

MARKET GROWTH

1. The customer additions forecast for the area supplied by the GTA Project (herein referred to as the “GTA Project Influence Area”, or “Influence Area”) indicates that capacity demands will continue to increase over the period from 2015 to 2025 due to an increased number of customers.

2. The customer additions forecast was developed using information sources and factors as follows:
 - Information from direct contacts with builders, developers, and municipalities regarding on-the-ground realities, such as the ongoing development projects;
 - Housing starts forecasts, as available from reliable third-party data sources;
 - Development projections, sourced from external consultants; and,
 - Economic factors, such as Gross Domestic Product (“GDP”) growth, employment, and mortgage rates.

3. The forecast provides customer growth within the Influence Area for four customer sectors including residential, apartment, commercial, and industrial and covers the period from 2015 to 2025. The forecast is summarized below.

Influence Area

4. A review of the distribution system was completed to determine the areas of the Enbridge distribution network where growth had a direct impact on the pressures at the current point of minimum system pressure, located at Station B. The municipalities identified within this area include Scarborough, North York, Toronto, Etobicoke, Brampton, Mississauga, Markham, Richmond Hill, and Vaughan. The GTA Project Influence Area is represented by the shaded portion in Figure 1 below.

Figure 1: Map of the GTA Project Influence Area



5. For the purposes of network analysis, the GTA Project Influence Area was sub-divided into 152 smaller geographic areas upon which the customer growth was added to the network models. This allows more specific point loads to be added to the distribution system to better reflect where gas is consumed. This ultimately allows Enbridge to forecast the anticipated pressures at various points in the network and to optimize reinforcement options and ensure reliable delivery.

Customer Additions Forecast

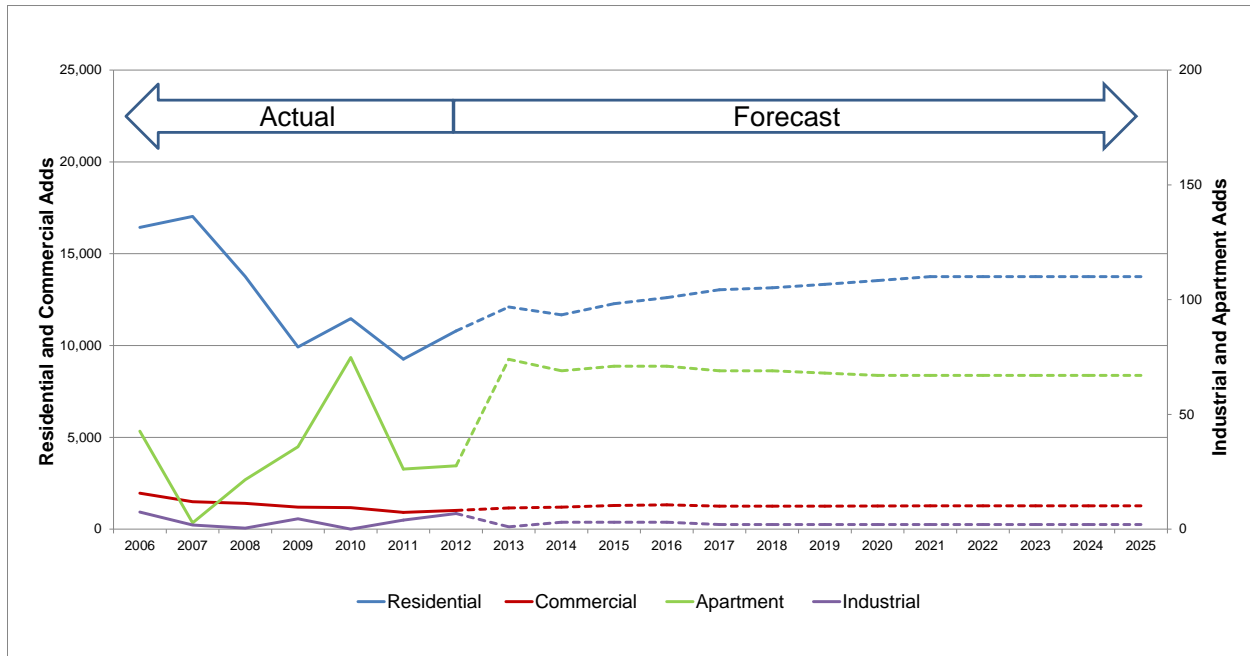
6. The customer additions forecast is summarized in Table 1. During the period from 2015 to 2025, 161,423 total customers are projected to be added to the system

supplied in the GTA Project Influence Area. The forecast is shown in conjunction with six years of historical customer additions (2006-2011) in Figure 2. Figure 2 also includes the forecast for 2012 to 2014; however, these three years are not included in the economics of this application.

Table 1: Incremental Customer Additions by Sector in the GTA
Project Influence Area (2015 – 2025)

Year	Residential	Commercial	Apartment	Industrial	Total
2015	12,277	1,291	71	3	13,642
2016	12,607	1,327	71	3	14,008
2017	13,034	1,250	69	2	14,355
2018	13,148	1,253	69	2	14,472
2019	13,331	1,250	68	2	14,651
2020	13,535	1,261	67	2	14,865
2021	13,748	1,269	67	2	15,086
2022	13,748	1,269	67	2	15,086
2023	13,748	1,269	67	2	15,086
2024	13,748	1,269	67	2	15,086
2025	13,748	1,269	67	2	15,086
2015-2025	146,672	13,977	750	24	161,423

Figure 2¹: Historical and forecast customer growth for the GTA Project Influence Area (by sector)



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7. The residential sector constitutes the vast majority of total customer additions and follows the trends in housing starts. Housing starts are driven by various factors including GDP growth, employment, immigration, and mortgage rate expectations. Consensus forecasts for Ontario were used to project the underlying economic trends. The global recession in 2008 and 2009 caused a sharp drop in residential customer additions followed by a gradual recovery. Housing starts are expected to remain buoyed by the steady pace of employment and economic growth in Ontario. However, housing formation is expected to moderate as demographics shift. While the GTA will continue to experience strong population growth, mostly from immigration, labour-force growth will be slower as a significant portion of the working age population will retire. As a result, the demand for new housing will flatten out in

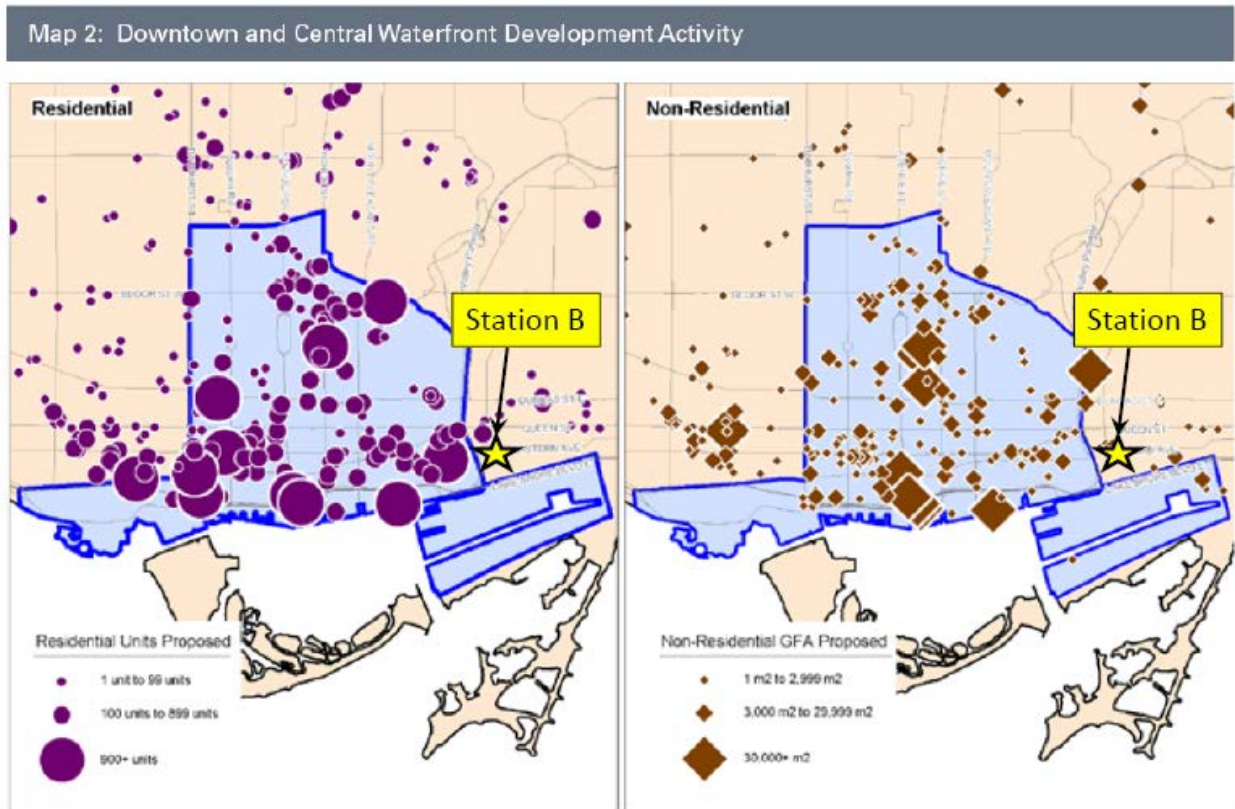
¹ The residential and commercial attachments are on the left axis and the industrial and apartment attachments are scaled on the right axis.

the longer term. Relatively positive economic trends in the forecast period will continue to attract investments in the commercial and industrial sectors in the long term although at a slower pace.

8. A recent bulletin, issued by the City of Toronto in October 2012, summarizes information from the City Planning Division on residential and non-residential growth. The bulletin notes that the downtown and waterfront areas are forecast to experience the strongest residential and non-residential growth at 45% and 31%, respectively², of the total growth in the city. Figure 3 represents this growth in the downtown and waterfront areas in Toronto. Residential growth (residential, apartment) is represented on the left and non-residential growth (mainly commercial) is represented on the right. This figure is intended to demonstrate the growth in the area, which is in close proximity and directly fed from Station B, the location of minimum system pressures.

² This is based on development proposals received by the City of Toronto between January 1, 2007 and December 31, 2011, but not yet built. Information was retrieved from "Profile Toronto", October 2012 Issue.

Figure 3³: Development projects received by the City of Toronto
(2007 to 2011, yet to be built)



Development Projects Received between January 1, 2007 - December 31, 2011



Source: Land Use Information System II

Toronto City Planning, Research and Information - September 2012



Load Growth

9. Pipelines and facilities are sized based on the forecasted total peak hourly consumption, which is calculated from the customer additions forecast and the peak hourly consumption estimate. For each municipality identified in the Influence Area, the peak hourly consumption estimate was calculated for each customer type based

³ "Profile Toronto", October 2012 Issue. The location of Station B is overlaid on the figure.

on the five years of historical peak hour consumption. The data was regressed with temperature information to determine peak hourly gas consumption at a 41 DD. A reduction factor was then applied to account for efficiency gains through Demand Side Management (“DSM”) and customer losses through building demolition. Large volume customers, such as power plants, are evaluated on an individual basis to determine replacement capacity requirements and therefore excluded from the customer additions forecast. The calculated peak hourly consumption value for each customer sector for each municipality was applied to customer additions forecast.

10. The total forecast peak day demand, shown in Table 3, is the incremental load growth plus the load required by the existing customer base. Gas demand and supply is further described in Exhibit A, Tab 3, Schedule 5.

Table 3: Total forecast peak day demand for the Project Area (2015 to 2025)

Year	Peak Day Demand	
	10 ³ m ³ /hour	TJ/day
2015	3093	2443
2016	3117	2462
2017	3141	2480
2018	3165	2499
2019	3189	2518
2020	3213	2536
2021	3237	2555
2022	3261	2574
2023	3285	2593
2024	3309	2612
2025	3333	2631