%)
EI	\$6,253,693	86.3%
EGD	\$994,781	13.7%
Total	\$7,248,474	100%

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1.1 Purpose of This Report

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The purpose of MNP's regulatory cost allocation methodology review for Gazifère is to:

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1. Provide an independent assessment of Gazifère's received corporate services cost allocation against regulatory precedent and principles;

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2. Provide recommendations as applicable to revise Gazifère's regulatory cost allocation methodology (RCAM) based on applicable principles provided by decisions from the Régie de l'énergie; and

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3. Provide a description of the evolution of costs (2015-2022) from services provided to Gazifère by EI and EGD.

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1.2 EI Cost Allocation Methodology

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EI released a new Regulatory Cost Allocation Methodology ("RCAM") in January 2021 to effectively use a new Enterprise Resource Planning ("ERP") system. EI has expanded its RCAM to include additional Cost Drivers since the 2015 Gazifère Corporate Services Cost Allocation Methodology Review. EI provides various services to entities at Enbridge such as Gazifère. The Enbridge Central Functions Finance Planning and Analysis ("CF FP&A") team allocates the associated cost of the provided services to individual Lines of Business ("LOBs") within the Enbridge Enterprise. CF FP&A uses the following criteria in identifying the LOBs that are eligible for allocations through the RCAM¹:

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- 50% or more owned by EI collectively;

101

- Operated by EI;

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- In operation or is expected to be in operation in the first half of the year for which the allocation is made;

103

104

- Equity investments, financing, and holding companies are excluded; and

¹ (2021 Approach for Allocation of Centralized Functions Costs, 2021)

- 105 • Other assets/entities that do not meet the parameters listed above, but have contractual
106 arrangements for being charged allocations from EI.

107 The RCAM utilizes a pool of costs from EI's Centralized Functions and allocates them to the LOBs based
108 on reasonability and cost causality.

109 The EI RCAM was created using the following set of guiding principles for cost allocation²:

- 110 • Consistent: The approach will be consistent in employing a standardized methodology across
111 all LOBs/BU's;
- 112 • Regulatory and Joint Venture Compliant: Complies with regulatory requirements and joint
113 venture agreements;
- 114 • Tax Compliant: Meets taxation and authority requirements;
- 115 • Simple: Simple to understand and administer;
- 116 • Transparent: Transparent in conveying the source of Allocated Costs, and the basis for
117 allocating such costs;
- 118 • Fair: Reasonable to business partners and internal recipients of the allocations;
- 119 • Manageable and Practical: Adaptable to changes in business while leveraging automation,
120 through ERP functionality, to limit manual intervention; and
- 121 • Accurate: Meets the requirements for Cost Recovery and Compliance through the allocation of
122 a manageable number of well-defined Service Categories and causal drivers.

123 Within EI's RCAM there are specific types of costs including:

- 124 1. Directly Attributable Costs 100% directed to a segment: Costs that can be specifically attributed
125 to a segment or sub-segment of EI. These costs are directly allocated to the segment or sub-
126 segment to which they are attributed and then allocated to the individual LOBs within the
127 segment or sub-segment using a prescribed cost driver;
- 128 2. Directly Attributable Costs directed to multiple segments: Costs that can be specifically
129 attributed to multiple segments or sub-segments of EI. These costs are first allocated to
130 individual segments based on a prescribed cost driver and then to the individual LOBs within
131 the segments using another prescribed cost driver (currently, over 30 different cost drivers are
132 in use); and
- 133 3. Indirect Cost Allocation: Costs that cannot be directly attributed to any individual or multiple
134 segments, sub-segments, or LOBs. These costs are for services provided to the Enbridge
135 Enterprise as a whole. These costs are allocated to all eligible LOBs utilizing a prescribed cost
136 driver.

137 1.3 EGD Direct Cost Methodology

138 EGD provides services directly to Gazifère on an as-needed basis, such as services related to Regulatory
139 Support, Sales, Capital Planning, Operations, and Engineering Support. All costs incurred by EGD are

² (2021 Approach for Allocation of Centralized Functions Costs, 2021)

140 fully-allocated costs as determined by the Intercorporate Services Agreement³. Since services are
141 provided on an as-needed basis, these are direct charges from EGD at approved rates, therefore, no
142 cost allocation is required.

143 EGD annually invoices Gazifère for costs incurred for support services provided in the previous fiscal
144 year. These costs are generally individuals' time incurred and detailed invoices are provided to Gazifère
145 to support the costs billed by EGD. For this engagement, MNP obtained the total EGD costs
146 spreadsheet with the total 2022 costs charged to Gazifère.

147 1.4 Documents Reviewed

148 MNP reviewed the documents listed below to ensure all relevant information was considered for this
149 engagement:

- 150 • Paragraph 5.5.14 and 5.5.17 EBRO 493/494 Decision with Reasons – PDF Document – Contains
151 the decision record from the Ontario Energy Board on E.B.R.O. 493/494 which provides the
152 basis for the testing used in this report;
- 153 • Enbridge Central Functions Descriptions – Word Document – Contains a description of the
154 functions performed by each Service Category at Enbridge Central Functions;
- 155 • EGD Service Category Descriptions – Word Document – Contains a description of the functions
156 performed by each Service Category at EGD;
- 157 • Gazifère Organizational Chart Detailing Personnel – PDF Document – Contains the hierarchy
158 and roles of each staff member of Gazifère, does not contain names or salary information;
- 159 • Gazifère Organizational Chart Detailing Legal Entities and Relationships – PDF Document –
160 Contains the hierarchy of Enbridge Inc. and its affiliates;
- 161 • Gazifère Intercorporate Service Agreement – PDF Document – Contains the legal agreement
162 for services performed between Enbridge Inc. and Gazifère, including services by EGD;
- 163 • 2022 Direct Fees from EGD - Excel Document - Contains the Allocated Direct Costs from EGD
164 to Gazifère;
- 165 • 2022 IR 05.02.2023 – Excel Document – Contains the directory of cost pools, cost codes, and
166 Service Categories for Gazifère's Allocated Indirect and Direct Costs;
- 167 • 2022 Actuals Gazifère Summary Avec Comptes et Drivers – Excel Document – Contains the
168 Allocated Indirect and Direct Costs from EI to Gazifère;
- 169 • Rate Applications and Supporting Documents from Comparators dated from 2012 to 2022 –
170 PDF Documents – Contains the comparable cost information from the comparable utilities
171 used in Test 3;
- 172 • Ontario Energy Board ("OEB") 2022 Yearbook – Excel Document – Contains FTE information for
173 the comparable utilities used in Test 3;
- 174 • OEB Accounting Procedures Handbook For Electricity Distributors – PDF Document – Contains

³ Where there is no competitive market for any portion of the Services, the Fee for such Services shall be the fully-allocated cost for the Service Provider to provide such Services and the fully allocated cost shall include a return on invested capital that is not more or less than the Service Provider's approved weighted average cost of capital. (Intercorporate Services Agreement, 2020)

- 175 Chart of Accounts information and definitions as a reference guide in Test 3;
- 176 • 2015 Gazifère Corporate Services Cost Allocation Methodology Review – PDF Document –
- 177 Contains the 2015 RCAM Review report from MNP; and
- 178 • 2017 Gazifère RCAM Recommendation 1 and 3 Study – PDF Document - Contains the 2017
- 179 RCAM Recommendations from MNP.

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181 2.0 MNP Scope of Work

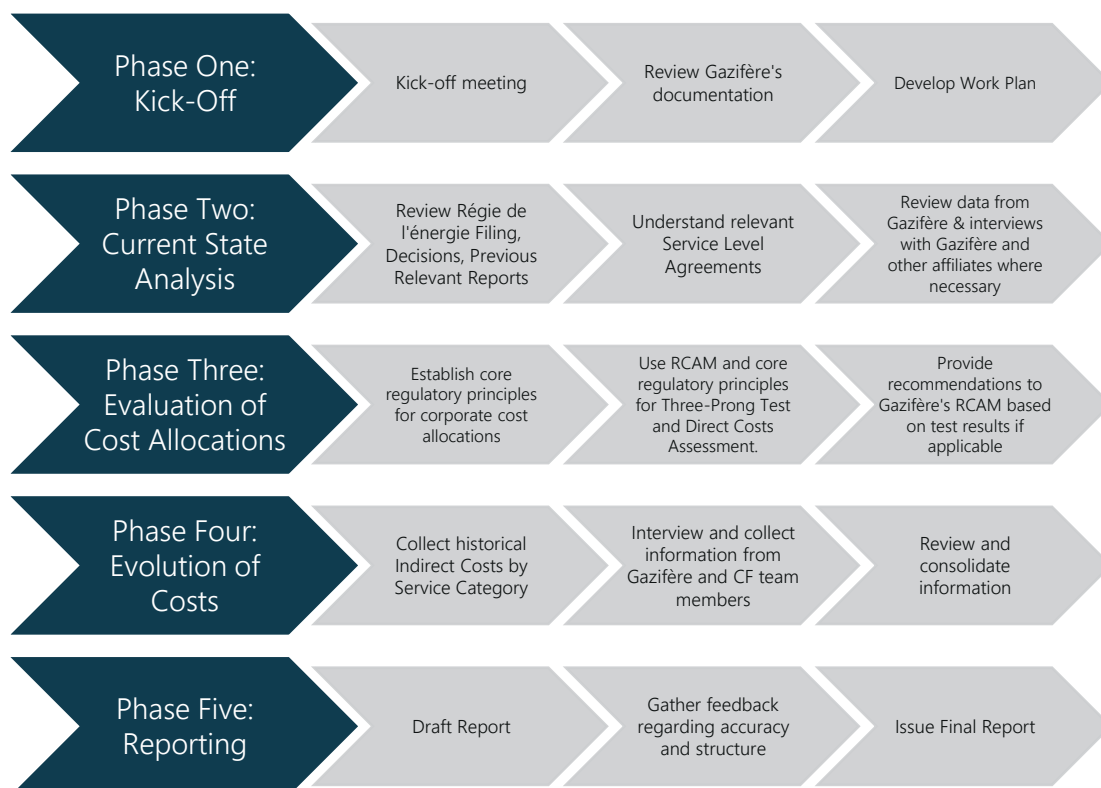
182 2.1 MNP Approach

183 MNP's approach to this engagement includes five phases, as outlined in the diagram below.

184

Figure 2: Outline of MNP Approach

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186 A more detailed description of MNP's review approach and methodology to complete this engagement

187 is provided in Appendix A: Review Methodology.

188 2.2 MNP Experience and Opinion

189 MNP is Canada's leading mid-market professional services firm with over 8,000 employees. MNP

190 maintains a team dedicated to the Energy and Utilities sector and has significant experience in

191 operations and consulting for regulated and unregulated utility companies. The MNP team for this

192 engagement includes MNP's National Practice Leader for Energy and Utilities Consulting, experienced

Gazifère Inc.

Regulatory Cost Allocation Methodology Review

193 in utility operations, inter-affiliate codes/transactions and affiliate cost allocation methodologies. MNP
194 has performed cost allocation and transfer pricing work for electric and natural gas utilities and their
195 affiliates and has a thorough understanding of approved methodologies from several Canadian
196 jurisdictions. Our team also has considerable direct regulatory support experience, having worked with,
197 and provided evidence to the Alberta Utilities Commission, the Manitoba Public Utilities Board, the
198 Ontario Energy Board, the Nova Scotia Utility and Review Board, and the New Brunswick Energy &
199 Utilities Board. Team members have testified before the Alberta Utilities Commission, the British
200 Columbia Utilities Commission, the Régie de l'énergie, the Nova Scotia Utility and Review Board, and
201 the New Brunswick Energy & Utilities Board. Directly relevant to this engagement, MNP was retained by
202 Enbridge to conduct independent evaluations of the RCAM results for EGD's 2007 and 2013 filings, MNP
203 was retained by Gazifère to conduct independent evaluations of its RCAM to support its 2015 RCAM
204 Review filing with the Régie de l'énergie.

205 MNP has applied its expertise throughout this report. Opinions have been developed based on the
206 engagement team's experience and are supported by primary and secondary independent research.
207 This report was developed by Gord Chalk, Partner, Energy and Utilities, with all research and analysis
208 being performed under his direction and review. Matt Hamilton – Senior Manager, Energy and Utilities,
209 MNP LLP – is a core team member who supported Mr. Chalk in developing the report and findings.

210 The full resumes of each team member are included in Appendix F: Experience.

211 2.3 Limitations of the MNP Review

212 MNP's review consisted of enquiry, analytical procedures, and discussions related to information
213 provided by EI, EGD, and Gazifère. Given these circumstances, MNP notes the following limitations:

214 1. Information Reliance on EI, EGD, and Gazifère

215 MNP relied primarily on information provided by EI, EGD, and Gazifère in assessing the financial
216 results and cost data. MNP also relied on the representation of staff, management, and
217 executives of EI, EGD, and Gazifère. Therefore, EI, EGD, and Gazifère retain responsibility for the
218 accuracy and completeness of the data provided to MNP.

219 MNP did not:

- 220 • Audit any of the data received; or
- 221 • Perform a detailed examination of underlying transactions or validate source records.

222 2. Not a Benchmarking Study

223 MNP did not conduct a benchmark study for the cost/benefit component of the three tests. By
224 definition, a benchmark study compares very specifically defined and acquired data from a
225 similar sample of willing participants.

226 3. Reliance on publicly available shared services information from regulated entities

227 MNP obtained information from other natural gas and electric utilities through publicly available
228 regulatory filings on shared services and cost allocations from affiliate entities. MNP did not
229 verify the accuracy of the filings of the other utilities.

230 **3.0 EI and EGD Costs Overview**

231 **3.1 Service Categories**

232 MNP consolidated the cost pool line items from Appendix B: Cost Pool Items into 20 Service Categories
 233 that were provided by Gazifère and CF FP&A for use throughout the remaining tests of the RCAM.
 234 Table 2 provides the list of the Service Categories. This consolidation is for practical modelling purposes
 235 as similar cost items are organized into manageable Service Categories for analysis and comparison.
 236 Descriptions of each Service Category in this list are included in Appendix C: Service Category
 237 Descriptions Provided by Enbridge CF FP&A and Appendix D: EGD Service Categories Provided by
 238 Gazifère

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Table 2: List of Service Categories

Service Categories	
Compensation and Benefits	Technology and Information Services
Insurance	Finance
Real Estate Workplace Services	Human Resources
Operations & Maintenance (EGD)	Capital Expenditures (EGD)
Supply Chain Management	Legal
Public Affairs and Communications	Corporate Development Office
Engineering (EGD)	Regulatory (EGD)
Safety and Reliability	Aviation
Enterprise Resource Planning	Executive and Other
Depreciation	Auxable Alliance Recoveries

241

242 Table 3: Allocated Indirect and Direct Costs Starting Basis Overview provides a breakdown of the
 243 Allocated Indirect and Direct Costs provided to Gazifère from EI and EGD. Since EGD only allocates
 244 Direct Costs to Gazifère, EGD does not have an Allocated Indirect Cost column in the table. The total
 245 amount allocated to Gazifère from EI and EGD, which was tested by MNP is \$7,248,474.

Table 3: Allocated Indirect and Direct Costs Starting Basis Overview

Service Category	Direct Costs Allocated From EI	Indirect Costs Allocated From EI	Direct Costs Allocated from EGD	Total Costs Allocated to Gazifère	% of Total Costs Allocated
Compensation and Benefits	N/A	\$1,463,804	N/A	\$1,463,804	20.2%
Technology and Information Services	N/A	\$1,603,332	\$313,854	\$1,917,186	26.4%
Insurance	\$687,316	N/A	N/A	\$687,316	9.5%
Finance	\$115,574	\$474,056	N/A	\$589,630	8.1%
Depreciation	N/A	\$460,597	N/A	\$460,597	6.4%
Real Estate Workplace Services	N/A	\$420,963	N/A	\$420,963	5.8%
Human Resources	N/A	\$416,309	N/A	\$416,309	5.7%
O&M	N/A	N/A	\$313,062	\$313,062	4.3%
CAPEX	N/A	N/A	\$215,324	\$215,324	3.0%
Supply Chain Management	N/A	\$191,969	N/A	\$191,969	2.6%
Legal	N/A	\$156,023	\$7,868	\$163,891	2.3%
Public Affairs and Communications	N/A	\$95,575	N/A	\$95,575	1.3%
Corporate Development Office	N/A	\$88,780	N/A	\$88,780	1.2%
Engineering	N/A	N/A	\$88,705	\$88,705	1.2%
Regulatory	N/A	N/A	\$55,968	\$55,968	0.8%
Safety and Reliability	N/A	\$41,127	N/A	\$41,127	0.6%
Aviation	N/A	\$31,642	N/A	\$31,642	0.4%
Enterprise Resource Planning	N/A	\$26,919	N/A	\$26,919	0.4%
Executive and Other	N/A	\$12,898	N/A	\$12,898	0.2%
Auxable Alliance Recoveries	N/A	-\$33,191	N/A	-\$33,191	-0.5%
Total	\$802,890	\$5,450,803	\$994,781	\$7,248,474	100%

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3.2 Adjustments Made to Corporate Allocations

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In Tests 1 and 2, the costs are evaluated on a line-by-line basis from their cost pool items in Appendix B:

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Cost Pool Items. In Test 3, the Allocated Indirect, Allocated Direct, and Internal Costs are combined to

250

evaluate the Total Costs in comparison to other utilities' Total Costs. Since the comparable utilities use

251

fully burdened costs in their reporting, MNP informed Gazifère that Depreciation and Indirect

252 Compensation and Benefits costs should be allocated to the Service Categories to which they would
 253 apply. Gazifère made the necessary adjustments to the Depreciation and the Compensation and
 254 Benefits Service Categories as described below.

255 3.2.1 Depreciation Adjustments

256 To accurately assess Gazifère’s Service Categories against other comparator utilities, MNP informed
 257 Gazifère and CF FP&A that the comparator organizations did not split out Depreciation into its own
 258 Service Category and as a result, MNP would be unable to compare the Service Category Costs of
 259 Gazifère to comparators.

260 CF FP&A provided MNP with the percentages to redistribute the Depreciation costs into the relevant
 261 Service Categories. \$460,597 was redistributed from the Depreciation Service Category and inserted
 262 into the appropriate Service Categories as seen in Table 4.

Table 4: 2022 Depreciation Adjustment

Depreciation Category	Redistribution %	Redistribution \$	Service Category
Accum Amortization - Intangible - Software - System	74.16%	\$341,578	Technology and Information Services
Accum Depr - Buildings And Improvements- System	6.22%	\$28,669	Real Estate Workplace Services
Accum Depr - Capital Leases - System	3.66%	\$16,868	Technology and Information Services
Accum Depr - Office Furniture And Equipment - System	15.78%	\$72,686	Technology and Information Services
Accum Depr - Vehicle And Work Equipment - System	0.17%	\$796	Aviation
Total Depreciation	100.0%	\$460,597	

264 3.2.2 Compensation and Benefits Adjustments

265 To accurately assess Gazifère’s Service Categories against other comparator utilities, MNP informed
 266 Gazifère that the Indirect Benefits should be allocated to the Service Categories to which those Benefits
 267 would be attributable and not the Compensation and Benefits Service Category. This was to ensure that
 268 the Service Categories were fully burdened so that MNP could make like-to-like comparisons to
 269 Gazifère’s comparators who have fully burdened labour costs within their Service Categories. After
 270 discussions of the possible approaches, Gazifère instructed MNP to utilize a weighted pro-rata to
 271 redistribute the Indirect Benefits cost across the Service Categories due to limitations in available
 272 information to redistribute the Indirect Benefits into the attributable Service Categories. The weighted
 273 pro-rata redistribution was based on the Service Categories costs which MNP estimated would consist
 274 of significant labour costs. Table 5 illustrates how the \$1,463,804 of Indirect Benefits was allocated to

Gazifère Inc.

275 individual Service Categories.

276 Table 5: 2022 Indirect Benefits Adjustment

Service Categories	El Indirect Costs	Category Includes Labour	Costs of Categories that Include Labour	Weighting	Benefits Redistribution	After Redistribution Totals
Technology and Information Services	\$1,603,332	Yes	\$1,603,332	45.0%	\$659,335	\$2,262,667
Finance	\$474,056	Yes	\$474,056	13.3%	\$194,945	\$669,001
Insurance	\$0	No	\$0	0.0%	\$0	\$0
Real Estate Workplace Services	\$420,963	Yes	\$420,963	11.8%	\$173,112	\$594,075
Human Resources	\$416,309	Yes	\$416,309	11.7%	\$171,198	\$587,507
Supply Chain Management	\$191,969	Yes	\$191,969	5.4%	\$78,943	\$270,912
Legal	\$156,023	Yes	\$156,023	4.4%	\$64,161	\$220,184
Public Affairs and Communications	\$95,575	Yes	\$95,575	2.7%	\$39,303	\$134,878
Corporate Development Office	\$88,780	Yes	\$88,780	2.5%	\$36,509	\$125,289
Safety and Reliability	\$41,127	Yes	\$41,127	1.2%	\$16,913	\$58,040
Aviation	\$31,642	Yes	\$31,642	0.9%	\$13,012	\$44,654
Enterprise Resource Planning	\$26,919	Yes	\$26,919	0.8%	\$11,070	\$37,989
Executive and Other	\$12,898	Yes	\$12,898	0.4%	\$5,304	\$18,202
Compensation and Benefits	\$1,463,804	No	\$0	0.0%	-\$1,463,804	\$0
Depreciation	\$460,597	No	\$0	0.0%	\$0	\$460,597
Auxable Alliance Recoveries	-\$33,191	No	\$0	0.0%	\$0	-\$33,191
Totals	\$5,450,803		\$3,559,593	100%	\$0	\$5,450,803

277

278 **4.0 Findings and Results**

279 **4.1 Assessment of Allocated Direct Costs**

280 MNP performed two assessments to evaluate the Allocated Direct Costs from EGD prior to testing the
 281 Indirect Costs. The Direct Costs from EGD included costs related to specific projects that were directly
 282 charged to Gazifère. The Direct Costs related to EI which included Finance and Insurance were further
 283 evaluated in Test 3 as part of the comparable costs.

284 The goal of these assessments was to confirm that the Allocated Direct Costs had evidence of the
 285 transactions that occurred and that the components of those costs matched the agreed upon and
 286 current rates of relevant Intercorporate Service Agreements between Gazifère, EI, and EGD.

287 Table 6: Allocated Direct Costs Assessment Overview

Tests	Description
Assessment 1: Evidence of Transactions	Is there evidence of the transactions occurring for Allocated Direct Costs?
Assessment 2: Intercorporate Service Agreements	Do the underlying costs of the transactions align with the rates contained within relevant Intercorporate Service Agreements?

288 **4.2 Allocated Direct Costs Assessment 1: Evidence of**
 289 **Transactions**

290 Gazifère provided MNP with a spreadsheet of EGD’s Direct Costs from Gazifère’s accounting system
 291 with the costs filtered into the Service Categories. In addition, Gazifère provided MNP with a history of
 292 transactions in the form of a spreadsheet, invoices, and other documentation as evidence of the
 293 transactions. MNP traced the transactions related to the Allocated Direct Costs back to the individual
 294 invoices or service-level agreements where individual invoices were not issued.

295 **4.3 Allocated Direct Costs Assessment 2: Intercorporate Service**
 296 **Agreements**

297 MNP assessed the Allocated Direct Cost transactions provided to Gazifère from EGD against the
 298 Enbridge Intercorporate Services Agreement for 2022 fully allocated cost hourly rates. The EGD
 299 Allocated Direct Cost line items were assessed individually to determine if they followed the
 300 Intercorporate Services Agreement fully allocated cost hourly rates. For the project-based costs in Test
 301 1, MNP relied on the service-level agreements that were provided for Test 1.

302 All EGD Allocated Direct Cost line items matched their related Intercorporate Services Agreement or
303 service-level agreement except two items. Backup was not provided for costs related to equipment,
304 vehicles, and a discrepancy in a rate charged for IT services.

305 EGD could not provide a relevant service agreement for the vehicle and equipment costs of \$14,783.60.
306 MNP adjusted this cost out of the appropriate Service Categories as shown in Table 7 in the Non-
307 Passing Direct Costs Assessments column.

308 Gazifère and EGD investigated the discrepancy in IT services costs associated with an individual's hourly
309 rate and determined that Gazifère was overcharged. EGD charged Gazifère \$50 per hour for quality
310 assurance testing, while the appropriate rate was \$33.24 per hour. Gazifère will recover \$12,670.56 from
311 EGD for this error, MNP adjusted this cost out of the appropriate Service Category as shown in Table 7
312 in the Non-Passing Direct Costs Assessments column.

313 MNP has summarized the remaining costs prior to testing in Table 7.

MNP Allocated Direct Costs Assessments Findings

- 314
- MNP found that 97.2% of EGD's Allocated Direct Costs passed the Allocated Direct Costs Assessments.

Table 7: Allocated Indirect and Direct Costs Summary

Service Category	Direct Costs Allocated From EI	Indirect Costs Allocated From EI	Direct Costs Allocated from EGD	Non-Passing Direct Costs Assessments	Redistribution of Depreciation and Benefits	Total Costs Entering Test 1: Cost Prudence
Compensation and Benefits	N/A	\$1,463,804	N/A	\$0	-\$1,463,804	\$0
Technology and Information Services	N/A	\$1,603,332	\$313,854	-\$12,671	\$1,090,467	\$2,994,982
Insurance	\$687,316	N/A	N/A	\$0	\$0	\$687,316
Finance	\$115,574	\$474,056	N/A	\$0	\$194,945	\$784,575
Depreciation	N/A	\$460,597	N/A	\$0	-\$460,597	\$0
Real Estate Workplace Services	N/A	\$420,963	N/A	\$0	\$201,780	\$622,743
Human Resources	N/A	\$416,309	N/A	\$0	\$171,198	\$587,507
O&M	N/A	N/A	\$313,062	-\$11,828	\$0	\$301,234
CAPEX	N/A	N/A	\$215,324	-\$2,955	\$0	\$212,369
Supply Chain Management	N/A	\$191,969	N/A	\$0	\$78,943	\$270,912
Legal	N/A	\$156,023	\$7,868	\$0	\$64,161	\$228,052
Public Affairs and Communications	N/A	\$95,575	N/A	\$0	\$39,303	\$134,878
Corporate Development Office	N/A	\$88,780	N/A	\$0	\$36,509	\$125,289
Engineering	N/A	N/A	\$88,705	\$0	\$0	\$88,705
Regulatory	N/A	N/A	\$55,968	\$0	\$0	\$55,968
Safety and Reliability	N/A	\$41,127	N/A	\$0	\$16,913	\$58,040
Aviation	N/A	\$31,642	N/A	\$0	\$13,809	\$45,451
Enterprise Resource Planning	N/A	\$26,919	N/A	\$0	\$11,070	\$37,989
Executive and Other	N/A	\$12,898	N/A	\$0	\$5,304	\$18,202
Auxable Alliance Recoveries	N/A	-\$33,191	N/A	\$0	\$0	-\$33,191
Total	\$802,890	\$5,450,803	\$994,781	-\$27,454	\$0	\$7,221,020

4.4 Regulatory Assessment Principles for Three-Prong Test

316
317 The results of MNP’s Three-Prong Test on corporate services costs allocated to Gazifère are based on
318 the application of core regulatory principles.

319 The Three-Prong Test is a method defined in the OEB Decision with Reasons dated March 20, 1997
320 (EBRO 493/494)⁴ to help with cost allocation decisions. Each subsequent prong is assessed only in the
321 event of a ‘passing’ grade for the previous prong.

322 MNP conducted research to identify the precedents set by previous regulatory decisions on corporate
323 cost allocation methodologies. Three tests were performed to assess the shared services and the cost
324 allocations at EI, EGD, and Gazifère.

325 The three tests performed by MNP are outlined in Table 8.

Table 8: Allocated Costs Three Test Overview

Tests	Description
Test 1: Cost Prudence	Are costs prudently incurred by, or on behalf of, the companies for the provision of a service required by ratepayers?
Test 2: Cost Allocation	Are costs following the RCAM model based on the 2017 MNP RCAM Recommendation 1 and 3 study and recommendations? Are the proposed cost pool items allocated appropriately to the companies, based on the application of cost drivers’ allocation factors supported by principles of cost causality?
Test 3: Cost Benefit	Are the costs reasonable when compared to similar utilities across Canada? Do benefits to ratepayers exceed the costs?

4.5 Results of Test 1: Cost Prudence

327
328 MNP received the Allocated Indirect and Direct Costs by Cost Category to conduct a thorough review
329 of cost prudence for each Service Category. A detailed list of the cost pool items can be found in
330 Appendix B: Cost Pool Items.

331 The goal of Test 1: Cost Prudence, as described in Table 8, was to analyze and determine whether
332 allocated charges should be incurred by, or on behalf of Gazifère’s customers. MNP determined only
333 one of the cost pools was non-prudent, representing \$45,451 of the \$7,221,020 entering Test 1. The only
334 non-prudent cost pool item was Aviation as Gazifère would not require a corporate jet for executive
335 travel as a stand-alone utility.

⁴ Paragraph 5.5.14 and 5.5.17 EBRO 493/494 Decision with Reasons dated March 20, 1997

MNP Test 1: Cost Prudence Finding

- 336
- MNP found that 99.4% of the 2022 Allocated Indirect and Direct Costs were determined prudent for the provision of services required by Gazifère's customers.

337 **4.6 Results of Test 2: Cost Allocation**

338 After completing Test 1, the prudent 2022 Allocated Indirect and Direct Costs were carried forward into
339 Test 2: Cost Allocation. A total of \$7,175,569 was passed from Test 1 to Test 2, representing 99.4% of the
340 2022 Allocated Indirect and Direct Costs.

341 The objective of Test 2 was to evaluate the 2022 cost allocation methodologies and compare them to
342 MNP's 2015 Gazifère Corporate Services Cost Allocation Methodology Review and the 2017 RCAM
343 Recommendation 1 and 3 Study to ensure that the costs passed through Test 1 had a direct casual
344 relationship to Gazifère's operations and that the appropriate cost drivers were used by EI and EGD to
345 derive their final Allocated Cost figure to Gazifère.

346 In this test, the cost pool line items were analyzed against their Service Category and allocation basis.
347 MNP assessed whether each cost pool line item in each Service Category used an appropriate cost
348 driver that established a direct casual relationship. MNP did not find any cost pool items that were
349 inappropriately allocated.

350 Since the last RCAM, EI has incorporated MNP's recommendations regarding developing internal cost
351 allocation drivers and expanded its RCAM to include additional Cost Drivers such as HR Case Volume,
352 High-Level Time Forecasting, and Capacity Utilization among others. To ensure the appropriate costs
353 are allocated to the correct Lines of Business, Enbridge's RCAM has grown in complexity from a few
354 drivers in 2015 to over 30 drivers in 2022. Cost Drivers are also applied in two steps for increased
355 accuracy.

MNP Test 2: Cost Allocation Finding

- 356
- MNP found that all the cost pool line items were allocated appropriately according to Enbridge's RCAM.

357 **4.7 Results of Test 3: Cost Benefit**

358 The purpose of Test 3 was to assess the Allocated Indirect and Direct Costs, including the Internal costs,
359 against other similar utilities using ranges constructed from regulatory rate base filings and the OEB
360 2022 Yearbook.

361 MNP established a materiality threshold of \$225,000 to identify which Service Categories to test. If a
362 Service Category included \$225,000 or more in Allocated Indirect and Direct Costs, then that Service
363 Category would be tested against comparable utilities. The threshold was selected using a Pareto
364 analysis to test 80% or more of costs. A total of \$6,176,087 or 86.1% of the costs that passed Test 2 were
365 considered material and subject to quantitative assessments for Test 3, covering seven of the twenty

366 Service Categories defined in the RCAM.

367 MNP developed comparability measures and applied them to each of the Service Categories shown in
 368 Table 9 below. The comparability measures were based on similar metrics from Gazifère’s previous rate
 369 application approved by the Régie de l’énergie.

370 Table 9: Material Service Categories

Material Service Category	Comparability Measure
Technology and Information Services	Annual TIS Spend per FTE
Insurance	Annual Insurance Spend
Finance	Annual Finance Spend per FTE
Real Estate Workplace Services (REWS)	Annual REWS Spend per FTE
Human Resources	Annual HR Spend per FTE
Supply Chain Management	Annual SCM Spend per FTE
Legal	Annual Legal Spend per FTE

371 MNP reviewed its 2015 Gazifère Corporate Services Cost Allocation Methodology Review and used the
 372 same comparable utilities to ensure consistency in our analysis.

373 MNP analyzed the previous rate applications of the comparators to gather the necessary information
 374 used in Test 3 for the material Service Category comparisons. MNP extrapolated the values to 2022 for
 375 applications that did not contain 2022 actuals using a Compound Annual Growth Rate formula.
 376 Gazifère’s Allocated Indirect, Allocated Direct, and Internal Costs were combined in Test 3 to conduct
 377 fair comparisons to selected peer utilities, recognizing that costs reported in their available financials
 378 were aggregated. Table 10 provides a summary of Gazifère’s costs entering Test 3 by material Service
 379 Category.

380

Table 10: Summary of Costs Entering Test 3

Service Category	Gazifère Allocated Indirect and Direct Costs	Gazifère Internal Costs	Gazifère Costs Entering Test 3	Gazifère Costs by Comparability Measure ⁵
Technology and Information Services	\$2,994,982	\$1,024,210	\$4,019,192	\$40,192
Insurance	\$687,316	\$0	\$687,316	\$687,316
Finance	\$784,575	\$872,140	\$1,656,715	\$16,567
Real Estate Workplace Services (REWS)	\$622,743	\$1,000,000	\$1,622,743	\$16,227
Human Resources	\$587,507	\$124,591	\$712,098	\$7,121
Supply Chain Management	\$270,912	\$124,591	\$395,503	\$3,955
Legal	\$228,052	\$0	\$228,052	\$2,281
Total	\$6,176,087	\$3,145,532	\$9,321,619	

381 MNP performed calculations of the comparability measures by comparator for each material Service
 382 Category in Table 9. A low, high, and average price range for each of the utilities was derived based on
 383 the comparability measure, which was used for the analysis of whether the costs incurred by Gazifère
 384 fall within the range of comparable utilities. The results of this analysis are provided in Table 11.

385

Table 11: Gazifère Test 3 Results

Material Service Category	Gazifère Test 3 Comparability Measure Values	Comparable Utility Costs			Comparable Rates Test Result
		Low	Average	High	
Technology and Information Services	\$40,192	\$14,189	\$23,151	\$39,435	Above Range
Insurance	\$687,316	\$105,011	\$170,211	\$219,800	Above Range
Finance	\$16,567	\$4,866	\$7,829	\$11,229	Above Range
Real Estate Workplace Services	\$16,227	\$6,457	\$9,987	\$13,887	Above Range
Human Resources	\$7,121	\$2,775	\$6,236	\$8,302	Within Range
Supply Chain Management	\$3,955	\$2,500	\$4,364	\$8,301	Within Range
Legal	\$2,281	\$770	\$4,366	\$10,821	Within Range

⁵ Refer to Table 9 for Comparability Measure descriptions

386 As shown in the table above, four of the seven Service Categories tested above the range of the
387 comparable utilities. Due to the outlier result for the Insurance Service Category, MNP sought to
388 understand the difference between Gazifère and its comparators.

389 In 2022, EI changed how it provided Insurance to its affiliates. Previously, EI took out liability coverage
390 for EI and its affiliates as a group and allocated the portion to each of the BUs. In 2022, EI took out
391 liability coverage for each individual business unit and allocated the amounts to each business unit. As
392 Gazifère found their deductibles to be high, EI purchased liability coverage with lower deductibles and
393 higher premiums per instruction from Gazifère, leading to an increase in Insurance costs for Gazifère.
394 Further investigation of the regulatory filings of comparators did not provide enough detail to
395 determine whether or not there were any similarities in this approach.

396 After original filing, Gazifère provided further clarification to MNP regarding how it provided
397 Insurance to its affiliates. Specifically, a clarification for lines 389-391 was provided through the quote
398 below.

399 *"All the Business Units [are] under the consolidated Enbridge's insurance [policy] for liability*
400 *and property, only Gazifère is [a] stand alone for these insurance [policies]."*

401

402 An insurance expert at MNP was consulted to understand the general trends within the insurance
403 industry and to better understand the difference between the insurance costs at Gazifère and the
404 comparator organizations in our report. Research provided by MNP's insurance expert points to recent
405 market trend of insurance costs going up or a "hard market", defined by high demand, low availability
406 of insurance products, and subsequently widespread premium hikes across all lines of insurance.⁶
407 Because of these general market trends, it is very difficult to compare insurance premiums across
408 organizations of the size and complexity of gas distribution companies. The premiums are dependent
409 on several unique factors such as deductibles, installed equipment, history, etc. As a result, MNP
410 recommends that a separate insurance study be conducted to examine the appropriateness of the
411 insurance coverage and cost for Gazifère.

412 4.8 Aggregate Evaluation

413 Although Gazifère has costs exceeding the ranges in some Service Categories, Gazifère also has costs at
414 the low end of the ranges. When comparing costs against other Utilities, one would expect to see costs
415 at both the high-end and low-end of the ranges. Different entities are structured differently and not all
416 allocate costs in the same manner. For instance, different organizations may categorize the same cost in
417 different Service Categories. It is for this reason that MNP also tests the allocated costs in aggregate
418 with respect to the comparators. Gazifère, in aggregate, is within range for the tested Service
419 Categories.

⁶ Prolink Canada's Insurance Connection, The Insurance Pendulum: What's a Hard Market? 2022
<https://prolink.insure/wp-content/uploads/2022/02/Hard-Market-2022.pdf>

420 To evaluate the total Allocated Indirect, Direct, and Internal Costs against comparable utilities, MNP
 421 aggregated the per FTE costs from each range multiplied by Gazifère’s FTE count to determine the Total
 422 Aggregate Range to evaluate Gazifère’s Aggregated Total Allocated Indirect, Direct, and Internal Costs
 423 in a single line item as shown in Table 12.

424 Table 12: Test 3 Aggregated Cost Evaluation Results

Material Service Category	Gazifère Allocated Indirect, Allocated Direct, and Internal Costs	Compatible Utilities Aggregated Range			Comparable Rates Test Result
		Low	Average	High	
Technology & Information Services	\$4,019,192	\$1,418,932	\$2,315,089	\$3,943,510	Above Range
Insurance	\$687,316	\$105,011	\$170,211	\$219,800	Above Range
Finance	\$1,656,715	\$486,595	\$782,896	\$1,122,876	Above Range
Real Estate Workplace Services	\$1,622,743	\$645,707	\$998,726	\$1,388,726	Above Range
Human Resources	\$712,098	\$277,548	\$623,559	\$830,154	Within Range
Supply Chain Management	\$395,503	\$249,975	\$436,426	\$830,092	Within Range
Legal	\$228,052	\$76,960	\$436,559	\$1,082,089	Within Range
Aggregate Totals	\$9,321,619	\$3,260,727	\$5,763,467	\$9,417,247	Within Range

425 **4.8.1 Qualitative Service Category Review**

426 There are seven Service Categories below the \$225,000 threshold. These Categories were not subject to
 427 quantitative testing in Test 3 but were assessed with a qualitative review for Cost Benefit against the
 428 four principles of Test 3 in Appendix E: Three Prong Test Overview. The seven Service Categories that
 429 passed the Cost Benefit test and their rationale for passing Test 3 are identified in Table 13.

Table 13: Service Categories Below Threshold and Associated Test 3 Results

Service Category Below Threshold	Cost Benefit Rationale	Test 3 Result
Public Affairs and Communications	Gazifère's costs are reduced by leveraging EI's Public Affairs and Communications services due to economies of scale. It is more cost-effective for Gazifère to draw on EI resources than to employ dedicated staff for this function.	Pass
Corporate Development Office	Gazifère does not require a full department dedicated to strategic planning. It is more cost-effective for Gazifère to leverage EI's Corporate Development Office, its services, and expertise when required.	Pass
Engineering (EGD)	Gazifère's costs are reduced by leveraging engineering support services through EGD, as it is more cost-effective than having staff at Gazifère fulfill these roles and responsibilities. EGD provides Gazifère with capital planning, sales, infrastructure and maintenance, enterprise safety and operational reliability support services.	Pass
Regulatory (EGD)	Gazifère's costs are reduced by leveraging regulatory support services through EGD, as it is more cost-effective than having staff at Gazifère fulfill these roles and responsibilities. Services provided by EGD to Gazifère include support for regulatory proceedings, rate setting, and regulatory research.	Pass
Safety and Reliability	Gazifère's costs are reduced by leveraging EI's Safety and Reliability services. This approach is more cost-effective than having staff at Gazifère fulfill these roles and responsibilities.	Pass
Enterprise Resource Planning	Gazifère's costs are reduced by leveraging EI's Enterprise Resource Planning services. Gazifère can rely on EI to manage its core business processes at a reduced rate rather than directly employing staff or procuring a third-party service provider.	Pass
Executive and Other	Gazifère does not require a full suite of executive management personnel on staff and can leverage the expertise of the executive management of EI/EGD when appropriate, reducing the costs of having these personnel on permanent Gazifère payroll.	Pass

MNP Test 3: Cost Benefit Finding

- MNP found that 3 of the 7 material Service Categories passed the Quantitative Testing while all the immaterial Service Categories passed the Qualitative Testing. MNP recommends an adjustment of \$75,682 to Technology and Information Services, \$533,839 to Finance and \$234,017 to Real Estate Workplace Services. Insurance is outside of the range by \$467,516. MNP recommends that an insurance study be conducted to determine the appropriate amount and cost of insurance.

5.0 MNP Conclusion and Opinion

Based on our study, MNP concludes that \$5,864,515 of the 2022 Allocated Costs from EI and EGD pass the tests performed. MNP is of the opinion that, after adjustments, the Service Category costs are considered prudent and within a reasonable range of costs.

MNP found the following in the tests performed:

- In the Direct Costs Assessments, MNP found \$27,454 which did not meet the established criteria due to missing or incorrect Intercompany Service Agreements;
- In Test 1: Cost Prudence, MNP found the Aviation Service Category to be non-prudent, representing \$45,451 of the Allocated Costs;
- In Test 2: Cost Allocation, MNP found all cost pool items were following a reasonable and prudent Cost Allocation Methodology as recommended in the 2017 MNP RCAM Recommendation 1 and 3 Study;
- In Test 3: Cost Benefit, MNP found the Technology and Information Services, Insurance, Finance, and Real Estate Workplace Services Service Categories to be above range. MNP has determined that the combined Service Categories would require a total adjustment of \$843,538 to fall within range of comparable utilities. The Insurance Service Category is \$467,516 above the range. MNP recommends an insurance study be conducted to determine the appropriate amount and cost of insurance;
- In aggregate, MNP concludes that a total adjustment of \$916,433 is required – \$27,454 from the Direct Costs Assessments, \$45,451 from Test 1: Cost Prudence, and \$843,538 from Test 3: Cost Benefit.

MNP Conclusion:

- MNP concludes that \$5,864,515 of the costs allocated from EI and EGD pass testing, this represents 80.9% of the total Allocated Indirect and Direct Costs.
- MNP recommends an insurance study be conducted to determine the appropriate amount and cost of insurance.

Table 14: Gazifère's Testing Summary Results

Service Category	Allocated Costs Post Redistribution	Internal Costs	Non-Passing Direct Costs Assessment	MNP Adjustment for Test #1	MNP Adjustment for Test #2	MNP Adjustment for Test #3	Total MNP Adjustments
Compensation and Benefits	\$0	Not Material	\$0	\$0	\$0	\$0	\$0
Technology and Information Services	\$3,007,653	\$1,024,210	-\$12,671	\$0	\$0	-\$75,682	-\$88,353
Insurance	\$687,316	\$0	\$0	\$0	\$0	-\$467,516	-\$467,516
Finance	\$784,575	\$872,140	\$0	\$0	\$0	-\$533,839	-\$533,839
Depreciation	\$0	Not Material	\$0	\$0	\$0	\$0	\$0
Real Estate Workplace Services	\$622,743	\$1,000,000	\$0	\$0	\$0	-\$234,017	-\$234,017
Human Resources	\$587,507	\$124,591	\$0	\$0	\$0	\$0	\$0
O&M	\$313,062	Not Material	-\$11,828	\$0	\$0	\$0	-\$11,828
CAPEX	\$215,324	Not Material	-\$2,955	\$0	\$0	\$0	-\$2,955
Supply Chain Management	\$270,912	Not Material	\$0	\$0	\$0	\$0	\$0
Legal	\$228,052	\$124,591	\$0	\$0	\$0	\$0	\$0
Public Affairs and Communications	\$134,878	\$0	\$0	\$0	\$0	\$0	\$0
Corporate Development Office	\$125,289	Not Material	\$0	\$0	\$0	\$0	\$0
Engineering	\$88,705	Not Material	\$0	\$0	\$0	\$0	\$0
Regulatory	\$55,968	Not Material	\$0	\$0	\$0	\$0	\$0
Safety and Reliability	\$58,040	Not Material	\$0	\$0	\$0	\$0	\$0
Aviation	\$45,451	Not Material	\$0	-\$45,451	\$0	\$0	-\$45,451
Enterprise Resource Planning	\$37,989	Not Material	\$0	\$0	\$0	\$0	\$0
Executive and Other	\$18,202	Not Material	\$0	\$0	\$0	\$0	\$0
Auxable Alliance Recoveries	-\$33,191	Not Material	\$0	\$0	\$0	\$0	\$0
Total	\$7,248,474		-\$27,454	-\$45,451	\$0	-\$1,311,054	-\$1,383,959

454

455

6.0 Evolution of Costs

456
457 Part of this study included a documentation of the evolution of Allocated Indirect Costs provided by EI
458 to address a Régie de l'énergie requirement. This was to provide information to the Régie de l'énergie
459 and no opinion was to be provided by MNP.

460 MNP received the following table.

461 Table 15: Gazifère's Evolution of Allocated Indirect Costs (Not the Costs Authorized by the Régie de l'énergie)

Service Category	2015	2018	2019	2020	2021	2022
Aviation	\$7,699	\$13,621	\$46,027	\$44,925	\$33,881	\$31,642
Centralized (Depreciation)	\$95,791	\$432,131	\$474,195	\$474,469	\$443,720	\$460,597
Chief Development Office	\$55,593	\$50,191	\$44,595	\$31,346	\$45,806	\$88,779
Safety and Reliability	\$70,230	\$17,501	\$69,035	\$110,007	\$40,523	\$41,127
Finance	\$128,511	\$302,993	\$327,868	\$353,997	\$480,068	\$474,056
HR-CA Central Functions Allocation	\$590,218	\$872,439	\$899,297	\$1,462,774	\$1,718,028	\$837,272
HR-CA Benefits Allocation	\$0	\$0	\$0	\$0	\$0	\$1,463,804
Information Technology	\$732,585	\$679,513	\$851,158	\$968,124	\$1,400,637	\$1,603,332
Legal and Regulatory	\$9,222	\$172,236	\$273,612	\$179,737	\$168,912	\$156,023
Other	\$0	\$19,717	\$27,788	\$22,312	\$13,988	\$12,898
Public Affairs and Communication	\$58,963	\$104,763	\$97,610	\$137,306	\$46,181	\$95,575
Recoveries	-\$43,000	\$0	-\$64,656	-\$39,155	\$0	-\$33,191
Supply Chain Management	\$0	\$6,580	\$10,230	-\$47	\$135,682	\$191,969
Unmapped	\$0	\$0	\$2,041	\$0	\$0	\$0
ERP	\$0	\$0	\$0	\$0	\$10,223	\$26,919
Total Indirect Costs	\$1,705,812	\$2,671,685	\$3,058,800	\$3,745,795	\$4,537,649	\$5,450,802

462 MNP focused its inquiry on 2015 to 2022 on the following Service Categories, HR-CA Central Functions
463 Allocation, HR-CCA Benefits Allocation, Information Technology, and Supply Chain Management as
464 they represent categories with either significant spend or an evolution that is uneven and difficult to
465 explain. These are highlighted in Table 15 above.

466 MNP conducted a series of interviews and information requests with Gazifère and the CF FP&A team to
467 document the change in allocation costs for the Service Categories highlighted above. Below, MNP

Gazifère Inc.

Regulatory Cost Allocation Methodology Review

468 summarizes the explanations provided by Gazifère and the CF FP&A team. MNP does not provide an
 469 analysis, opinion, or comparison to other utilities in this section.

470 On the evolution of costs between 2015-2018:

471 CF FP&A provided explanations to MNP that costs prior to 2018 did not have the same cost
 472 components or the same Service Category descriptions.

473 *In 2017, after the merger with Spectra Energy, Enbridge introduced the concept of Centralized*
 474 *Functions. Following centralization in 2018, services are provided by CFs which represent a*
 475 *combination of CF employees that previously reported up through the organizational structure of*
 476 *various Business Units and/or CF employees of Enbridge. This has resulted in the shifting of costs from*
 477 *a combination of departmental O&M costs and corporate cost allocations received in 2017 to CF costs*
 478 *received from 2018 to 2024. As a result a comparison for costs prior to 2018 is difficult and not a*
 479 *straight-line comparison.*

480 There was an increase in costs to HR-CA Central Functions Allocation and HR-CA Benefits Allocation. CF
 481 FP&A provided the following response:

482 *"...major components of Benefits (e.g., Stock Based Compensations (SBC), Pensions, Short Term*
 483 *Incentive Plans (STIP)) are dependant either on the*

- 484 *i) specific metrics in current year or*
- 485 *ii) external factors – e.g., return on Pension related assets managed by Mercer, external interest*
 486 *rates etc. Additionally, number of service categories are based on allocation drivers, such as*
 487 *3FF, which also vary year-on-year."*

488 The CF FP&A team provided the table below and responses to illustrate the two key dimensions
 489 when discussing the HR-CA allocations (both HR-CA Central Functions Allocation and HR-CA
 490 Benefits Allocation).

491 Table 16: HR-CA Allocation Methodology

	Benefits Pre 2022		Benefits 2022+	
	Business Unit Lines of Business	Corporate Lines of Business	Business Unit Payroll Lines of Business	Corporate Payroll Lines of Business
Human Resource Cost Centres	Allocated back to those BUs	Allocated to all	CA_Benefits Direct Charge	CA_Benefits Allocation
Business Unit Cost Centres	N/A	N/A	BU Human Cost Centre (HCC) Benefits	N/A

492 *"... effective 2022, STIP, Canada Pension etc. accounts are within CCs where people reside. This means*
 493 *that each Central Function (e.g. TIS) has these benefits included into Function cost and not HR.*

494 ... the above is similar to BU HCC for Gazifère.

495 ... one of the factors for the 2022 increase vs. previous years is SBC /STIP true up for higher
496 performance – the whole true up amount was booked into HR.

497 MNP asked whether there was an increase in the amount or volume of services or types of services
498 provided from Enbridge to Gazifère and received the following response:

499 *"It's important to note that the volume and nature of benefits may undergo changes from year to year.
500 Other than the reasons explained in [the section above], these variations could also arise from factors
501 such as the introduction of new benefit types, for instance, a new category of Restricted Shares Plan
502 (RSP) in 2023.*

503 *In general, adjustments are aligned with Enbridge's benefits policy and maintain overall consistency
504 throughout all Enbridge entities. It's worth mentioning that HR Operations and Real Estate Workplace
505 Services (REWS) have demonstrated relative consistency year on year. Please note that other than
506 above, and inflationary-driven changes – there also could have been specific events contributing to
507 volume of services, such as the impacts of COVID-19."*

508 There was an increase in costs to Information Technology. CF FP&A provided the following response
509 and whether this indicated an increase in the services provided from Enbridge to Gazifère:

510 *"While the fundamental types of services have remained relatively consistent, it's important to
511 acknowledge that the landscape of IT operations has evolved and continues to evolve. For example, the
512 increased complexities and risks associated with IT require a corresponding response and expenditure.
513 Moreover, the rapid advancements in technology have introduced new avenues of service delivery, e.g.,
514 in the realm of cloud-based solutions.*

515 *Furthermore, the shift in global dynamics, such as the impact of COVID-19, has substantially amplified
516 the reliance on IT services, especially in facilitating remote work arrangements. This surge in demand
517 has consequently influenced the overall utilization of IT resources.*

518 *Additionally, some of the benefits related to IT personnel are reported under IT Human Cost Centres
519 (HCCs) starting 2022."*

520 There were variations in Supply Chain Management costs from the years of 2018-2022:

521 CF FP&A provided an explanation that 2018-2020 numbers required some corrections to be made to
522 the Supply Chain Management Service Category. These corrections would have brought the SCM
523 allocations into similar in range as the following years (2021-2022), adjusted for inflation. However, since
524 these corrections were deemed immaterial at EI level, they were not processed in the system and hence
525 cannot be provided by CF FP&A.

526 7.0 Appendix A: Review Methodology

527 Phase 1: Kick-Off

- 528 1. Review relevant documentation and compare current RCAM to 2015 and 2017 MNP studies.
- 529 2. Confirm scope, deliverables, and responsibilities.
- 530 3. Confirm key project resources/interview roster.
- 531 4. Understand specific Gazifère regulatory processes and timelines for this application.
- 532 5. Discuss and agree to engagement timelines.

533 Phase 2: Current State Analysis

- 534 1. Review applicable Régie de l'énergie decisions.
- 535 2. Review recent Gazifère filings relevant to the project.
- 536 3. Understand current relevant Service Level Agreements between Gazifère and its affiliates.
- 537 4. Receive and review related data including corporate cost codes and allocation basis from
- 538 Gazifère and compare to 2015 and 2017 MNP studies.
- 539 5. Interviews with Gazifère, Enbridge, Enbridge Gas Inc., and other affiliate representatives where
- 540 necessary.

541 Phase 3: Evaluation of Cost Allocations and Shared Services

- 542 1. Establish core regulatory principles to be applied for corporate cost allocations in alignment
- 543 with the Régie de l'énergie and other relevant regulatory precedents, including the effects of
- 544 inflation since 2017.
- 545 2. Using the RCAM methodology and the core regulatory principles established in the previous
- 546 step, MNP will apply a Three-Prong Test to the corporate cost allocations to Gazifère, including:
- 547 i. Prong 1 – Cost Prudence – Are costs prudently incurred?
- 548 ii. Prong 2 – Cost Allocation – Are costs following the RCAM model based on the 2017
- 549 MNP study and recommendations?
- 550 iii. Prong 3 – Cost Benefit – Do benefits to ratepayers exceed the costs?
- 551 3. Provide recommendations to revise and update Gazifère's RCAM based on the results of the
- 552 Three-Prong Test if applicable.

553 Phase 4: Evolution of Costs

- 554 1. Investigate changes in Allocated Indirect Costs in four categories representing the majority of
- 555 the change in Allocated Indirect Costs over the period 2019-2022.
- 556 2. Conduct interviews with Gazifère and Central Functions at Enbridge to understand what caused
- 557 the change in Allocated Indirect Costs in four categories representing the majority of the
- 558 change in Allocated Indirect Costs over the period 2019-2022.

559 3. Summarize and report the explanations from Gazifère and Enbridge.

560 Phase 5: Reporting

561 1. Draft Report.

562 2. Gather Gazifère's feedback on the report regarding the structure and accuracy of information
563 presented.

564 3. Issue Final Report.

565

8.0 Appendix B: Cost Pool Items

Company	Account Name	Mapped Service Category	Allocation Methodology
Enbridge Inc.	C191000-Central Functions - Allocations	Corporate Adjustment & Insurance	Direct & Indirect
Enbridge Inc.	C100450-Aviation Services	Aviation	Indirect
Enbridge Inc.	C200026-Reg Affairs & Budget, GZ	Compensation and Benefits	Direct
Enbridge Inc.	C200027-Customer Service Mgmt GZ	Compensation and Benefits	Direct
Enbridge Inc.	C200030-Sales & DSM, Gazifere	Compensation and Benefits	Direct
Enbridge Inc.	C200074-Eastern Region Ops	Compensation and Benefits	Direct
Enbridge Inc.	C200113-Regional Ops & Sales, GZ1	Compensation and Benefits	Direct
Enbridge Inc.	C100102-Corp Dev & Investment Review	Corporate Development Office	Indirect
Enbridge Inc.	C100103-Corporate Development US	Corporate Development Office	Indirect
Enbridge Inc.	C100104-New Energy Technologies I	Corporate Development Office	Indirect
Enbridge Inc.	C100105-DO NOT USE - Corporate Development CAN II	Corporate Development Office	Indirect
Enbridge Inc.	C100106-Corp Development	Corporate Development Office	Indirect
Enbridge Inc.	C100107-Strategic Corp Development	Corporate Development Office	Indirect
Enbridge Inc.	C100208-Investment Review	Corporate Development Office	Indirect
Enbridge Inc.	C100222-DO NOT USE - Corporate Development US II	Corporate Development Office	Indirect
Enbridge Inc.	C100270-DO NOT USE - Corporate Development CAN	Corporate Development Office	Indirect
Enbridge Inc.	C600000-Corp Strategy & Power	Corporate Development Office	Indirect
Enbridge Inc.	C600007-DO NOT USE - New Energy Ventures	Corporate Development Office	Indirect
Enbridge Inc.	C600012-Strategy and Fundamentals	Corporate Development Office	Indirect

Enbridge Inc.	C191100-Central Functions - Allocated Depreciation	Depreciation	Indirect
Enbridge Inc.	C100006-Enterprise Asset Management	Enterprise Resource Planning	Indirect
Enbridge Inc.	C100007-Enterprise Work Management	Enterprise Resource Planning	Indirect
Enbridge Inc.	C100000-Office of the CEO	Executive and Other	Indirect
Enbridge Inc.	C100001-Corporate Services	Executive and Other	Indirect
Enbridge Inc.	C100507-S&R, Projects and Unify	Executive and Other	Indirect
Enbridge Inc.	C100200-Finance	Finance	Indirect
Enbridge Inc.	C100201-FIN Investor Relations	Finance	Indirect
Enbridge Inc.	C100202-Shared Services	Finance	Indirect
Enbridge Inc.	C100205-Corp Controller and Shared Services	Finance	Indirect
Enbridge Inc.	C100210-Corp Business Partner	Finance	Indirect
Enbridge Inc.	C100211-CAO	Finance	Indirect
Enbridge Inc.	C100212-FIN Reporting - Enbridge Inc.	Finance	Direct & Indirect
Enbridge Inc.	C100213-FIN Intl Lux	Finance	Indirect
Enbridge Inc.	C100218-FIN Pension Fund Investments	Finance	Indirect
Enbridge Inc.	C100219-FIN Accounting Operations	Finance	Indirect
Enbridge Inc.	C100221-Finance & Business Partner EGI	Finance	Indirect
Enbridge Inc.	C100223-FIN Risk Control	Finance	Indirect
Enbridge Inc.	C100224-FIN Enterprise Risk Credit	Finance	Indirect
Enbridge Inc.	C100226-Investor Relations Operations	Finance	Indirect
Enbridge Inc.	C100231-FIN Property Tax US/CDN	Finance	Indirect
Enbridge Inc.	C100232-US Income Tax	Finance	Indirect
Enbridge Inc.	C100233-FIN Tax Reporting	Finance	Indirect
Enbridge Inc.	C100234-VP Tax	Finance	Indirect

Enbridge Inc.	C100235-FIN Treasury	Finance	Indirect
Enbridge Inc.	C100237-Sustained Business Optimization	Finance	Indirect
Enbridge Inc.	C100238-FP&A UPO	Finance	Indirect
Enbridge Inc.	C100239-DO NOT USE-FIN & BP, Power, Enrgy Mktg & Intl	Finance	Indirect
Enbridge Inc.	C100240-FIN Treasury Planning	Finance	Indirect
Enbridge Inc.	C100241-Investor Relations	Finance	Indirect
Enbridge Inc.	C100242-FIN Capital Raising	Finance	Indirect
Enbridge Inc.	C100243-FIN Enterprise Risk Assessment	Finance	Indirect
Enbridge Inc.	C100244-VP Chief Audit Executive	Finance	Indirect
Enbridge Inc.	C100245-FIN Internal Audit III	Finance	Indirect
Enbridge Inc.	C100246-FIN Internal Audit I	Finance	Indirect
Enbridge Inc.	C100247-FIN Internal Audit II	Finance	Indirect
Enbridge Inc.	C100248-FIN Treasury Cash Mgmt&Banking	Finance	Indirect
Enbridge Inc.	C100250-Accounting Research & Valuation	Finance	Indirect
Enbridge Inc.	C100251-FIN Acctg Policy & Inter Ctrl	Finance	Indirect
Enbridge Inc.	C100252-FIN CORP Budgets & Forecasts	Finance	Indirect
Enbridge Inc.	C100257-Finance Strategic Solutions	Finance	Indirect
Enbridge Inc.	C100258-FIN Enterprise Insur Risk Mgmt	Finance	Indirect
Enbridge Inc.	C100259-FIN Indirect Tax & Customs	Finance	Indirect
Enbridge Inc.	C100260-FIN Tax Planning	Finance	Indirect
Enbridge Inc.	C100261-GTM Tax Allocation	Finance	Indirect
Enbridge Inc.	C100262-Capital Asset Accounting & Reporting	Finance	Indirect

Enbridge Inc.	C100263-Finance Sustainment	Finance	Indirect
Enbridge Inc.	C100268-Strategic Financial Evaluations	Finance	Indirect
Enbridge Inc.	C100269-Utility Revenue	Finance	Indirect
Enbridge Inc.	C100271-SBO Capacity Building	Finance	Indirect
Enbridge Inc.	C100508-FIN Transformation ERP	Finance	Indirect
Enbridge Inc.	C100509-ERP Transformation SDM & Data	Finance	Indirect
Enbridge Inc.	C100510-ERP FIN AWM	Finance	Indirect
Enbridge Inc.	C100317-Centrally Managed Benefits	Compensation and Benefits	Direct & Indirect
Enbridge Inc.	C100301-Human Resources & REWS	Human Resources & Real Estate Workplace Services	Indirect
Enbridge Inc.	C100302-HR Compensation, Rewards & Analytics	Human Resources	Indirect
Enbridge Inc.	C100303-HR Benefits & Operations	Human Resources	Indirect
Enbridge Inc.	C100304-HR Advisory Svcs, TA & Labour Rel	Human Resources	Indirect
Enbridge Inc.	C100305-HR Payroll, Data & Services	Human Resources	Indirect
Enbridge Inc.	C100306-Real Estate & Workplace Services	Human Resources	Indirect
Enbridge Inc.	C100307-HR People Operations	Human Resources	Indirect
Enbridge Inc.	C100308-HR Business Partners	Human Resources	Indirect
Enbridge Inc.	C100309-HR Talent Management	Human Resources	Indirect
Enbridge Inc.	C100311-HR BP Gas Distribution & Storage	Human Resources	Indirect
Enbridge Inc.	C100312-HR BP Gas Trnsmsn & Mdstrm and Projects	Human Resources	Indirect
Enbridge Inc.	C100314-HR BP Central Functions & LP	Human Resources	Indirect
Enbridge Inc.	C100315-DEI Projects	Human Resources	Indirect

Enbridge Inc.	C100351-RE & Workplace Services Chatham	Real Estate Workplace Services	Indirect
Enbridge Inc.	C100354-RE & Workplace Services Edmonton	Real Estate Workplace Services	Indirect
Enbridge Inc.	C100355-RE & Workplace Services Toronto	Real Estate Workplace Services	Indirect
Enbridge Inc.	C100400-Law & Aviation Services	Legal	Indirect
Enbridge Inc.	C100401-Law, Power	Legal	Indirect
Enbridge Inc.	C100402-Law EGI	Legal	Indirect
Enbridge Inc.	C100404-Ethics, Compliance & Litigation	Legal	Indirect
Enbridge Inc.	C100405-Law, Ethics & Compl Investigations	Legal	Indirect
Enbridge Inc.	C100406-Law, Corporate	Legal	Indirect
Enbridge Inc.	C100407-Law, Regulatory Law2	Legal	Indirect
Enbridge Inc.	C100408-Law, Regulatory Law3	Legal	Indirect
Enbridge Inc.	C100409-Law, Regulatory Law1	Legal	Indirect
Enbridge Inc.	C100410-Safety & Reliability Law	Legal	Indirect
Enbridge Inc.	C100411-Law, TIS & SCM	Legal	Indirect
Enbridge Inc.	C100413-Law, Secretarial	Legal	Indirect
Enbridge Inc.	C100470-LAW Risk SOBC	Legal	Indirect
Enbridge Inc.	C100471-Law, Ethics & Compl CAN	Legal	Indirect
Enbridge Inc.	C100472-Law, Ethics & Compliance2	Legal	Indirect
Enbridge Inc.	C100474-Law, Enterprise Security	Legal	Indirect
Enbridge Inc.	C100475-Law, Legal Services EGD	Legal	Indirect
Enbridge Inc.	C100476-CAN Gen Cnsl LglAff UG	Legal	Indirect
Enbridge Inc.	C100477-Law Corporate 2	Legal	Indirect
Enbridge Inc.	C100478-Law, Commercial	Legal	Indirect
Enbridge Inc.	C100479-Corporate Law	Legal	Indirect

Enbridge Inc.	C100480-Legal Counsel	Legal	Indirect
Enbridge Inc.	C100481-Corporate Secretary Legal Counsel	Legal	Indirect
Enbridge Inc.	C100482-Law, Board Services	Legal	Indirect
Enbridge Inc.	C100483-Legal Services	Legal	Indirect
Enbridge Inc.	C100484-LS TIS CSS & SCM Indirect Cat Mgmt	Legal	Indirect
Enbridge Inc.	C100485-LS SCM Direct Cat Mgmt Material Mgmt Log	Legal	Indirect
Enbridge Inc.	C100487-Legal Services Operations	Legal	Indirect
Enbridge Inc.	C100489-FIN Ops Mgmt	Legal	Indirect
Enbridge Inc.	C100494-Law, Regulatory Affairs ¹	Legal	Indirect
Enbridge Inc.	C100420-PACS Public Affairs & Comms	Public Affairs and Communications	Indirect
Enbridge Inc.	C100421-PACS Corporate Reputation & Strategy	Public Affairs and Communications	Indirect
Enbridge Inc.	C100422-PACS Community Engmnt CAN	Public Affairs and Communications	Indirect
Enbridge Inc.	C100423-PACS Community Engment M/W Us	Public Affairs and Communications	Indirect
Enbridge Inc.	C100424-PACS External Affairs CAN	Public Affairs and Communications	Indirect
Enbridge Inc.	C100426-PACS Sustainability & External Affairs US	Public Affairs and Communications	Indirect
Enbridge Inc.	C100428-PACS Enterprise Communications	Public Affairs and Communications	Indirect
Enbridge Inc.	C100429-PACS ESG & Public Policy	Public Affairs and Communications	Indirect
Enbridge Inc.	C100430-PACS Tribal Relations	Public Affairs and Communications	Indirect
Enbridge Inc.	C100495-PACS Corporate Citizenship	Public Affairs and Communications	Indirect
Enbridge Inc.	C100496-PACS State Government Affairs	Public Affairs and Communications	Indirect
Enbridge Inc.	C100701-Safety & Reliability	Safety and Reliability	Indirect
Enbridge Inc.	C100703-S&R Operational Risk Mgmt & Perf	Safety and Reliability	Indirect

Enbridge Inc.	C100704-S&R Governance	Safety and Reliability	Indirect
Enbridge Inc.	C100801-Supply Chain Management	Supply Chain Management	Indirect
Enbridge Inc.	C100805-SCM GDS Ops	Supply Chain Management	Indirect
Enbridge Inc.	C100806-Materials Management & Logistics	Supply Chain Management	Indirect
Enbridge Inc.	C100807-SCM Indirect Category Management	Supply Chain Management	Indirect
Enbridge Inc.	C100808-SCM Direct Category Management	Supply Chain Management	Indirect
Enbridge Inc.	C100809-VP Supply Chain	Supply Chain Management	Indirect
Enbridge Inc.	C100812-CAN Contract Mgmt Conform	Supply Chain Management	Indirect
Enbridge Inc.	C100819-SCM GDS Warehouses	Supply Chain Management	Indirect
Enbridge Inc.	C100826-Planning and Governance	Supply Chain Management	Indirect
Enbridge Inc.	C100901-Technology & Information Services	Technology and Information Services	Indirect
Enbridge Inc.	C100902-TIS Process, Govern & Compl	Technology and Information Services	Indirect
Enbridge Inc.	C100904-TIS, Business Application Svcs	Technology and Information Services	Indirect
Enbridge Inc.	C100907-DO NOT USE - ERP TIS Interdependence	Technology and Information Services	Indirect
Enbridge Inc.	C100908-TIS Enterprise Resource Planning	Technology and Information Services	Indirect
Enbridge Inc.	C100911-TIS ERP/Transformation	Technology and Information Services	Indirect
Enbridge Inc.	C100912-Technology & Info Svcs, US	Technology and Information Services	Indirect
Enbridge Inc.	C100917-Core Infrastructure	Technology and Information Services	Indirect
Enbridge Inc.	C100918-TIS LP & GTM	Technology and Information Services	Indirect
Enbridge Inc.	C100919-TIS Infrastructure & Cloud	Technology and Information Services	Indirect
Enbridge Inc.	C100921-TIS Liquids Pipelines	Technology and Information Services	Indirect
Enbridge Inc.	C100922-TIS Application Operations Services	Technology and Information Services	Indirect

Enbridge Inc.	C100924-TIS Cybersecurity	Technology and Information Services	Indirect
Enbridge Inc.	C100925-TIS Gas Utl, Transm & Midstrm	Technology and Information Services	Indirect
Enbridge Inc.	C100932-TIS Bus Relationship	Technology and Information Services	Indirect
Enbridge Inc.	C100933-TIS BRM Asset Management	Technology and Information Services	Indirect
Enbridge Inc.	C100935-TIS Legal, Proj & S&R Srvc	Technology and Information Services	Indirect
Enbridge Inc.	C100936-Infrastructure - Alliance	Technology and Information Services	Indirect
Enbridge Inc.	C100937-TIS Storage & Virtualization	Technology and Information Services	Indirect
Enbridge Inc.	C100938-TIS Shared Services	Technology and Information Services	Indirect
Enbridge Inc.	C100939-Infrastructure Analysis	Technology and Information Services	Indirect
Enbridge Inc.	C100940-CAN Plng and Technology	Technology and Information Services	Indirect
Enbridge Inc.	C100941-TIS HR,FIN, Enterprise D&A	Technology and Information Services	Indirect
Enbridge Inc.	C100942-ERP TIS Architecture	Technology and Information Services	Indirect
Enbridge Inc.	C100944-Systems Architecture	Technology and Information Services	Indirect
Enbridge Inc.	C100945-TIS Architecture Delivery	Technology and Information Services	Indirect
Enbridge Inc.	C100955-Industrial Control Systems	Technology and Information Services	Indirect
Enbridge Inc.	C100960-TIS Collaboration	Technology and Information Services	Indirect
Enbridge Inc.	C100961-TIS Productivity Services2	Technology and Information Services	Indirect
Enbridge Inc.	C100962-Info Tech Client Srvs	Technology and Information Services	Indirect
Enbridge Inc.	C100963-Mobility Client Services	Technology and Information Services	Indirect
Enbridge Inc.	C100964-TIS End User Services	Technology and Information Services	Indirect
Enbridge Inc.	C100965-IT Operations	Technology and Information Services	Indirect
Enbridge Inc.	C100971-CAN Informatn Systems UG	Technology and Information Services	Indirect

Enbridge Inc.	C100976-TIS Agile Product Development	Technology and Information Services	Indirect
Enbridge Inc.	C100978-TIS Utility Enablement & Delivery	Technology and Information Services	Indirect
Enbridge Inc.	C100980-TIS Programs and Performance	Technology and Information Services	Indirect
Enbridge Inc.	C100981-RIM Governance	Technology and Information Services	Indirect
Enbridge Inc.	C100982-TIS Compliance	Technology and Information Services	Indirect
Enbridge Inc.	C100983-IT, Project Management Office	Technology and Information Services	Indirect
Enbridge Inc.	C100984-IT Vendor Management Office	Technology and Information Services	Indirect
Enbridge Inc.	C100985-TIS Utility Business Office	Technology and Information Services	Indirect
Enbridge Inc.	C100987-TIS PMO	Technology and Information Services	Indirect
Enbridge Inc.	C100988-TIS Tech & Innovation Lab II	Technology and Information Services	Indirect
Enbridge Inc.	C100990-TIS Network Services Programs	Technology and Information Services	Indirect
Enbridge Inc.	C100991-TIS Tech Svcs, Service Desk	Technology and Information Services	Indirect
Enbridge Inc.	C100992-TIS Network Services	Technology and Information Services	Indirect
Enbridge Inc.	C100993-IT Operations II	Technology and Information Services	Indirect
Enbridge Gas Distribution Inc.	HR Benefits	Compensation and Benefits	Direct
Enbridge Gas Distribution Inc.	IT - DBA support	Technology and Information Services	Direct
Enbridge Gas Distribution Inc.	IT - Application hosting & Maintenance hosting	Technology and Information Services	Direct
Enbridge Gas Distribution Inc.	IT - Other	Technology and Information Services	Direct
Enbridge Gas Distribution Inc.	Regulatory - Service statement	Regulatory	Direct
Enbridge Gas Distribution Inc.	Investment Review and CP&P Affiliate Billing	Regulatory	Direct
Enbridge Gas Distribution Inc.	Fixed Fee - Annual IMS Recovery	Engineering	Direct

Enbridge Gas Distribution Inc.	Fixed Fee - Technical engineering Policies and Procedures	Engineering	Direct
Enbridge Gas Distribution Inc.	O&M projects - Management	O&M	Direct
Enbridge Gas Distribution Inc.	O&M projects - others	O&M	Direct
Enbridge Gas Distribution Inc.	OPEX projects - Hydrogen	CAPEX	Direct
Enbridge Gas Distribution Inc.	OPEX projects - Supply chain management	CAPEX	Direct
Enbridge Gas Distribution Inc.	OPEX projects - Operation	CAPEX	Direct
Enbridge Gas Distribution Inc.	Legal	Legal	Direct

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568 **9.0 Appendix C: Service Category Descriptions**
 569 **Provided by Enbridge CF FP&A**

570 **Enterprise Asset Management**

571 **PURPOSE**

572 Enterprise Asset Management is a transformational project designed to improve Enbridge’s capabilities in
 573 managing the risk, cost and performance of our assets. The transformation includes elements that are
 574 Enterprise led and require a high degree of standardization. There are also elements that are Business Unit
 575 (BU) led as they require less standardization and reflect the operating nature of the specific business.
 576

Deliverable	Key Services	Description
Strategy & Planning	<p>Driving towards consistent processes & approach to allocation of asset funding across short, mid, long terms.</p> <p>Line of sight between Policy, Strategic Planning, Asset Plans & individual investment decisions.</p> <p>Asset centric decision making is informed by parameters (e.g., financial, risk, safety, reliability, etc.) as set by the technical experts and endorsed by the ELT.</p>	<p>Strategy and Planning will ensure the alignment of Asset Management activities, and decision making with the enterprise’s overall strategic objectives at the lowest total cost of ownership. This line of sight will enable day to day asset management activities to be tied to the strategic objectives through the Business Unit Asset Management Plans and asset management objectives.</p>
Asset Management Decision Making	<p>Driving toward a target state where all asset capital and related operations costs flow thru a central investment decision model.</p> <p>The needs of the assets drive resource requirements & strategies to achieve them.</p> <p>All capital and asset related operational costs are tracked by work order to individual assets.</p>	<p>Asset management decision making (AMDM) focuses on Enbridge’s actual asset investment decision making in a clear framework which balances risk, cost and performance across the life cycle of the assets.</p>
Data and Information	<p>Driving toward a state where data is treated as an asset and managed throughout its own lifecycle with KPIs linked to</p>	<p>Asset Data & Information focuses on having the right systems, processes, and data to support all asset management activities, which is foundational to all other asset management capabilities.</p>

	<p>objectives.</p> <p>100% of all asset data regarding work, including bills of material, flows through a single work management system with full transparency & traceability connected to Total Cost of Ownership.</p>	
Risk & Review	<p>Driving towards a state where Risk/opportunity is a central component of defining value in asset investment decision making.</p> <p>A common asset related risk framework, standardized methods & processes, and approved tolerances facilitate complete comparability across risks and across BUs.</p>	<p>Risk and Review focuses on the core activities to identify, understand and manage risk across all of Enbridge's assets. It involves the prudent allocation of resources to realize opportunities and manage asset risk.</p>
Lifecycle Review	<p>Driving towards a state where all assets have clearly defined life cycle and resourcing strategies informed by risk and criticality.</p> <p>All assets have clear ownership & accountabilities throughout entire life cycle, including hand off points between acquisition, operations, maintenance & disposition</p>	<p>Life cycle delivery focuses on clear ownership, accountabilities, policies, and processes to manage all physical assets throughout their entire life cycle.</p>
Organization & People	<p>All asset management related roles are tied to an AM competency framework.</p> <p>Performance management includes specific AM objectives and KPIs for all AM related roles.</p> <p>Mid and long-range planning drives resourcing, especially regarding people/labor requirements.</p>	<p>Organization and People is underpinned by the establishment of effective leadership and culture to enable key asset management behaviors across the enterprise.</p>

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Finance

581 PURPOSE

582 Trusted advisors driving value through disciplined financial management, insightful analysis and rigorous
 583 compliance.

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Deliverable	Key Services	Description
Provide timely and accurate information on actual financial performance	<ul style="list-style-type: none"> • Monthly financial reports • Quarterly External Reporting 	<ul style="list-style-type: none"> • Capture all required accounting entries, analyze and reconcile accounts, execute monthly close of all sub and general ledgers. • Track variance of current year actuals versus budget. Work with business leaders and line management to explain drivers of performance. • Consolidate all financial results, prepare and present analyses and drivers to BU leadership, executives and board directors. • Address USGAAP compliance issues as they arise. Ensure compliance with regulators through quarterly and year end disclosures. Provide input/updates to Investor relations, Credit Rating Agencies and other financing stakeholders.
Provide timely and accurate information on future financial performance.	<ul style="list-style-type: none"> • Asset Analysis • Current year financial Forecasts, • Annual Budgets and Long Range Plans 	<ul style="list-style-type: none"> • Analyze expected returns on assets and other trends in future business performance. • Develop and document financial forecasts, annual budgets and the long range forecast. Recommend action and collaborate closely with BU partners to develop appropriate actions. • Ensure alignment between BU and Enterprise financial targets
Partner in decision making.	<ul style="list-style-type: none"> • Support the development of business unit strategy • Provide deep technical expertise when required 	<ul style="list-style-type: none"> • Participate in development of business unit strategy in the context of asset returns and other financial metrics. • Respond to decision support requests from business unit leaders. Lead work on business specific or complex areas (e.g. regulatory matters or BU analytics) • Analyze and provide strategic advice on contract structuring, risk, tax, financing, insurance and other financial matters.
Reliably manage finance operations	<ul style="list-style-type: none"> • Execute transactional accounting • Execute effective capital, tax and risk programs • Maintain a strong control environment • Improve processes and systems. 	<ul style="list-style-type: none"> • Maintain all key accounting master data (e.g. GL, Chart of accounts, risk portfolios, vendors, customers) and steward key policies (e.g. ASLs, Risk, Treasury). • Ensure AP and AR invoices are appropriately managed and recorded. Manage all accounting associated with capital asset acquisition, maintenance, and retirement. • Support capital markets transactions and intercompany cash and banking, Maintain strong relationships within financial markets. • Monitor trading actives, manage hedging programs, and ensure ongoing tax reporting and compliance.

- Perform audits for IT, Finance Ops and SOx to ensure quarterly and annual compliance
- Identify and help resolve BU accounting issues with Finance COE and SS groups. Help co-ordinate requests/concerns from business partners on overall Finance services.
- Design, plan and implement improvements to Finance processes and technology.

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Technology & Information Services

587 PURPOSE

588 Drive competitive advantage for the businesses of Enbridge by optimizing information and technology.

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Deliverable	Key Services	Description
Partner systems are operated safely and reliably	<ul style="list-style-type: none"> Operate, maintain, enhance and fix 	<ul style="list-style-type: none"> Conduct availability, service continuity and capacity management Report and achieve performance levels Provide help desk support Provide on-site troubleshooting and support Conduct preventative maintenance activities Analyze incident reports
Partner systems are operated securely	<ul style="list-style-type: none"> Cyber security policies and enforcement 	<ul style="list-style-type: none"> Develop, update and communicate cyber security policies Coordinate security and access management Ensure compliance with security standards and processes Identify and resolve security breaches
Partners have right solutions to achieve business outcomes at top quartile cost performance	<ul style="list-style-type: none"> Strategy Development 	<ul style="list-style-type: none"> Develop and communicate enterprise technology strategy in response to business strategy Assist partners in identifying the right technology and process improvements to enable business strategy at the right cost Set guiding principles and mandate for technology solutions (rationalize, standardize and simplify wherever possible - Top Down Mandate principles from ELT)
	<ul style="list-style-type: none"> Plan and Design 	<ul style="list-style-type: none"> Understand partner solutions needs Develop and communicate architecture, framework and standards to deliver on partners needs
Projects are executed as intended	<ul style="list-style-type: none"> Project management and Implementation 	<ul style="list-style-type: none"> Design, build and test solutions that meet business needs Manage process and risks of projects Coordinate communications and reporting Oversee change management Oversee release and deployment management Support the Benefits Realization of the project
Strong partner relationship	<ul style="list-style-type: none"> Feedback channel 	<ul style="list-style-type: none"> Conduct service reviews with partners Conduct ongoing reporting and needs assessment React to feedback and update service delivery approach

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Supply Chain Management

593 PURPOSE

594 Create value for the business by optimizing the enterprise spend for the acquisition and logistics of goods
 595 and services at competitive costs.

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Deliverable	Key Services	Description
Procurement of materials & services at the right time, cost and quality	<ul style="list-style-type: none"> • Strategic Sourcing • Buying 	<ul style="list-style-type: none"> • Manage activities relating to forecasting, planning, and acquiring materials and services from qualified suppliers, through an approved transaction • Proactively identify opportunities to improve quality and cost outcomes by taking an enterprise view of business need and monitoring the supply market • Plan and prioritize sourcing opportunities, identification of business needs, development of contracting and/or sourcing strategies, execution of RFX's, and contract formation and execution • Procure materials and service in a timely fashion to meet business requirements
Systematic approach to supplier management	<ul style="list-style-type: none"> • Supplier Relationship Management • Contract Administration • Claims Management • Supplier Quality 	<ul style="list-style-type: none"> • Build and maintain strategic relationships with key suppliers to deliver greater levels of innovation and competitive advantage • Manage suppliers to ensure compliance with contract terms in a timely manner, ensuring proper documentation is filed and recorded • Provide feedback to suppliers on performance • Manage contract changes, including documentation • Coordinate key stakeholders from claims receipt through to resolution • Build and maintain approved and qualified suppliers to deliver business needs at competitive value and support the enablement of our corporate responsibly and sustainability priorities
Management of materials	<ul style="list-style-type: none"> • Materials Management 	<ul style="list-style-type: none"> • Coordinate expediting, logistics, materials receiving, and inspection activities • Provide adequate storage, preservation and traceability of acquired materials in accordance with supplier recommendations and operational requirements • Actively manage inventory levels, where applicable • Manage identification and disposition of defective or surplus materials • Manage efficient delivery of materials to required locations

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Public Affairs and Communications (PAC)

600 PURPOSE

601 Serve Enbridge as a valued partner, providing differentiated and meaningful stakeholder communication and
 602 engagement that manages risks and builds trust and confidence.

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Deliverable	Key Services	Description
Engagement strategies that support the business objectives	<ul style="list-style-type: none"> • Enterprise Communications: Media relations, Digital / Financial / Internal / Crisis Communications, Brand, Creative Services • Corporate Social Responsibility reporting and communications • Community investment • Industry relations & public policy • Public Awareness Programs 	<ul style="list-style-type: none"> • Strategic advice and counsel aligned to business objectives • Development of strategic communications and engagement plans in support of specific initiatives • Oversight of execution with clear delineation of function/client responsibilities (e.g. writing, review and approval, creative design and execution, activation/distribution, etc.) • Monitoring, measurement, reporting and third-party validation of responsible practices on social and environmental performance
Project and Operational Advancement	<ul style="list-style-type: none"> • Public and Agency Participation Plans • Community Engagement & Investment • Indigenous Engagement • External Affairs • Conflict resolution • Regional Communications 	<ul style="list-style-type: none"> • Partnership with Business Unit regional leadership in annual planning, overseeing plan execution and tracking of progress on Regional Engagement Plans Oversight of delivery/evolution of Indigenous Engagement Strategy • Enabling voice of key external stakeholders to be heard within the company to inform decision-making • Integrated reporting and documentation of affected stakeholder risk and mitigation strategies
Enabling Leadership and Advocacy	<ul style="list-style-type: none"> • External Affairs: Government Relations, policy analysis and development, industry relations • Corporate Social Responsibility (CSR) • Executive Communications • Enterprise Communications 	<ul style="list-style-type: none"> • Public affairs, government relations, communications, CSR strategic advice and counsel aligned to business objectives • Identify, establish and manage relationships with key influencers • Subject-matter expertise, strategic counsel and advice on environmental, social, and governance (ESG) issues • Public policy analysis and corporate position development • Advocacy of corporate positions on public policy • Oversight/coordination of company involvement in industry/business associations, think tanks • Support for speaking engagements (speechwriting, media relations, digital communication, engagement, hosting, etc.)

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Legal Services

PURPOSE

Serve Enbridge as a valued partner, providing innovative solutions enabling business priorities and protecting Enbridge.

Deliverable	Key Services	Description
BU and Corporate Litigation Support	<ul style="list-style-type: none"> • Strategy, drafting & research, document review • Trial & case management (including preparation, execution, and closure) 	<ul style="list-style-type: none"> • Conduct pre-litigation preparation • Research and develop litigation strategy • Draft, review, and manage legal documents • Manage and run the trial and case process • Manage external firm (<i>as needed</i>) • Propose and adhere to workplan, including timelines; update Client as workplan changes
Robust Legal Compliance	<ul style="list-style-type: none"> • Regulatory processes and compliance • Develop and manage Ethics & Compliance programs • Prepare necessary filings 	<ul style="list-style-type: none"> • Maintain portfolio view of business activity by region (i.e. what is being done where) • Regulation: Advise Clients on regulatory requirements and risks related to their business • Compliance: Define and communicate internal guidelines; investigate potential violations and develop plan to address
Contract Support	<ul style="list-style-type: none"> • Drafting and negotiation • Review and analysis • Obligation and risk management 	<ul style="list-style-type: none"> • Draft: Understand contract purpose and context; draft certain contracts; review contracts when prepared by business using approved templates where permitted • Negotiate: Represent Partner; work with counterparty to reach an optimal business outcome (e.g. contract/deal terms); support negotiation when conducted by Partner • Review: Understand contract terms, obligations, and risks; translate legal specification into business outcomes; engage Partner • Manage Risk: With Partners, maintain portfolio view of contract obligations (e.g. obligations don't conflict across contracts) • Propose and adhere to workplan, including timelines
Timely Business Support for Leaders and Teams	<ul style="list-style-type: none"> • Projects • ROW • Operations • Commercial & Business Development • Regulatory Affairs / Regulatory compliance • Regulatory Law & Permitting • FERC commercial / compliance • Ethics & Compliance • Corporate Development / M&A • Claims • Marketing & Trading 	<ul style="list-style-type: none"> • Understand business objective or issue • Provide appropriate and timely legal input and recommendations, including range of options that balance risk • Triage legal work and route to correct expertise provider • Provide legal approval for business decisions (<i>where required</i>) • Propose and adhere to workplan, including timelines

- Security
- Labour & Employment Law
- Benefits
- Corporate Governance
- Corporate Finance
- Securities
- Disclosure
- Board Communications

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Human Resources

612 PURPOSE

613 Enable strategy through inspired and capable people.

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Deliverable	Key Services	Description
Attract and source diverse talent in an inclusive environment	<ul style="list-style-type: none"> Sourcing & Recruitment Employee Value Proposition Onboarding 	<ul style="list-style-type: none"> Establish go-to-market and talent acquisition strategies Establish competitive employment-related policies and programs (compensation, talent, development, etc.) Determine onboarding strategy & process Develop and implement New Hire Orientation programs Provide simple applicant tracking system Provide effective sourcing and recruiting support Coordinate onboarding (including onboarding training)
Train and develop our people	<ul style="list-style-type: none"> Learning infrastructure Leadership training and development programs Effective processes to assess performance, build development plans and continuously improve capabilities 	<ul style="list-style-type: none"> Provide an effective learning management system and operational infrastructure to support all organizational learning Provide effective leadership development curriculum for key leadership levels & monitor effectiveness Effectively execute annual talent management processes Provide ad hoc support to leaders in managing talent Provide strategic support to senior leaders to manage their talent and workforce to meet strategic business deliverables
Support people & workforce management activities	<ul style="list-style-type: none"> Employee relations support Job, position and workforce management support Payroll, Benefits & Pension Administration Change management support 	<ul style="list-style-type: none"> Provide tools and training for HRBP to support their clients on incremental and moderate scale change Provide timely, consistent and effective employee relations support to people leaders (coaching, performance management, discipline & termination) Support people leaders with day-to-day workforce management activities (position & vacancy management, compensation administration, job and organization design, and job evaluation) Provide accurate and timely payroll, benefits and pension administration services Provide senior leaders with change management support for business initiatives or workforce changes
Effective execution of talent management programs	<ul style="list-style-type: none"> Succession planning Leadership development Employee Engagement 	<ul style="list-style-type: none"> Design effective talent management programs and policies (talent review, succession planning, engagement strategy, etc.) Provide efficient and effective processes & tools for managing talent Partner with senior leaders to effectively execute annual talent processes/initiatives within BU/function Support senior leaders in identifying candidates for leadership programs & senior leadership succession (coaching, mentoring, training, development opportunities, 360 assessment, etc.)

<p>Effective organizational culture reflective of our values to deliver superior results</p>	<ul style="list-style-type: none"> • Talent, & team engagement • Organization effectiveness • Culture / behavior assessment • Organization design • Consultation on transformation efforts including change management • Scorecard metrics & recognition and reward mechanisms • People/engagement plans 	<ul style="list-style-type: none"> • Develop integrated programs and tools to support organization effectiveness. This includes total reward programs, change management methodology/tools, diversity and inclusion strategies, strategic resourcing plans, engagement strategy, etc. • Understands the client’s business. Facilitates and provides consulting services by: <ul style="list-style-type: none"> • Providing and interpreting information (engagement surveys/organization makeup/workforce plans); • Facilitating talent management discussions (resource plans, succession, feedback loops, development dialogues, etc.) • Executing timely reviews to assess and improve effectiveness of client’s work and jobs, accountabilities, co-dependencies and key interfaces with other groups; recommends and implements strategies to improve identified gaps or issues; • Coaching on appropriate application of rewards and recognition to incent and improve performance and differentiate talent. • Support leaders and employees in cultivating a diverse and inclusive workplace, attracting and retaining diverse talent and in building Diversity & Inclusion competence • Works in partnership with BPs and implements changes resulting from organization effectiveness work. This may include implementation of team effectiveness plan, engagement plans, change management plans, talent management strategy, organization design changes, etc.
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Real Estate Workplace Services

617 PURPOSE

618 Provide a consistent cost effective workplace that enables the business to achieve its strategic objectives in
 619 an efficient and collaborative environment.

Deliverable	Key Services	Description
Refer to Key Services	<ul style="list-style-type: none"> • Demand analysis • Feasibility • Negotiation • Approval • Execution 	<ul style="list-style-type: none"> • Develop real estate strategy • Understanding current and future Client needs • Lease pursuit, identify the site, negotiate the terms • Recommend and approve the space
	<ul style="list-style-type: none"> • Planning • Design management • Procurement • Construction mgmt. • Commission 	<ul style="list-style-type: none"> • Design space for specific BU needs while capturing Enterprise wide standards • Procurement of services and material • Construct and develop space and/ site, where applicable • Managing the process from design to commission
	<ul style="list-style-type: none"> • Operations • Maintenance • Systems Assessment • Space Management • Asset Management 	<ul style="list-style-type: none"> • Deliver a safe, consistent and efficient support model across the organization (i.e. reproduction, moves, O&M, etc.)
	<ul style="list-style-type: none"> • Procurement and selection of goods and services • Development of enterprise wide policies 	<ul style="list-style-type: none"> • Set enterprise-wide standards into policy and practice and enforcement • Execute and maintain enterprise wide agreements • Measure all REWS functions internally and against industry

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Corporate Development Office

623 PURPOSE

624 Develop, refine, communicate and execute Strategic (business) Plan.

Deliverable	Key Services	Description
<p>Corporate Strategy</p> <p>Develop and disseminate a Strategic Plan to position the company for sustainable growth and value creation over the near, medium and long-term</p>	<ul style="list-style-type: none"> Clearly identify corporate strategic priorities, seeking to create value and motivate the workforce Support the development of the Business Unit strategic priorities and development of their Business Plans Outline tasks needed to achieve the strategy Monitor the strategic priorities annually to ensure advancement, relevance and refinement where appropriate 	<ul style="list-style-type: none"> Continuously monitor market fundamentals and competitive landscape to ensure relevance of strategy Assess which businesses to be in or out of for greatest value Assess opportunities for future growth outside core businesses Recommend organization structures/ cross functional teams to enable successful execution of strategic priorities
<p>Investment Review</p> <p>Guide Capital Allocation (investment) process and decisions</p>	<ul style="list-style-type: none"> Provide analytical decision support to investment decision makers. Ensuring projects make economic sense in both short and long term 	<ul style="list-style-type: none"> Establish and operate capital allocation process Conduct/review detailed financial analysis Prepare investment decision/approval materials
<p>Corporate Development</p> <p>Assess and create investment opportunities for inorganic growth (outside existing platforms) at the Enterprise level</p>	<ul style="list-style-type: none"> Identify and evaluate mergers, acquisitions, divestitures and joining ventures in cooperation with respective business units Transaction management and execution 	<ul style="list-style-type: none"> For transactions impacting the Enterprise: <ul style="list-style-type: none"> Ongoing opportunity identification and evaluation including financial modelling and model updates Adapt to market trends by leading Corporate restructuring: Roll Downs and Roll Ups Relationship management with strategic, financial sponsors and bankers Establish and refine transaction management process Lead transaction execution teams: including oversight of corporate services, as well as business unit work streams and external advisors/experts contributing to transactions
<p>Financial Partners</p> <p>Seek opportunities to lower our cost of capital</p>	<ul style="list-style-type: none"> Utilize alternative investment structures to co-own / invest with Partners to minimize cost of capital and diversify capital sources 	<ul style="list-style-type: none"> Represent Enbridge's ownership interest in co-owned financial structures / vehicles Seek and evaluate new investment opportunities and structures with potential partners
<p>Corporate Planning</p> <p>Stress test our financial models against various theories</p>	<ul style="list-style-type: none"> Provide analytical and valuation decision support for corporate and business unit investment, acquisition and divestiture opportunities Analytical support for various shareholder value maximization initiatives / evaluations 	<ul style="list-style-type: none"> Build and maintain a high level, flexible corporate financial planning forecast model Perform various corporate and business unit level ad hoc financial analysis
<p>Power Development</p> <p>Seek opportunities for organic growth and value</p>	<ul style="list-style-type: none"> Deal sourcing including: mergers, acquisitions, divestitures and joint ventures, seeking to create value within the Renewables business 	<ul style="list-style-type: none"> Within Power Development: <ul style="list-style-type: none"> Ongoing opportunity identification and evaluation including financial analysis and modeling inputs Relationship management with strategic, financial sponsors and bankers

<p>chain extensions.</p>	<ul style="list-style-type: none"> • Transaction management and execution within the Renewables business 	<ul style="list-style-type: none"> • Establish and refine transaction management process • Lead transaction execution teams: oversee all corporate services and/or business unit work streams contributing to transaction
<p>Energy Marketing Company</p> <p><i>Subsidiary management expenses</i> (operational expenses excluded)</p>	<ul style="list-style-type: none"> • Oversee energy management company 	<ul style="list-style-type: none"> • Responsibilities of Energy Management Company <ul style="list-style-type: none"> • Asset management of underutilized pipeline capacity on both a spot and term basis • Market intelligence to Enbridge • Establishes and maintains key relationships with market participants • Assists in development of infrastructure opportunities • Generates earnings through market arbitrage opportunities
<p>Investor Relations</p> <p>Communicate corporate financial and operational information publicly</p>	<ul style="list-style-type: none"> • Integrate finance, communication, marketing and securities law compliance to enable the most effective two-way communication between Enbridge, the financial community, and other constituencies 	<ul style="list-style-type: none"> • Communicate Corporate Strategy and Financial Results <ul style="list-style-type: none"> • Quarterly Earnings Call and Business Updates • Enbridge Investor Day • Support Investor decision making <ul style="list-style-type: none"> • Existing Holders • Prospective Targets • Feedback loop for ELT and Board <ul style="list-style-type: none"> • Strategy Development • Messaging • Support to and from other BUs/functions <ul style="list-style-type: none"> • PAC • Human Resources • Financial Reporting • Others

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Aviation

627 PURPOSE

628 To provide safe, efficient and convenient air transportation to assist in achieving the mission and goals of the
 629 company.

Deliverable	Key Services	Description
Refer to Key Services	<ul style="list-style-type: none"> • Safe air service in response to company needs. • Security 	<ul style="list-style-type: none"> • Provide professional and efficient air service in response to company needs, and to conduct operations to the highest safety standards practical. • Pipeline Patrol Operations are based throughout North America operating 8 Fixed wing and 2 Helicopters to provide safety, security and operational integrity of pipelines and right of ways (ROW). • Monitor the ROW for adverse conditions that effect the environment, persons and property. • Each aircraft is dispatched to its assigned and scheduled area to observe and report any hazards or anomalies. The observations are relayed to the field personnel for onsite investigation and remedy. • Provide surveillance for activities around the pipeline over large, inaccessible areas. Enbridge Patrols 21,000 miles of gas pipeline and nearly 17,000 miles of liquid pipeline throughout the US and Canada.
	<ul style="list-style-type: none"> • Regulation 	<ul style="list-style-type: none"> • Enbridge operations are governed in the US by FAA FAR part 91 standards along with International Standard For Business Aircraft Operations (ISBAO). Canada operations a governed by CARs 604 Private operator Standards. • All operations are based on SOPs and SMS procedures and requirements.
	<ul style="list-style-type: none"> • Emergency Response 	<ul style="list-style-type: none"> • Enbridge’s aircraft are on call 24/7 for Emergency Response to any Pipeline mishap or Emergency.

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Safety & Reliability

633 PURPOSE

634 Provide programs and field support to enable Industry Leading performance in Safety, Environmental and
 635 Lands & ROW. Create minimum standards driving industry leading performance in all areas of Safety and
 636 Reliability with assurance results to prove it. The scope of Safety and Reliability is defined by the 11 elements
 637 and 6 protection programs of the Management System (Integrity, Emergency Response, Safety,
 638 Environmental, Security, Damage Prevention).

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Deliverable	Key Services	Description
Effective Management System Structure and processes to reveal and manage operational risk.	<ul style="list-style-type: none"> Develop and implement the Management System Structure Create and manage governance of S&R performance from the Board of Directors down to business unit executives Optimized, functioning and aligned risk management processes 	<ul style="list-style-type: none"> Establishment of OIC, SRGT, Council, S&R and BU roles, decision rights and accountabilities Manage all aspects of OIC meetings Chair and manage monthly SRGT meetings to resolve issues impeding industry leading performance Chair and manage monthly JBU council and working group meetings to create standards and processes to support industry leading performance Establish a simple and effective management system structure throughout Enbridge.
Effective S&R performance in the operation and construction of the pipeline system	<ul style="list-style-type: none"> Identification, assessment of hazards and recommendations for controls. Ongoing monitoring of key performance indicators. Build and execute industry leading safety and reliability culture High quality field support to Operations and Projects in Safety, Environment and Lands&ROW Maintain and ensure the integrity of all existing land rights 	<ul style="list-style-type: none"> Provide expertise on the identification and assessment of safety, health and environment hazards Provide recommendations for appropriate control of hazards in the work environment. Support partners with investigative and root cause analysis expertise. Delivery of applicable training and communications to operations and project personnel Conduct, inspections, health checks and assessments of the Safety and Environment management programs to measure compliance. Provide regular reports on both leading and lagging safety key performance indicators and opportunities to improve performance. Use safety culture assessment methodology to identify required cultural changes Obtain and maintain required environment approvals and ensure conditions are communicated and met
One Enbridge: <ul style="list-style-type: none"> Safety program Environmental program ROW program 	<ul style="list-style-type: none"> High quality programs, scalable and flexible to meet BU needs Focus is on enterprise wide programs and delivery. Accommodate BU differences in delivery rather than substance. Unique single BU needs may receive lower priority. 	<ul style="list-style-type: none"> Provide consistent programs to enable industry leading performance. Examples are: Leadership in action, incident investigation, permitting for projects. Respond to and resolve issues identified by BUs quickly Ready delivery of data to show trends, identify issues, substantiate performance Develop and maintain programs on Air, Historical & Cultural, Land, Remediation, Waste, Water, and Wildlife.

<p>Standardized performance reporting and data systems</p>	<ul style="list-style-type: none"> • Create data systems to protect data and enable intelligent reporting • Maintain and improve the Encompass system 	<ul style="list-style-type: none"> • Quarterly reports to board of directors • Weekly flash report • Monthly performance report • Ad hoc reporting/presentations to support CEO/ELT communications • Encompass consists of: Incident Learning, Compliance management, Metrics and Action Plans, Safety Submissions, Risk Register, MSDS system
<p>Standards and assurance processes to achieve industry leading performance</p>	<ul style="list-style-type: none"> • Standards process to develop and maintain minimum standards for S&R areas • Assurance processes to assess maturity of programs and effectiveness of programs 	<ul style="list-style-type: none"> • Operating controls on standard initiation, development, consultation, approval and implementation • Coordinate assurance with Internal Audit • SME for development of assurance protocols

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641 Executive and Other

642 CEO

643 Purpose

644 Manage the overall operations, strategy and resources of the company.

Deliverable	Key Services	Description
<ul style="list-style-type: none"> • Increase shareholders wealth utilizing core values of safety, integrity, and respect • Carry out the mandate set by the Board of Directors • Directs and oversee the strategic objectives of the organization to bring the Company's vision to reality 	<ul style="list-style-type: none"> • See descriptions 	<ul style="list-style-type: none"> • Create frameworks for work to be delegated and move smoothly throughout the organization • Create appropriate organizational design to meet the needs of the company • Look for opportunities to grow the business to meet with changing environment • Sets performance targets for the company

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646 Enterprise Work Management (EWM)

647 Purpose

648 To create value for Enbridge, through work management innovation, alignment, analysis, and continuous
649 improvement.

Deliverable	Key Services	Description
<p>Lead the development and governance of the Enterprise WM framework, policies, roles, and responsibilities</p>	<ul style="list-style-type: none"> • Develop, Socialize, and Implement and Govern EWM Framework Standard and Guidance Document • Govern Enterprise Work Management Roles and Responsibilities 	<ul style="list-style-type: none"> • Align, where practicable, work management roles and responsibilities. • Implement the EWM Framework Standard and Guidance document • Assess business unit maturity/alignment against EWM Framework requirements • Support business units in developing and executing gap closure activities.
<p>Provide exceptional understanding of industry leading best practices for the WM lifecycle and supporting technologies.</p> <p>Effectively enhance existing Enterprise WM solutions to improve user experience, influence adoption and drive business performance</p>	<ul style="list-style-type: none"> • Assist with the successful development and deployment of new enterprise-wide work management solutions by providing strategic and functional support and by actively engaging and influencing key business unit leaders. 	<ul style="list-style-type: none"> • Influencing Enterprise Solutions Key Design Decisions • Providing functional design and future operating model subject matter expertise • Assist with Systems Integration Testing and User Acceptance Testing • Planning business readiness and organizational change management activities • Receiving knowledge transfer and providing functional support through project hypercare

Protect investment by ensuring EWM solutions are used consistently across the BUs to support Operating Model maturity	<ul style="list-style-type: none"> • Successful implementation and execution of all Enterprise Work Management sustainment accountabilities as part of the Maximo and Click systems. 	<ul style="list-style-type: none"> • System change, release, and incident management • Business system configuration.
Establish an ever-evolving WM Operating Model and ensure alignment between Business Units	<ul style="list-style-type: none"> • Develop and/or support the execution of EWM and Business Unit work management initiatives • Maintain current and future EWM operating model 	<ul style="list-style-type: none"> • Implement EWM Data Governance Standards • Maintain business unit operating model maturity dashboard • Drive EWM performance management approach • Update current and support future developments on EWM operating model.
Effective performance management capabilities that measure and monitor work management maturity & identify improvement opportunities	<ul style="list-style-type: none"> • Operationalize the EWM Performance Management model with a focus on working with business units to identify and address areas of improvement. • Connect work management improvements to business outcomes 	<ul style="list-style-type: none"> • Implement common enterprise work management metrics. • Consistently measure and benchmark work management performance across Enbridge.

650 ERP Transformation

651 Purpose

652 Drive standardized, enterprise-wide systems and processes for Finance, Supply Chain Management and
 653 Operations through design and implementation of ERP and Work Management systems.

Deliverable	Key Services	Description
Design and implementation of future state business processes	Plan, design and implement	<ul style="list-style-type: none"> • Identify and document business requirements • Validate proposed technology and process solutions • Plan, perform and facilitate testing • Develop and facilitate training • Provide subject matter expertise for the new functionality
Implementation of technology solutions	Plan, design and implement	<ul style="list-style-type: none"> • Translating business requirements into functional and technical designs • Perform and validate build through various stages of the project • Responsible for tools and technology to support data migration and governance, including reporting and metrics • Develop, manage and perform cutover activities • Plan release management

<p>Management of project scope, schedule, quality and budget</p>	<p>Project Management</p>	<ul style="list-style-type: none"> • Manage scope, schedule, budget and quality • Conduct cross functional project planning • Enforcing program governance • Establish resource management controls and validate resource plans • Establish and track project deliverables • Measure and monitor progress • Manage project financials
<p>Change management strategy</p>	<p>Change management programs, stakeholder management, communications and training</p>	<ul style="list-style-type: none"> • Develop and execute overall change management strategy • Manage all external program communications • Develop and execute training strategy • Develop and execute role mapping and system access requirements • Measuring stakeholder acceptance, readiness, adoption and training effectiveness
<p>Data conversion</p>	<p>Develop and execute data conversion strategy</p>	<ul style="list-style-type: none"> • Develop and execute data conversion strategy – including mock conversions, dress rehearsal and cutover • Manage the data conversion process, including data profiling, cleansing and validation activities with the business • Liaising with functional and technical teams to remediate data conversion issues

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10.0 Appendix D: EGD Service Categories Provided by Gazifère

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Service Category	Definition
Technology and Information Services	Technology and Information Services (TIS) from EGD is responsible for managing, maintaining, securing, and operating the core centralized applications and services used by Gazifère.
Regulatory	The Regulatory Support Service Category represents direct costs billed to Gazifère by EGD for regulatory support services, such as regulatory proceedings and rate setting matters. EGD provides regulatory support services to Gazifère throughout the fiscal year. These costs are summarized on individual Service Statements from EGD to Gazifère, which outline EGD employees and their direct time spent supporting Gazifère's regulatory matters. In addition, EGD performs regulatory economics and market assessments, energy supply and policy analyses, and investment review and CP&P analyses, on behalf of Gazifère upon their request.
Engineering	The Engineering Service Category represents the costs incurred by EGD to provide Gazifère with capital planning, sales, infrastructure and maintenance, enterprise safety and operational reliability support services. This includes the development and ongoing maintenance of a GIS system on behalf of Gazifère, which includes records plotting, records scanning and distribution planning.
O&M	The Operations provides Gazifère with systems protection, measurement and improvement support services, station inspection, repairs and maintenance, surveys, performance reporting and analytics, and projects management.
CAPEX	The Operations provides labor and equipment on capitalised projects.
Legal	The EDG legal department (layer) assists Gazifère with general legal matters.

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11.0 Appendix E: Three Prong Test Overview

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 658 In MNP’s 2015 Gazifère Corporate Services Cost Allocation Methodology Review, MNP developed a RCAM
 659 model on Gazifère’s behalf and applied the Three Prong Test to all corporate services costs allocated to
 660 Gazifère with the objective of ensuring that all RCAM model outputs are aligned with regulatory principles.
 661 The Three Prong Test is a method defined in the OEB Decision with Reasons dated March 20, 1997 (EBRO
 662 493/494) to help with cost allocation decisions. Each prong is assessed only in the event of a ‘passing’ grade
 663 for the previous prong.

Tests	Principle	Guidance
Test 1: Cost Prudence	Are the proposed charges prudently incurred by, or on behalf of, the companies for the provision of a service required by ratepayers?	In the Board’s view, costs will not pass this test if they relate to activities which: <ul style="list-style-type: none"> • Go beyond the scope required for a utility; • Are associated with overall governance from a shareholder perspective or “minding the investment”; or • Represent additional and superfluous management layers.
Test 2: Cost Allocation	If properly incurred, are the proposed corporate centre charges allocated appropriately to the companies, based on the application of cost drivers/allocation factors supported by principles of cost causality?	No additional guidance is provided by the Board on this test. MNP notes that causality is premised upon a direct causal relationship between the costs incurred and the cost driver used to allocate these costs
Test 3: Cost Benefit	Do the benefits to the company’s ratepayers equal or exceed the costs?	For the third test, Cost/Benefit, the Board has accepted the [following] four categories as a basis for assessing quantifiable benefits: <ol style="list-style-type: none"> 1. Replacement benefits – the services provided replace an equivalent service at equal or lower cost; 2. Synergistic or linkage benefits – the services allow the Companies to reduce costs by means of being part of the larger ... group and operating in concert for the procurement of products and services; 3. Revenue enhancement or cost recovery benefits – the Companies’ activities and capabilities provide value to other affiliates for which payment in cash or kind is received; and 4. Stand-alone benefits – strategic actions and activities instituted by the Corporate Centre that produce direct value to the Companies.

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 665 Three recommendations were provided in the 2015 Gazifère Corporate Services Cost Allocation
 666 Methodology Review for Gazifère’s consideration in future regulatory filings. A follow-up report, 2017 RCAM
 667 Recommendation 1 and 3 Study, provided Gazifère rationale for two recommendations in the 2015 report.

668 Recommendation #1 in the 2017 report serves as an addendum to provide guiding principles in selecting
669 appropriate cost drivers recognizing no guidance was provided for Test 2: Cost Allocation by the OEB. The
670 principles for determining appropriate cost drivers are outlined below.

Principle	Description
Cost Causality	The cost allocation model recovers costs from the affiliate or business unit that has received a clear benefit from that service.
Relevance	Costs relevant to the affiliate and business unit are allocated.
Complexity	Cost driver calculation is simple, fair and accurate and can be replicated/updated over time.

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12.0 Appendix F: Experience

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Gordon Chalk

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MBA, CMC

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National Consulting Leader, Energy, Utilities and Infrastructure

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Profile

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Gord Chalk is a Partner based in Calgary, Canada and is the national lead of the firm’s Energy, Utilities, and Infrastructure Consulting Practice. He is a trusted Strategic Advisor to executives of some of the largest energy, pipeline, power and utilities companies in North America. Gord also works extensively in Infrastructure and Major Capital projects. For over 25 years, he has also led dozens of strategy, process and technology projects/teams to successful execution. He quickly and capably moves strategy to action; delivering direct and measurable results. He thrives by building and maintaining high-touch relationships with his executive-level clients, delivering sustainable results through their staff, to support their metrics and goals.

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Service Line

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Gord’s background includes:

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- Senior level management consulting expertise
- Senior management experience with a global consulting firm in the design, build, operations, maintenance and supply chain domains
- Several interim capital project execution, operations and procurement roles
- Planning, capital build, production, maintenance and operations background
- Negotiations, contracting and claims management experience
- Deep experience utilizing SAP and similar ERP software/modules for business process improvement
- Business Development and Sales Experience

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Gazifère Inc.

Regulatory Cost Allocation Methodology Review



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Education

MBA – Finance & Accounting, McGill University

BA Honours, Wilfrid Laurier University

Associations/Certifications

Certified Management Consultant – CMC Canada

Electricity Fundamentals in Canada Certification – Electricity Canada

Languages

English

- 708 • Regulatory/Permitting experience in Capital Projects

709 Industry Experience

710 Prior to starting his career with MNP, Gord owned and operated Accelerator Consulting acting as a
 711 Strategic Advisor in the capital, maintenance and operations within the Energy and Utilities sector. Gord
 712 was also the Director of Energy and Utilities with InCode Wireless; President/Co-founder of LogicCurve
 713 Corp, a company focused on enabling process and technologies for Energy and Utility companies.

714 Project Experience

Industry	Service Line	Project Description
Energy and Utilities	Capital Projects	EPCOR Water – Project Risk Management Process development including framework, tools, and integration with Estimating and PMO functions.
Energy & Utilities	Supply Chain	ENMAX – Current State Analysis of the Vendor Management Process.
Energy & Utilities	Regulatory	Liberty – Cost Allocation Model review, Proceeding report, and Expert Witness testimony.
Energy & Utilities	Capital Projects/Internal Audit	TC Energy - review management of prime contractors through the lifecycle of a project, including clear stipulation of contractual accountability of Primes for compliance, and meeting the project targets.
Energy & Utilities	Capital Projects	EPCOR Water – Alternative Project Delivery Model Selection Process, Tools and Change Management.
Energy & Utilities	Data and Analytics	EC (Electricity Canada) – Development of a Data Valuation Framework to provide rationalization, justification, and evidence for prioritizing and implementing selected data analytics projects.
Energy & Utilities	Data and Analytics	AER – Development of a Data Governance Framework.
Energy & Utilities	Regulatory	NSUARB – Board Counsel consultant on large Halifax Water infrastructure project application.
Energy & Utilities	Regulatory	ENMAX – Inter-affiliate transactions review and report related to ENMAX Power for 2016-2021. Review was based on compliance with the Inter-affiliate Code of Conduct, AUC guidance and leading procurement practices.
Energy & Utilities	Strategy	AER – Provided Subject Matter Expertise cascading strategy through and across the business functions at AER including consultation and metric development.
Infrastructure	Asset	BC Wildfire – Completed Capital Asset evaluation and prioritization

Industry	Service Line	Project Description
	Management/Supply Chain	and a Warehouse optimization/location study.
Infrastructure	Supply Chain / Internal Audit	CDPQ - Provided Subject Matter Expertise on Procurement and Contract Management to CDPQ Internal Audit group.
Infrastructure	Fairness Advisory	Alberta Transportation – Providing Project and Procurement Process expertise on several MNP Fairness Advisory Engagements.
Energy & Utilities	Regulatory / Internal Audit	Ontario IESO – Conducted audits for Minimum Required Domestic Content Level associated with the IESO’s Feed In Tariff Program.
Energy & Utilities	Regulatory / Internal Audit	Ontario IESO – Conducted Feed In Tariff Solar Generation Data Review and Audit.
Indigenous	Asset Management	Kehewin Cree Nation – Provided Asset Management Services to nation including training, identification, condition assessment and capital/operating decision making.
Energy & Utilities	Regulatory / Internal Audit	Alberta AESO – Internal Audit of AESO recalculated loss factors as directed by the Alberta Utilities Commission.
Municipal	Asset Management	Lac la Ronge Water Corp. – Completed analysis to determine necessary funding needs and water rates to meet the operating and capital spending requirements of the Corporation.
Energy & Utilities	Renewable	Geothermal Startup – Prepared Feasibility Study and Preliminary Business Case
Energy & Utilities	Analytics	Alberta Electricity Retailer – Reviewed current reporting, requirements, and regulatory environment to analyze, prioritize and create a new BI Framework for customer growth. Phase 2 has including building platform and implementation.
Municipal	Program Management	City of Medicine Hat – Supported City on selection, negotiations and implementation of new vendors and relationships to deliver several municipal services.
Infrastructure	Construction	Alberta Municipality – Technical and Financial Adviser on Early-Stage Development of Water Utility. Support included Delivery Model, Financing Alternatives and Operating Models. Support included Delivery Model, Financing Alternatives and Operating Models.
Infrastructure	Construction	Alberta Municipality – Technical and Financial Advisory services on Early-Stage Development of a Broad Band Internet Utility.
Energy & Utilities	Analytics	Mid-Stream Company – Strategy Development and Requirements gathering for Trading and Risk Management System.
Energy & Utilities	Human Capital	Mid-Stream Company – Provided expertise on industry and

Industry	Service Line	Project Description
		maintenance/operations on Liquids division re-organization.
Energy & Utilities	Capital Projects	Hydro Ottawa – Distribution Projects division review and implementation support including Delivery Model, Stage Gate and Project Management Processes and Tools.
Infrastructure	Construction - Internal Audit	University – Provided subject matter expertise on construction, project controls, project reporting and governance on numerous internal audits.
Energy & Utilities	ERP	Control Tech – Facilitated requirements sessions for Service Delivery, Inventory and Material Management processes for an IFS implementation. Work include quick wins on process improvements and ABCD inventory analysis to optimize working capital tied up in inventory while improving customer service levels.
Energy & Utilities	Cyber Security	Iconic Power – Reviewed the AltaLink assessment results, perform a risk assessment, identify compliance requirements, perform a gap assessment, discuss our observations and recommendations with management, and assist with developing a formal compliance management program. MNP was also tasked with identifying opportunities for improvement and to provide prioritized recommendations that incorporate compliance requirements as well as industry accepted practices and standards.
Energy & Utilities	Supply Chain	ENMAX – Inventory and Material Management review Partner Lead. Project included requirements analysis, documenting current gaps in service level performance and efficiency and an implementation plan. ABCD inventory analysis was introduced, undertaken and installed at organization to continuously manage inventory levels, customer service levels and associated costs.
Energy & Utilities	Internal Audit	TMX – Subject Matter expertise on numerous internal audit engagements.
Indigenous	Valuations	First Nation – Led evaluation team of a Transmission Asset Purchase opportunity for a FN. Project included valuation of the asset, financing options and financial modelling for decision support.
Indigenous	Construction	First Nation – Negotiation support for a FN on a very large civil works construction contract with a large multi-national LNG provider. Work included consideration of the Benefits Agreement between the nation and the owner with respect to all opportunities surrounding the LNG development.
Energy & Utilities	Technology	EPCOR – Partner Lead on Capital Project Application inventory, Review and Roadmap to support a single Capital Delivery Model. Roadmap included a crawl, walk, run implementation plan to ensure ongoing projects were supported while quick wins were implemented, and

Industry	Service Line	Project Description
		longer-term changes were integrated with broader IT roadmap.
Energy & Utilities	Capital Projects	EPCOR – Facilitated the creation of a single Capital Delivery Model (CDM) across 9 business units. Project included building Mission and Vision and design as well as Stage Gating, Execution Templates and the Organizational Change Management to implement Changes.
Energy & Utilities	Capital Projects	ENMAX – Led Project Management Office Design and Implementation Support for Capital Delivery Functions including Planning, Estimating, Scheduling, Cost Control, Change Management and Reporting.
Energy & Utilities	Capital Projects	ENMAX – Led Governance and Measurement Review and Implementation for the Capital Projects Delivery Group. Project included organization design, process transformation and supporting management reporting.
Energy & Utilities	Capital Projects	Hydro One – Executive Advisor to the design and rollout of a PMO (Project Management Office) function associated with a multi-billion dollar network infrastructure build-out at a large electric transmission provider including: Governance and Stage Gates; Estimating; Cost Control; Scheduling; Risk; Change order management; Procurement and Contract management; and Project Performance Measurement and Reporting.
Energy & Utilities	Capital Projects	Hydro One – Executive Advisor for the execution of a multi-billion-dollar transmission infrastructure portfolio. This includes portfolio and project planning and reviews and supporting all levels of the organization in the integration of scope, execution planning, scheduling, estimating, forecasting and actual performance.
Energy & Utilities	Contract Management	Berkshire Hathaway Energy – AltaLink – Developed and supported a new Commercial Management function including Procurement and Contract Management in the Project Delivery group at a large Canadian electric transmission company.
Energy & Utilities	Procurement	Berkshire Hathaway Energy – AltaLink – Managed a Strategic Procurement initiative to source and implement a new business model including policies and procedures for greater than \$2 billion of EPC (Engineer Procure Construct) services for a multi-billion network infrastructure build out.
Energy & Utilities	Maintenance Optimization	Berkshire Hathaway Energy – AltaLink – Designed and implemented Performance Management Program for the Asset Management (Maintenance) division of a large transmission company.
Energy & Utilities	Contract Management	Berkshire Hathaway Energy – AltaLink – Negotiated numerous warranty and construction claims and supported counsel on arbitration and/or litigation as required.

Industry	Service Line	Project Description
Energy & Utilities	Business Development	Berkshire Hathaway Energy Canada – Commercial Leadership on a business development proposal for an ISO (Independent System Operator) competitive 3P (Public Private Partnership) process for 500 KM of 500kv transmission line and two associated substations.
Energy & Utilities	Supply Chain	Berkshire Hathaway Energy – AltaLink – Senior Advisor to the Strategic Procurement Project at a large Canadian transmission facility operator.
Energy & Utilities	Regulatory	Berkshire Hathaway Energy – AltaLink – Participated as a sworn witness at an Alberta Utility Commission (AUC) proceeding to support Procurement, Contracting and other Capital Project delivery activities of a large Canadian electrical transmission company.
Energy & Utilities	Regulatory	Berkshire Hathaway Energy – AltaLink – Authored numerous portions of regulatory applications including information responses, rebuttals and argument support for an Alberta electric transmission company.
Energy & Utilities	Capital Projects	Berkshire Hathaway Energy – AltaLink – Reviewed and approved the Procurement Process, Criteria, and Recommendations for large critical projects within a multi-billion-dollar transmission network infrastructure build.
Energy & Utilities	Capital Projects	BC Hydro – Commercial Management on a \$ 1 billion, multi-year dam and powerhouse rehabilitation project including Alliances, Early Contractor Involvement and Risk Sharing contracting methods.
Energy & Utilities	Procurement	BC Hydro – Designed and implemented a CPO (Chief Procurement Officer) function, including required policy and procedures, focused on the increasing capability to deliver future accelerated capital plans at a Crown Corporation Integrated Utility.
Energy & Utilities	Procurement	BC Hydro – Created and interim managed the Capital Sourcing Group for the generation division of an integrated Electric Utility with division spend greater than \$1 billion CDN per year and participated in the recruiting and training of replacement.
Energy & Utilities	Supply Chain	TransAlta – Strategic Sourcing of Gas Turbines and associated maintenance and refurbishment services at a generation company resulting in booked savings of \$40 Million.
Energy & Utilities	Contract Management	TransAlta – Completed Sourcing and Negotiations for a plant boiler retrofit and coal conversion including water treatment OEM facilities.
Energy & Utilities	Supply Chain	TransAlta – Supplier Alliances with (Original Equipment Manufacturers) and Non-OEM providers of major generation equipment and services to provide access to supply at acceptable cost and risk for a mid-size generation company.

Industry	Service Line	Project Description
Energy & Utilities	Supply Chain	TransAlta – Designed and mentored sourcing staff on a capital spending program across all plants for a next 5-year planning cycle at a large Canadian generation company. This included training on process, project management, negotiations, implementation and measurement.
Energy & Utilities	Supply Chain	Duke Energy – Facilitated Supply Chain Management Strategic Planning sessions and designed a Measurement Program to communicate and track value and savings opportunities for this function within a power company.
Energy & Utilities	Supply Chain	ENMAX, Duke Energy, Xcel Energy – Redesigned and supported the Supply Chain function at numerous energy and utility companies.
Energy & Utilities	Supply Chain	Duke Energy – Managed an Inventory project designed to reduce inventory while balancing the risk to the organization through proper classification, control and replenishment of materials, and optimized disposition of all equipment from fuel to generation to water treatment.
Energy & Utilities	ERP	SaskPower – SAP implementation team lead on PM, PS and MM modules and worked with the utility company to better integrate maintenance and supply chain processes and technology.
Industry	Service Line	Project Description
Energy & Utilities	Regulatory/Internal	ENMAX - Inter-affiliate transactions review and filed regulatory report related to ENMAX Power Corporation for 2019-2021 transactions. The review was based on compliance with the Inter-affiliate Code of Conduct, AUC guidance and leading procurement practices.
Energy & Utilities	Regulatory/Internal Audit	NSUARB - Board Counsel consultant on large Halifax infrastructure project application.
Infrastructure	Supply Chain / Internal Audit	CDPQ - Provided Subject Matter Expertise on Procurement and Contract Management to CDPQ Internal Audit group.
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Energy & Utilities	Regulatory / Internal Audit	Ontario IESO – Conducted Feed In Tariff Solar Generation Data Review and Audit.
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Industry	Service Line	Project Description
		capital/operating decision making.
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Industry	Service Line	Project Description
		inventory while improving customer service levels.
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Energy & Utilities	Supply Chain	Berkshire Hathaway Energy – AltaLink – Senior Advisor to the Strategic Procurement Project at a large Canadian transmission facility

Industry	Service Line	Project Description
		operator.
Energy & Utilities	Regulatory	Berkshire Hathaway Energy – AltaLink – Participated as a sworn witness at an Alberta Utility Commission (AUC) proceeding to support Procurement, Contracting and other Capital Project delivery activities of a large Canadian electrical transmission company.
Energy & Utilities	Regulatory	Berkshire Hathaway Energy – AltaLink – Authored numerous portions of regulatory applications including information responses, rebuttals and argument support for an Alberta electric transmission company.
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Industry	Service Line	Project Description
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Energy & Utilities	Supply Chain	Duke Energy – Facilitated Supply Chain Management Strategic Planning sessions and designed a Measurement Program to communicate and track value and savings opportunities for this function within a power company.
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Energy & Utilities	ERP	SaskPower – SAP implementation team lead on PM, PS and MM modules and worked with the utility company to better integrate maintenance and supply chain processes and technology.

715 **Work Experience**

Organization	Title	Timeframe (MM/YY – MM/YY)	Role Description
MNP	Partner	03/18-Current	National Consulting Leader, Energy, Utilities & Infrastructure
Accelerator Consulting	President	10/05-03/18	Senior Level Operations, Maintenance, Capital, Reporting Advisory for Energy Clients
InCode Wireless	Director, Energy Industry	02/04-10/05	Wireless and Middleware solution design and implementation for Energy Clients
LogicCurve Consulting	President/Co-Founder	07/01-02/04	Process and Technology Improvement Consulting for Energy and Utilities Industry (Purchased by InCode)
I2 Technologies	Senior Sales Consultant	01/01-07/01	Led Technology Sales for Energy Industry
Deloitte Consulting	Senior Manager	06/96-01/01	Led Energy Consulting Practice in Western Canada
Chrysler JIT Operations	JIT Manager	11/92-09/94	Managed the JIT operations for the Brampton Ontario Chrysler plant
Molson Breweries	Operations and Maintenance Supervisor	09/90-11/92	Managed the daily line operations and maintenance

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Matt Hamilton

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718 B.Comm. B.A
719 Senior Manager, Consulting

720 Profile

721 Matt Hamilton is a Senior Manager with MNP's Consulting
722 group in Calgary working in the Energy, Utilities, and
723 Infrastructure Niche. Drawing on more than 20 years of
724 consulting experience in numerous industries, Matt has
725 worked with organizations in Canada and the US including
726 clients in electricity generation, transmission, distribution, oil
727 and gas, telecom, and others. His project experience includes
728 Regulatory Support, Reporting and Metrics Development,
729 Relationship Management, Procurement, Dispute Resolution,
730 Excel Modelling, and Research.

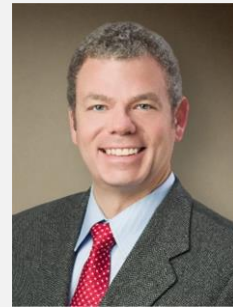
731 Service Line

732 Matt has extensive knowledge and experience in the areas of
733 Energy and Utility companies, regulated utilities, and
734 infrastructure. He also helps clients develop organizational
735 strategies to manage regulatory processes and risks, improve
736 project delivery, manage asset life cycles, optimize inventory
737 management, build business cases, develop strategic
738 supplier relationships, and create market surveys.

739 Industry Experience

740 With deep knowledge and experience in capital projects,
741 regulatory requirements, relationship management,
742 inventory management, business case development, and
743 procurement, Matt develops practical solutions and delivers
744 results for his clients. His cross-industry expertise includes
745 regulated utilities including water utilities, oil and gas,
746 transmission and distribution clients, generation, cellular
747 telecommunications, wireless technologies, e-commerce,
748 public sector and legal.

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Contact

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Education

Bachelor of Arts, Economics,
University of Calgary, 2000

Bachelor of Commerce, University of
Calgary, 2000

750 **Project Experience**

Industry	Service Line	Project Description
Gas Distribution	Consulting - Energy and Utilities	<p>Liberty Gas New Brunswick – Regulatory Support – November 2022 to June 2023</p> <p>The MNP Project Team worked with the client to understand their Service Category Costs and perform a three-prong prudency test. Engagement included supporting the MNP Partner who took the stand in the regulatory hearing as an expert witness.</p>
Electricity Transmission	Consulting - Energy and Utilities	<p>AltaLink – Regulatory Support – November 2012 to September 2016</p> <p>Supported client through multiple General Tariff Applications and DACDA proceedings</p> <ul style="list-style-type: none"> • Supported and developed applications and supporting information • Answered intervener Information Requests • Created Excel models to support submissions • Supported witnesses during their panel testimony
Energy and Utilities	Consulting	<p>AESO – Transmission Line Loss Recalculation Audit – August 2020 – January 2021</p> <p>The MNP team performed an audit of the AESO’s recalculation of the line loss settlements for data from 2006 to 2017 following the AUC’s decision to change the calculation methodology.</p>
Regulatory	Consulting	<p>Lac La Ronge Regional Water Corporation – Water Rate Determination – September 2021 – January 2022</p> <p>The MNP team determined the needs of the Regional Water Corporation’s Water Treatment Facility and modelled the rate required from the three groups that use the water, the Town of La Ronge, Lac La Ronge Indian Band, and the Village of Air Ronge. The model informed a report that outlined the options for the LLRRWC to set rates given population growth, optional investments, and various rates of inflation.</p>

Industry	Service Line	Project Description
Oil & Gas Services, Regulatory	Consulting	<p>Pacific Northern Gas Ltd – Facility Relocation Option Assessment – November 2018 to December 2018</p> <p>Prior to submitting an application to the BC Utilities Commission to address its current capacity constraints, position itself for future growth and continue to deliver on its commitment to customers, PNG identified the need for the review of its existing facility within Fort St. John. More specifically, the mandate of the project was to review the existing facility to confirm or disprove its suitability relative to future growth expectations and to conduct a comparative assessment of four (4) potential options available to relocate the PNG offices elsewhere in the Fort St. John area:</p> <ul style="list-style-type: none"> • Purchase of an existing facility; • Lease of an existing facility; • Build-to-suite lease; or • Purchase land and new construction. <p>The options assessment considered the spatial, functional and operational gaps between PNG’s current facility and desired future facility configuration and functionality, driven largely by expected organizational growth and service delivery demand. An objective review of the potential relocation options was completed, a comparative assessment of potential options was prepared and recommendations in relation to the options listed above were made.</p>
Energy and Utilities	Consulting	<p>Iconic Power Systems – CIP Compliance Review – January 2020 – April 2020</p> <p>Worked with a constructor to align to the regulated requirements of Critical Infrastructure Protection. Reviewed the AltaLink assessment results, perform a risk assessment, identify compliance requirements, performed a gap assessment, discussed observations and recommendations with management, and assist with developing a formal compliance management program. MNP was also tasked with identifying opportunities for improvement and to provide prioritized recommendations that incorporate compliance requirements as well as industry-accepted practices and standards.</p>
Electricity Transmission	Consulting - Energy and Utilities	<p>AltaLink – EPC Competitive Procurement Process– April 2011 to November 2012</p> <p>Administered a competitive procurement for EPC services for a regulated transmission utility. The estimated value of procurement of \$2 billion. Incumbent EPC was an inter-affiliate and proponent in the process.</p> <ul style="list-style-type: none"> • Developed RFQ and RFP documents and supporting documentation for regulatory defence • Created vendor evaluation documentation • Acted as the main point of contact for vendors • Conducted vendor selection workshops • On negotiation team for agreements • Developed construction risk/reward models to align incentives

Industry	Service Line	Project Description
Electricity Transmission	Consulting - Energy and Utilities	<p>AltaLink – Relationship Agreement Management – May 2012 to September 2016</p> <p>Worked with client and EPC contractors to roll out and administer new Relationship Agreements.</p> <ul style="list-style-type: none"> Managed and participated in development of procedures manuals incorporating best practices of industry and both successful EPCs Created and delivered training presentations to Project Delivery Teams on how changes would affect their work Facilitated minor disputes and administered the dispute resolution mechanism in the Relationship Agreements.
Electricity Transmission	Consulting - Energy and Utilities	<p>AltaLink – Modular Substation Competitive Procurement – May 2015 to September 2016</p> <p>Managed process to find a qualified manufacturer for a specialized Substation</p> <ul style="list-style-type: none"> Developed RFP Hosted vendor meetings Managed evaluation team through vendor site visits Developed evaluation materials Negotiated exceptions with vendor
Construction, Electricity	Consulting	<p>ENMAX – Change Management and Training – September 2021 – December 2021</p> <p>The MNP team worked closely with safety personnel and construction execution teams to clarify and roll out updated safety definitions to field crews. The approach involved train the trainer and check ins to ensure consistent understanding.</p>
Procurement	Consulting	<p>Canadian Energy Centre – Procurement Support – July 2021 – November 2021</p> <p>MNP worked with the client to develop and refine the scope of services required for Marketing Services, developed the procurement documents including the RFP, the Response Guidelines, and the Conflict of Interest Process, built the evaluation documents, hosted the evaluators debrief meeting and the shortlist meeting. MNP also guided the negotiations between CEC and the successful proponent, leading to a signed contract and a successful relationship.</p>
Procurement	Consulting	<p>Saskatchewan WCB – Procurement Assessment and Support – September 2021 – June 2022</p> <p>The MNP team conducted a review of procurement practice at Saskatchewan WCB to develop a set of recommendations for the structure of the group and the requirements of a procurement policy. In parallel, MNP supported ongoing procurements to ensure alignments to trade agreements and procurement law. MNP assisted in the development of templates and policies that were then implemented at the organization.</p>

Industry	Service Line	Project Description
Procurement	Consulting	<p>City of Medicine Hat – Negotiation Support – October 2020 – February 2021</p> <p>The MNP team worked with the City’s Director of Community Development to determine the needs and develop a negotiation framework to develop a contract with a new provider of Senior’s Services for the City. The team developed performance metrics, identified risks to be managed, and appropriately allocated responsibilities between the parties through several negotiation sessions. The result was a partnership framework that led to a smooth transfer of responsibilities and a relationship built on trust.</p>
Data Analytics	Consulting	<p>Utility Network Partners – Industrial Data Analytics Development – February 2021 – June 2021</p> <p>The MNP team worked with the client to analyze the data available within their systems and determine the best opportunities for a data analytics dashboard for their industrial electricity clients.</p>
Asset Management	Consulting	<p>Kehewin Cree Nation – Asset Management Capacity Building and Roadmap – January 2021 – June 2021</p> <p>The MNP team hosted an Asset Management Workshop to introduce the concepts of Asset Management. Then MNP assessed the current state of asset management in the Nation and developed several recommendations to implement an Asset Management Program. Future phases will assist the Nation with the roll out.</p>
Asset Management	Consulting	<p>City of Medicine Hat – Service Level Definition Review and Development – October 2020 – February 2021</p> <p>The MNP team performed a review of the tasks and cost structure of the Parks and Recreation and Municipal Works Divisions at the City of Medicine Hat. The team developed current state service levels, and cost models, identified opportunities for changes to service levels, and future state cost analyses of these service levels. MNP developed a process to repeat the service level development process across departments internally at the City.</p>
Public Sector	Consulting	<p>Ministry of Community and Social Services – Homeless Shelter COVID Response Review – June 2020 – August 2020</p> <p>Developed a report to review the provincial response for homeless sheltering to COVID-19 and provide recommendations for the upcoming winter through conducting stakeholder workshops, analyzing financial reports, building a forecast for occupancy and modelling the costs of shelter models.</p>
Public Sector	Consulting	<p>SaskBuilds – BuySask Program Review – May 2020 – June 2020</p> <p>Assessed the current policies and procedures, gathered and analyzed data on purchasing, and provided recommendations to improve the evaluation criteria and processes.</p>

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Public Sector	Consulting	<p>Alberta Building Owners and Managers Association – COVID-19 Response Engagement – April 2020 – May 2020</p> <p>Created a discussion guide and facilitated a working group discussion with the goal to prepare a letter to the Government of Alberta to ask for financial assistance to provide rent relief for tenants.</p>
Energy and Utilities	Audit	<p>TransMountain – Construction Subcontractor Audit – November 2018 – April 2019</p> <p>MNP conducted a review of Transmountain Subcontractor Expenses. Matt was a Subject Matter Expert and reviewed contracts to gain an understanding of the terms around allowable expenses and billing rates.</p>
Energy and Utilities	Consulting	<p>Hydro Ottawa – Procurement Assessment– November 2018 – August 2019</p> <p>MNP interviewed stakeholders of the Procurement Department at Hydro Ottawa to understand the difficulties facing the organization. MNP also reviewed policies and procedures, historical data, and discussed day to day responsibilities with procurement staff.</p> <p>MNP delivered a PowerPoint report that outlined the findings and provided recommendations for the client to address the findings.</p>
Energy and Utilities	Consulting	<p>ENMAX Power Corporation – Inventory Management and Project Delivery Assessment – October 2019 – January 2020</p> <p>MNP conducted interviews with project delivery teams regarding end to end project planning, design, materials ordering, materials issuing, material returns, disposal, and inventory management. Deliverables included end to end process diagrams, improvement opportunities, material criticality analysis, and assessment presentations to executive leadership.</p>
Energy and Utilities	Consulting	<p>First Nation – APL Valuation and Risk Assessment – June 2020</p> <p>MNP conducted an opportunity valuation, contract risk assessment, and an opportunity recommendation on an investment opportunity for an Alberta First Nation on an operating P3 Transmission Line.</p>
Oil & Gas Services	Consulting	<p>Control Tech Purchasing Process Review and Assessment– November 2018 – August 2019</p> <p>MNP conducted interviews, examined policies and procedures, and observed to determine how the client planned and executed its materials purchasing. Deliverables included process diagrams, improvement opportunities, and a criticality analysis of current inventory levels.</p>

Industry	Service Line	Project Description
Energy and Utilities	Consulting	<p>FNPA – 2019 Business Plan Update and Political Outlook – November 2018 – August 2019</p> <p>MNP was engaged by the First Nations Power Authority to update their Business Plan, which was necessary for their grants. The Business Plan included a political outlook for Alberta in the run up to the 2019 Election, a survey of the First Nations in Alberta regarding the opportunities for Electricity projects, and a refresh of their forward looking financial outlook.</p>
Electricity Distribution	Consulting - Energy and Utilities	<p>ENMAX – Construction Services Relationship RFP – May 2017 to August 2018</p> <p>Developed a competitive procurement for distribution construction services for a regulated distribution utility. The estimated value of procurement over \$60 million per year. The incumbent construction provider was an interaffiliate and proponent in the process. The procurement process was publicly posted and governed by trade agreements due to the utility being owned by a municipality.</p> <ul style="list-style-type: none"> • Developed RFQ and RFP documents • Worked with client to develop Construction Services and Relationship Agreement • Developed governance model and reporting requirements for RFP • Developed a work assignment model for multiple constructors that rewarded low pricing and effective project delivery • Created vendor evaluation documentation • Conducted vendor selection workshops
Electricity Generation	Consulting - Energy and Utilities	<p>TransAlta – Gas Turbine Parts Strategy – March 2004 to August 2006</p> <p>Assisted a large Alberta power generation company to select multiple companies for long term gas turbine high value parts maintenance alliances and negotiate contracts for these alliances.</p> <ul style="list-style-type: none"> • Created vendor evaluation and cost forecast models • Conducted vendor selection workshops and negotiations • Developed performance management models to track metrics and drive performance improvement • Negotiated risk/reward agreements • Developed risk/reward models to drive performance improvement • Worked with client to build and manage relationships with suppliers

Industry	Service Line	Project Description
Electricity Generation	Consulting - Energy and Utilities	<p>TransAlta – Steam Turbine Sourcing Strategy – December 2004 to August 2006</p> <p>Assisted a large Alberta power generation company to select multiple companies for long term steam turbine maintenance alliances and negotiate contracts for these alliances. Created vendor evaluation and cost forecast models</p> <ul style="list-style-type: none"> • Created vendor evaluation and cost forecast models • Researched turbine cost histories • Interviewed plant staff to determine requirements for a long-term agreement • Created Request for Information to send to vendors • Conducted vendor selection workshops and negotiations
Electricity Generation	Consulting - Energy and Utilities	<p>TransAlta – Parts Tracking Sourcing and Implementation – December 2004 to May 2005</p> <p>Assisted a large Alberta power generation company to select and implement parts tracking systems for long life noble parts.</p> <ul style="list-style-type: none"> • Gathered and defined requirements • Compared features of off the shelf software packages • Facilitated application selection • Application testing and training • Tested applications • Trained clients on the use of applications
Electricity Transmission and Distribution	Consulting – Energy and Utilities, Telecom	<p>Hydro One – Mobile Strategy Assessment – December 2007 to March 2008</p> <p>Worked with staff at Hydro One to assess their use of mobile devices and create a roadmap for the adoption of new technology and better wireless access to be more efficient and increase safety through connectivity in remote areas.</p> <ul style="list-style-type: none"> • Conducted interviews and ride-alongs with field staff to observe their day to day tasks and how technology works for them • Researched latest mobile devices and network access points for ruggedness and applicability • Created gap analysis and roadmap for the client
Oil and Gas	Consulting - Energy and Utilities	<p>EnCana – Tibco Systems Integration – February 2003 to March 2004</p> <p>Assisted with the development of a pilot integration project for a large Canadian oil and gas company. Was a key member of the team as a business analyst.</p> <ul style="list-style-type: none"> • Gathered and defined requirements • Managed project scope • Acted as System Admin during development • Managed client relations

Industry	Service Line	Project Description
eCommerce	Consulting – Internet Services	<p>VeriSign – Marketing Strategy – September 2009 to November 2009</p> <p>Researched potential partner and acquisition targets to create one slide profiles of their business models. Also analyzed Internet traffic data to understand online market dynamics.</p> <ul style="list-style-type: none"> • Researched acquisition target • Manipulated Excel data • Analyzed very large amounts of data
Wireless Telecom	Consulting - Telecom	<p>Sprint – Advanced Wireless Solution Sales Team – October 2006 to August 2007</p> <p>Developed Solution Model Pricing for a Mobility Solutions Sales Team and performed pricing duties.</p> <ul style="list-style-type: none"> • Acted as an intermediary between multiple functional groups including the solution architects, operations, finance, and partnership managers • Created strategic pricing for all solutions • Created Statement of Work responses
Wireless Telecom	Consulting - Telecom	<p>NorthWestTel – People, Process, and Network Assessment – March 2010 to April 2010</p> <p>Evaluated the current state of the client’s people, processes and network as they compare to the current best practices and required skill sets in the telecom industry.</p> <ul style="list-style-type: none"> • Conducted over 15 interviews in three-week period with employees, managers, and executives to understand their roles • Researched current best practices of the telecom industry • Performed gap analysis between current state and best practices • Developed actionable recommendations
Wireless Telecom	Consulting - Telecom	<p>USIC – Wireless Industry Overview – October 2010 to December 2010</p> <p>Developed an end to end overview of the wireless network ecosystem for an organization looking for opportunities to enter the wireless market as a services provider to network operators.</p> <ul style="list-style-type: none"> • Researched and created competitive company profiles • Conducted interviews with subject matter experts about their knowledge of the wireless ecosystem • Evaluated opportunities for market entry for the client • Assisted on capex and opex spend forecasting model for telecom industry

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Organization	Title	Timeframe (MM/YY – MM/YY)	Role Description
Self Employed	President/ Consultant	April/11-Aug/18	Consulting at transmission and distribution companies
Ericsson inCode	Sr. Consultant	Jan/03-Feb/11	Consulting on numerous projects focusing on energy and utilities, telecom, and other industries.
eBiz-Intellect	Owner/Consultant	July/00-Jan/03	<ul style="list-style-type: none"> • Worked with teams on various IT research projects including expert witness reports (copyright, requirements fulfillment) and code reviews involving large, international companies • Developed web systems using Macromedia's ColdFusion Markup Language, HTML, SQL, and JavaScript. Designed relational and object-oriented databases
University of Calgary	Instructor	Sept/01-April/02	<ul style="list-style-type: none"> • Managed curriculum, assignments, and exams for a 500 level course in the Faculty of Management entitled Introduction to e-Commerce • Marked complicated web application assignments, essays, and exams • Material included languages such as HTML, ColdFusion, Javascript, Graphics in Macromedia's Fireworks, Database Design, and how to strategically employ these tools in an e-Commerce environment

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