

UNDERTAKING JT2.13

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To run economic sensitivity analysis removing and including the transportation service charge and confirm direct purchase is included.

RESPONSE

Please see the table provided on the following page. The Company has provided: item 12(a)(ii), updated 12(b) to include items (i) through (vi) and provided 12(b) excluding the transportation services charge. In the context of the technical conference discussion, the Company interpreted the request confirming the inclusion of direct purchase as the update of 12(b) to include items (i) through (vi).

Note, the Company held the transportation savings in scenario 12(b) (Col. 9 below), per the description provided in footnote 6. However, this scenario would imply EGD Sole Use of the Shared Pipeline and as such higher transportation savings would be expected.

JT2.15 has also been included in the table below.

Witnesses: J. Denomy
S. Murray

SUMMARY OF INPUTS	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10
	Base Case	A.2-CCC-12(a)(i) 10% increase in Capital	A.2-CCC-12(a)(ii) 10% reduction in Commodity Prices	A.2-CCC-12(a)(iii) 10% reduction in Transp. Savings	A.2-CCC-12(a)(iv) 0.5% reduction in Annual Volumes	A.2-CCC-12(a)(v) Remove Transp. Service Charge after Yr. 15	A.2-CCC-12(a)(vi) April 15 filing transportation assump.	A.2-CCC-12(b) (i) through (vi) (with Transp Services Charge)	A.2-CCC-12(b) (i) through (vi) (without Transp Services Charge)	A.2-CCC-12(b)(v) Remove Transp. Service Charge completely
Capital Investment										
Total Upfront Capital	\$554,575,341	\$610,032,875	\$554,575,341	\$554,575,341	\$554,575,341	\$554,575,341	\$554,575,341	\$610,032,875	\$610,032,875	\$554,575,341
Future Reinforcement Projects										
2017	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$23,100,000	\$23,100,000	\$21,000,000
2018	\$16,400,000	\$16,400,000	\$16,400,000	\$16,400,000	\$16,400,000	\$16,400,000	\$16,400,000	\$18,040,000	\$18,040,000	\$16,400,000
2019	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000	\$14,300,000	\$14,300,000	\$13,000,000
2020	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$275,000	\$275,000	\$250,000
Capital Maintenance Costs¹	\$5,218,238	\$5,218,238	\$5,218,238	\$5,218,238	\$5,218,238	\$5,218,238	\$5,218,238	\$5,740,062	\$5,740,062	\$5,218,238
Services²	\$379,533,696	\$417,487,066	\$379,533,696	\$379,533,696	\$379,533,696	\$379,533,696	\$379,533,696	\$417,487,066	\$417,487,066	\$379,533,696
Total Capital	\$989,977,275	\$1,088,975,003	\$989,977,275	\$989,977,275	\$989,977,275	\$989,977,275	\$989,977,275	\$1,088,975,003	\$1,088,975,003	\$989,977,275
Total Distribution Revenues	\$4,546,724,222	\$4,546,724,222	\$4,546,724,222	\$4,546,724,222	\$4,546,724,222	\$4,546,724,222	\$4,546,724,222	\$4,147,019,522	\$4,147,019,522	\$4,546,724,222
Total Transportation Savings³	\$1,632,014,615	\$1,632,014,615	\$1,702,525,105 ⁵	\$1,468,813,153	\$1,632,014,615	\$1,632,014,615	\$392,136,859	\$1,532,272,595 ⁶	\$1,532,272,595 ⁶	\$1,632,014,615
Total Transportation Services Charge^{4,4}	\$277,595,905	\$304,607,380	\$277,595,905	\$277,595,905	\$277,595,905	\$152,102,980	\$277,595,905	\$304,607,380	\$0	\$0
Total Customer Additions (2015 - 2024)	146,337	146,337	146,337	146,337	146,337	146,337	146,337	146,337	146,337	146,337
Total Volumes (10³ m³)	24,709,032	24,709,032	24,709,032	24,709,032	22,537,605	24,709,032	24,709,032	22,537,605	22,537,605	24,709,032
SUMMARY OF RESULTS										
Net Present Value (40 years)	\$633,574,507	\$568,512,325	\$668,384,094	\$553,041,440	\$592,612,955	\$609,619,381	\$22,547,856	\$478,346,335	\$376,560,441	\$540,868,702
Profitability Index (40 years)	1.77	1.63	1.81	1.67	1.72	1.74	1.03	1.53	1.42	1.66

¹Total for the 40 year horizon of analysis.
²Services include the costs for distribution mains, services and meters based on the 2013 capital budget.
³Total transportation savings 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).
⁴Charges to be paid by TransCanada for use of the Shared Pipeline from Bram West Interconnect to Albion Road Station.
⁵The 10% reduction in commodity prices effectively reduces basis which increases the expected gas supply benefits relative to the base case.
⁶Result of combination of (ii) and (iii) - 10% reduction of transportation savings based on \$1,702.5MM.