

UNDERTAKING J9.9

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TR 9, page 159

EGD to update sensitivity analysis with 25 per cent PI.

RESPONSE

For clarity, this request is a sensitivity scenario assuming total capital costs for the GTA project upfront capital<sup>1</sup> exceeds the forecasted costs by 25%. The original sensitivity table has been replicated and the additional scenario has been appended as Column #8 in the table below.

Note, Column #7 was a scenario with a 10% increase in capital costs for all capital amounts in the economic feasibility, including capital amounts such as Future Reinforcements, Service and Capital Maintenance costs. As described in Exhibit E, Tab 1, Schedule 1, the Company is not seeking approval for these costs with this application. It has incorporated these costs into the analysis for completeness since these customers will be supported by the proposed GTA Project.

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<sup>1</sup> Upfront capital for the GTA Project is the capital and IDC required for the facilities being proposed in the application, but does not include escalation in order to be consistent with EBO 134 and EBO 188 guidelines.

Witnesses: C. Fernandes  
S. Murray

Economic Sensitivity Results

Column #	1	2	3	4	5	6	7	8
<b>Document Type:</b>	Undertaking	Evidence	Evidence	Evidence	Evidence	Evidence	Evidence	Undertaking
<b>Scenario Description:</b>	Previous Base Case	Current Base Case	Current Base Case with 75% Transportation Savings	Current Base Case with 50% Transportation Savings	Current Base Case with 0% Transportation Services Charges	Current Base Case with No Customer Additions	Current Base Case with 10% Increase in Capital Cost	Current Base Case with 25% Increase in GTA Project Capital Cost only
<b>Filed Date:</b>	6/18/2013	42"	7/22/2013	7/22/2013	7/22/2013	7/22/2013	7/22/2013	10/17/2013
<b>Reference:</b>	Ex. JT2.16, Pg 2	Ex. E, Tab 4, Sch. 1	Update No.6 Ex.A, Tab 3, Sch.9	Update No.6 Ex.A, Tab 3, Sch.9	Update No.6 Ex.A, Tab 3, Sch.9	Update No.6 Ex.A, Tab 3, Sch.9	Update No.6 Ex.A, Tab 3, Sch.9	J9.9

**Capital Investment**

<b>Total Upfront Capital</b>	\$554,575,341	\$652,144,124	\$652,144,124	\$652,144,124	\$652,144,124	\$652,144,124	\$717,358,537	\$815,180,155
<b>Future Reinforcement Projects</b>								
2017	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$0	\$23,100,000	\$21,000,000
2018	\$16,400,000	\$16,400,000	\$16,400,000	\$16,400,000	\$16,400,000	\$0	\$18,040,000	\$16,400,000
2019	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000	\$0	\$14,300,000	\$13,000,000
2020	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$0	\$275,000	\$250,000
<b>Capital Maintenance Costs<sup>1</sup></b>	\$5,218,238	\$5,230,240	\$5,230,240	\$5,230,240	\$5,230,240	\$5,230,240	\$5,753,264	\$5,230,240
<b>Services<sup>2</sup></b>	\$379,533,696	\$379,533,696	\$379,533,696	\$379,533,696	\$379,533,696	\$0	\$417,487,066	\$379,533,696
<b>Total Capital</b>	\$989,977,275	\$1,087,558,060	\$1,087,558,060	\$1,087,558,060	\$1,087,558,060	\$657,374,364	\$1,196,313,866	\$1,250,594,091
<b>Total Transportation Savings<sup>3</sup></b>	\$1,465,078,594	\$1,732,650,739	\$866,325,369	\$1,732,650,739	\$1,732,650,739	\$1,732,650,739	\$1,732,650,739	\$1,732,650,739
<b>Total Transportation Services Charge<sup>1,4</sup></b>	\$277,595,905	\$471,256,624	\$471,256,624	\$471,256,624	\$0	\$471,256,624	\$517,377,889	\$585,800,320
<b>Total Distribution Revenues<sup>1</sup></b>	\$4,546,724,222	\$4,546,724,222	\$4,546,724,222	\$4,546,724,222	\$4,546,724,222	\$0	\$4,546,724,222	\$4,546,724,222
<b>Total Customer Additions (2015 - 2024)</b>	146,337	146,337	146,337	146,337	146,337	-	146,337	146,337
<b>Total Volumes (10<sup>3</sup> m<sup>3</sup>)</b>	24,709,032	24,709,032	24,709,032	24,709,032	24,709,032	-	24,709,032	24,709,032

**SUMMARY OF RESULTS**

<b>Net Present Value (40 years)</b>	\$551,186,248	\$667,432,377	\$453,688,742	\$239,945,108	\$909,342,599	\$449,816,391	\$600,770,866	\$569,868,798
<b>Variance to Current Base Case NPV (40 years)</b>			(\$213,743,634)	(\$427,487,268)	(\$158,089,778)	(\$217,615,985)	(\$66,661,511)	(\$97,563,578)
<b>Profitability Index (40 years)</b>	1.67	1.73	1.50	1.26	1.56	1.75	1.60	1.54

**NOTES:**

- <sup>1</sup>Total for the 40-year horizon of analysis.
- <sup>2</sup>Services include the costs for distribution mains, services and meters based on the 2013 capital budget.
- <sup>3</sup>Total transportation savings, considered from 2015 to 2025 only, are equal to expected gas supply benefits and incorporate the total cost of landing gas in the Enbridge franchise area including costs associated with tolls, fuel and commodity procurement (i.e. basis differentials).
- Prepared with TransCanada tolls based on the NEB's Toll Order TG-006-2013 (issued June 11, 2013) which made TransCanada's Compliance Filing tolls final and effective July 1, 2013
- <sup>4</sup>Transportation Services Charges to be received from contracted shippers for transportation from Parkway West to Albion. (Current Base Case)

Witnesses: C. Fernandes  
 S. Murray