

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO  
BOARD STAFF INTERROGATORY #14

INTERROGATORY

Issue: A-3

*Are the costs of the facilities and the rate impacts to customers appropriate?*

REF: EB-2012-0451, Exhibit E, Tab 1, Schedule 1, Page 3 of 9

Preamble

This section speaks specifically to Enbridge's Exhibit E on Project Benefits and Economics.

Questions

- a) Please run the Economic Feasibility model under the assumption that there are no transportation savings – i.e. that the transportation costs remain the same over the DCF period as they are today.
- b) Please run the Economic Feasibility model under the assumption that the transportation savings are only one-half the amount assumed in the Base case DCF.
- c) Please run the Economic Feasibility model under the assumption that the NEB's toll decision RH-003-2011 is implemented as in the NEB's March 27, 2013 Decision.
- d) Please run the Economic Feasibility under the assumption that the Shared Pipeline arrangement with TCPL does not proceed.
- e) Please display a summary of the results above relative to the Base Case (i.e. the applied-for DCF).

Witnesses: S. Murray  
J. Denomy

**RESPONSE**

As discussed in the response to Board Staff Interrogatory #48 at Exhibit I.D5. EGD.Staff.48, the 36" shared use option with TransCanada is the base case assumption for the GTA Project<sup>1</sup>. Included in I.D5.EGD.Staff.48 is a summary of key metrics including the feasibility of all three options (36" shared, 42" shared, and 36" sole use). The latter addresses part (d) above.

Please see table below for a range of sensitivities of realized Transportation Savings.

(\$ Millions)	Base Case	Transportation Savings Sensitivity				
		100%	75%	50%	25%	0%
GTA pipeline Capital	\$554.6	\$554.6	\$554.6	\$554.6	\$554.6	\$554.6
Total transportation savings	\$1,632.0	\$1,632.0	\$1,224.0	\$816.0	\$408.0	\$0.0
Total transportation service charge	\$277.6	\$277.6	\$277.6	\$277.6	\$277.6	\$277.6
<b><u>Summary of Results:</u></b>						
Net Present Value (40 years)	\$633.6	\$633.6	\$432.2	\$230.9	\$29.6	(\$171.8)
Profitability Index (40 years)	1.77	1.77	1.53	1.28	1.04	0.79

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<sup>1</sup> The Base Case also includes updated assumptions in relation to TransCanada's May 1, 2013 Compliance Filing and Review and Variance Application resulting from the NEB's March 27, 2013 Decision in RH-003-2011. The corresponding update to the pre-filed evidence was filed with the Board on May 15, 2013 in Update No. 3 at Exhibit A, Tab 3, Schedule 5, starting at page 21.

Witnesses: S. Murray  
 J. Denomy