

UNDERTAKING JT2.11

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To confirm where gas cost savings are included in board staff 48 in transportation savings and distribution revenues.

RESPONSE

The gas cost savings or expected gas supply benefits resulting from the GTA Project are included in the Line item entitled "Total Transportation Savings" in the response to Board Staff Interrogatory #48 found at Exhibit I.D5.EGD.STAFF.48, Attachment 1, pages 2-5, Line 18.

The expected gas supply benefits compare the total cost of landing natural gas in the Enbridge franchise area from different supply points. Included in this cost comparison are total costs related to tolls, fuel, and commodity procurement. An explanation of the expected gas supply benefits calculation can be found at Exhibit A, Tab 3, Schedule 5, pages 28 to 30. The Attachment to Exhibit A, Tab 3, Schedule 5 contains the assumptions underpinning the expected gas supply benefits calculations.

Please refer to the response to Undertaking JT2.16 for an update to the expected gas supply benefits calculations resulting from the National Energy Board's final decision related to TransCanada's tolls to be implemented on July 1st, 2013.

The Gas Distribution Revenues and Gas Costs as found in response to Board Staff Interrogatory #48 at Exhibit I.D5.EGD.STAFF.48, Attachment 1, pages 2-5, Lines 16 and 19, respectively, exclude commodity. Together, these values represent the forecasted delivery revenue associated with the ten years of customer additions incremental to the project. The distribution rates and gas cost rates that underpin these forecasts are held constant in current year terms for the feasibility calculation. This is consistent with past LTC applications. The rates used were approved at EB-2013-0045.

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