

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO  
CONSUMERS COUNCIL OF CANADA INTERROGATORY #10

INTERROGATORY

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?

Commodity Price Assumptions

Issue: A.2-CCC-10

Reference: A/T3/S5/Attachment

- a) In the updated filing (May 15) Enbridge has changed the Fuel Ratio Assumptions, using the most recent 12 months. Similarly changes were made to the commodity price assumptions in the updated evidence. Please provide a sensitivity analysis using Table A4 and showing the updated Fuel Ratio and Commodity prices under the original STFP and DP transportation assumptions provided in the original filing.

RESPONSE

Please see the table below. This table is a revised version of Table A4 contained in the May 15, 2013 update. The table below shows what the expected gas supply benefits would be if the commodity, foreign exchange, and fuel ratio assumptions underpinning the expected gas supply benefits calculations in the April 15, 2013 update were utilized. The commodity price and foreign exchange assumptions reflect forward curves as at October 12, 2012. The fuel ratio assumptions are actual TransCanada fuel ratios from December 2011 to November 2012 and Union Gas fuel ratios are those per the M12 rate schedule effective October 1, 2012. All other assumptions contained in the table remain consistent with those filed in the May 15, 2013 update. Under this set of assumptions, the expected gas supply benefits for system gas customers are approximately \$979 million over the 2015 to 2025 timeframe. Expected gas supply savings for Direct Purchase customers are approximately \$644 million over the 2015 to

2025 timeframe. Overall, under the scenario presented in this response the expected gas supply savings over the 2015 to 2025 timeframe would be approximately \$1,624 million rather than \$1,632 million as filed in the May 15, 2013 update.

In responding to this interrogatory, the Company realized there was a typo in the May 15, 2013 update of Exhibit A, Tab 3, Schedule 5 at page 29, paragraph 63. The figure \$955 million in the first sentence of this paragraph should read \$995 million.

|  | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 2024    | 2025    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Increased Firm Transportation Scenario</b>                    |         |         |         |         |         |         |         |         |         |         |         |
| Service Path   |         |         |         |         |         |         |         |         |         |         |         |
| TCPL FT - EGD  |         | 180.8   | 180.3   | 180.3   | 180.3   | 180.8   | 180.3   | 180.3   | 180.3   | 180.8   | 180.3   |
| Empress-EGD CDA  | 30.1    | 9.3     | 9.9     | 10.0    | 10.2    | 10.3    | 10.4    | 10.5    | 10.7    | 10.8    | 10.9    |
| Contract Demand  | 294,494 | 449.2   | 476.0   | 483.7   | 490.6   | 498.4   | 503.6   | 509.6   | 515.8   | 522.2   | 525.2   |
| Total Cost   | 105.6   | 639.3   | 666.2   | 674.0   | 681.0   | 689.5   | 694.3   | 700.5   | 706.8   | 713.9   | 716.4   |
| Service Path   |         |         |         |         |         |         |         |         |         |         |         |
| Peaking Supplies -EGD  | 0.1     | 0.9     | 0.9     | 0.9     | 0.9     | 0.9     | 0.9     | 0.9     | 0.9     | 0.9     | 0.9     |
| Empress-EGD CDA  | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Contract Demand  | 105,506 | 5.9     | 6.1     | 6.0     | 6.1     | 6.1     | 6.2     | 6.3     | 6.3     | 6.4     | 6.4     |
| Total Cost   | 0.1     | 6.8     | 7.0     | 7.0     | 7.0     | 7.1     | 7.1     | 7.2     | 7.3     | 7.3     | 7.3     |
| Service Path   |         |         |         |         |         |         |         |         |         |         |         |
| TCPL FT - Direct Purchase  | 16.8    | 100.8   | 100.5   | 100.5   | 100.5   | 100.8   | 100.5   | 100.5   | 100.5   | 100.8   | 100.5   |
| Empress-EGD CDA, Dawn-EGD CDA                                    | 1.2     | 5.1     | 5.4     | 5.5     | 5.6     | 5.7     | 5.7     | 5.8     | 5.9     | 6.0     | 6.0     |
| Contract Demand  | 200,000 | 311.6   | 328.8   | 336.3   | 340.3   | 346.1   | 349.5   | 353.7   | 357.8   | 361.7   | 363.7   |
| Total Cost   | 69.0    | 417.5   | 434.7   | 442.3   | 446.4   | 452.5   | 455.7   | 460.0   | 464.2   | 468.4   | 470.2   |
| A-Total Cost   | 174.7   | 1,063.7 | 1,107.9 | 1,123.3 | 1,134.4 | 1,149.2 | 1,157.2 | 1,167.6 | 1,178.2 | 1,188.6 | 1,193.9 |
| <b>Expected Contracting With GTA Project Facilities Approved</b> |         |         |         |         |         |         |         |         |         |         |         |
| Service Path   |         |         |         |         |         |         |         |         |         |         |         |
| Union M12 - EGD  | 1.1     | 6.7     | 6.6     | 6.6     | 6.6     | 6.7     | 6.6     | 6.6     | 6.6     | 6.7     | 6.6     |
| Dawn-Parkway   | 0.2     | 1.1     | 1.2     | 1.2     | 1.2     | 1.3     | 1.3     | 1.3     | 1.3     | 1.3     | 1.3     |
| Contract Demand  | 200,000 | 163.9   | 170.2   | 178.2   | 178.9   | 182.5   | 184.0   | 186.1   | 188.1   | 189.1   | 190.0   |
| Total Cost   | 27.7    | 171.7   | 178.0   | 186.1   | 186.8   | 190.4   | 192.0   | 194.0   | 196.1   | 197.1   | 198.0   |
| Service Path   |         |         |         |         |         |         |         |         |         |         |         |
| TCPL FT - EGD  | 2.0     | 12.0    | 12.0    | 12.0    | 12.0    | 12.0    | 12.0    | 12.0    | 12.0    | 12.0    | 12.0    |
| Niagara Falls Embridge Parkway CDA                               | 0.1     | 0.4     | 0.4     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     | 0.5     |
| Contract Demand  | 200,000 | 343.6   | 357.1   | 369.7   | 371.7   | 378.6   | 381.7   | 385.9   | 390.0   | 394.5   | 396.4   |
| Total Cost   | 59.4    | 356.1   | 369.5   | 382.2   | 384.2   | 391.1   | 394.2   | 398.4   | 402.5   | 407.0   | 408.9   |
| Service Path   |         |         |         |         |         |         |         |         |         |         |         |
| Union M12 - Direct Purchase                                      | 1.1     | 6.7     | 6.6     | 6.6     | 6.6     | 6.7     | 6.6     | 6.6     | 6.6     | 6.7     | 6.6     |
| Dawn-Parkway   | 0.5     | 2.3     | 2.4     | 2.5     | 2.5     | 2.5     | 2.5     | 2.6     | 2.6     | 2.6     | 2.6     |
| Contract Demand  | 200,000 | 55.8    | 336.2   | 343.3   | 346.7   | 374.6   | 377.7   | 381.9   | 386.1   | 388.1   | 390.0   |
| Total Cost   | 57.4    | 345.1   | 358.3   | 374.8   | 376.3   | 383.8   | 386.9   | 391.1   | 395.3   | 397.3   | 399.2   |
| Service Path   |         |         |         |         |         |         |         |         |         |         |         |
| TCPL FT - EGD & Direct Purchase                                  | 4.5     | 27.2    | 27.2    | 27.2    | 27.2    | 27.2    | 27.2    | 27.2    | 27.2    | 27.2    | 27.2    |
| Parkway to Bram West CDA   | 0.1     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     | 0.3     |
| Contract Demand  | 800,000 | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     | 0.0     |
| Total Cost   | 4.6     | 27.5    | 27.4    | 27.5    | 27.5    | 27.5    | 27.5    | 27.5    | 27.5    | 27.6    | 27.5    |
| B-Total Cost   | 149.1   | 900.4   | 933.3   | 970.6   | 974.7   | 992.9   | 1,000.4 | 1,011.0 | 1,021.3 | 1,028.9 | 1,033.6 |
| Savings (A-B)  | 25.7    | 163.3   | 174.7   | 152.7   | 159.7   | 156.3   | 156.7   | 156.6   | 156.9   | 160.7   | 160.3   |