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EGD to provide impacts and amounts of LCU on M12 rates on an annual basis.

RESPONSE

According to the toll impact information filed by Union Gas at EB-2013-0074, Schedule 10-6, page 1, the impact of Parkway West (the LCU) on the annual cost of Enbridge's existing contracts on the Union system equates to an increase of approximately \$8.5 million per year.

With the GTA Project facilities in place Enbridge will contract for an additional 400,000 GJ/d of M12 service. Based on the toll impact information referenced above the annual cost of this new contract on the Union system would increase by approximately \$1.5 million per year.

The total annual impact on Enbridge's contracts with Union resulting from Parkway West is approximately \$9.9 million per year with the GTA Project facilities in service.

Enbridge has included the impact of Parkway West, Parkway D and Brantford to Kirkwall in the calculation of the expected gas supply benefits attributable to the GTA Project. However, Enbridge has not included the impact of Union's proposed facilities on the entirety of its portfolio of contracts with Union. Enbridge notes that while the economic feasibility of the project is positive, the primary benefits of flexibility, reliability and diversity have not been monetized in the feasibility calculations for the GTA Project. While the \$8.5 million impact on existing contracts from the protection offered by Parkway West has not been included, nor have the potential consequences of the loss of the existing Parkway Station in the form of loss of supply.

Witness: J. Denomy