

- 1 **Q. Please confirm that Enbridge like TC Energy is primarily a pipeline and is not a**  
2 **utility regulated on a cost of service basis like NP. Please confirm that in its 1994**  
3 **decision that set common equity ratios the National Energy Board allowed the**  
4 **mainline gas transmission utilities a 30% common equity ratio and the oil pipelines,**  
5 **like Enbridge 45%, due to their higher business risk.**  
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- 7 A. While Enbridge derives a large percentage of its revenues and operating income from  
8 pipeline operations, it also operates a large gas distribution company that serves more  
9 than 3.7 million customers in Ontario. Mr. Coyne acknowledges that the pipeline  
10 operations of Enbridge generally have higher business risk than a regulated distribution  
11 utility. Enbridge Inc. is not included in Mr. Coyne's North American Electric proxy  
12 group, which is the group he has relied on to support his recommendation for  
13 Newfoundland Power, and which has an average ROE estimate of 10.0%.