

UNDERTAKING JT2.14

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To provide sensitivity analysis for both a combined 42 and 36 inch pipe with same assumptions included in each for comparison purposes.

RESPONSE

Please see the table on the following page.

Note: the Transportation Services Charge for the 42" scenario and 36" scenario is based on TransCanada's share of the Shared Pipeline, at 60% and 50%, respectively.

Witness: S. Murray

SUMMARY OF INPUTS	42" with transportation service charge	36" with transportation service charge	42" without transportation service charge	36" without transportation service charge
<u>Capital Investment</u>				
<u>Total Upfront Capital</u>	\$595,280,523	\$554,575,341	\$595,280,523	\$554,575,341
<u>Future Reinforcement Projects</u>				
2017	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000
2018	\$16,400,000	\$16,400,000	\$16,400,000	\$16,400,000
2019	\$13,000,000	\$13,000,000	\$13,000,000	\$13,000,000
2020	\$250,000	\$250,000	\$250,000	\$250,000
<u>Capital Maintenance Costs</u>¹	\$5,218,238	\$5,218,238	\$5,218,238	\$5,218,238
<u>Services</u>²	<u>\$379,533,696</u>	<u>\$379,533,696</u>	<u>\$379,533,696</u>	<u>\$379,533,696</u>
<u>Total Capital</u>	\$1,030,682,457	\$989,977,275	\$1,030,682,457	\$989,977,275
<u>Total Transportation Savings</u>^{1,3}	\$1,632,014,615	\$1,632,014,615	\$1,632,014,615	\$1,632,014,615
<u>Total Transportation Services Charge</u>^{1,4}	\$388,604,339	\$277,595,905	\$0	\$0
<u>Total Distribution Revenues</u>¹	\$4,546,724,222	\$4,546,724,222	\$4,546,724,222	\$4,546,724,222
<u>Total Customer Additions (2015 - 2024)</u>	146,337	146,337	146,337	146,337

SUMMARY OF RESULTS

Net Present Value (40 years)	\$637,855,721	\$633,574,507	\$507,372,361	\$540,868,702
Profitability Index (40 years)	1.74	1.77	1.59	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.

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