

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO
BOARD STAFF INTERROGATORY #11

INTERROGATORY

Issue: A-2

Do the proposed facilities meet the Board's economic tests as outlined in the Filing Guidelines on the Economic Tests for Transmission Pipeline Applications, dated February 21, 2013 and E.B.O. 188 as applicable?

REF: EB-2012-0451, Exhibit A, Tab 3, Schedule 5, Page 21 of 26, Expected Gas Supply Benefits Update

Preamble

The evidence states that the TCPL tolls used in the gas supply benefits calculations are based on TCPL's Restructuring Proposal as filed by TCPL on June 29, 2012 in the NEB RH-003-2011 proceeding.

Questions

- a) To what extent would the gas supply benefits change if the NEB's March 27, 2013 Decision on Tolls in proceeding RH-003-2011 is used? Please provide a rerun gas supply benefits model, with a summary of the relevant results, using the NEB's Mainline tolls Decision. Please summarize the differences.

RESPONSE

Please note that on May 15, 2013, the Company filed an update to the expected gas supply benefits associated with the GTA Project. This update can be found at Exhibit A, Tab 3, Schedule 5. This update included the tolls associated with the TransCanada Review and Variance Application and updated contracting assumptions which now assume long haul firm transportation and peaking supplies are displaced by short haul firm transportation. The rationale for this change is provided in the update to Exhibit A, Tab 3, Schedule 5, pages 21 to 30.

The tolls contained in TransCanada's Compliance Filing with the National Energy Board are the tolls associated with the NEB Decision in RH-003-2011. The expected gas supply benefits are \$1,465 million from 2015 to 2025 when the tolls from TransCanada's

Witness: J. Denomy

Compliance Filing are used. As shown in Exhibit A, Tab 3, Schedule 5, page 30, the expected gas supply benefits are \$1,632 million from 2015 to 2025 when tolls from TransCanada's Review and Variance Application are used. The expected gas supply benefits are lower when using the tolls contained in TransCanada Compliance filing because the reduction in long haul tolls is greater than the reduction in short haul tolls.

The Union Parkway Belt to Bram West CDA toll and the Niagara Falls to Enbridge Parkway CDA toll are not provided in TransCanada's Compliance Filing or in TransCanada's Review and Variance Application. The tolls for these two paths were derived by TransCanada utilizing the system average unit costs from each of the aforementioned filings and the distance associated with each path.

The table below provides tolls from TransCanada's Compliance Filing and Review and Variance Application.

Path	Review & Variance Application Tolls	Compliance Filing Tolls	Difference
Empress-EGD CDA	1.677	1.566	0.112
Union Dawn-EGD CDA	0.252	0.236	0.016
Union Parkway Belt-Bram West CDA	0.093	0.088	0.005
Niagara Falls-Enbridge Parkway CDA	0.164	0.153	0.011

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