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To verify that table in reply to STAFF 14 is accurate and if necessary update.

RESPONSE

The response to Board Staff Interrogatory #14 found at Exhibit I.A3.EGD.STAFF.14 is accurate if it is assumed that the tolls from TransCanada's Review Application are utilized to calculate the expected gas supply benefits.

Please note that in conjunction with filing the Review Application, TransCanada, as directed by the National Energy Board in its RH-003-2011 Decision, also filed its Compliance Filing. The Compliance Filing contains the tolls that would prevail pursuant to implementation of the National Energy Board's Decision in RH-003-2011.

On June 11, 2013 the National Energy Board dismissed TransCanada's Review Application in its entirety and in Toll Order TG-006-2013 directed TransCanada to charge, on a final basis effective July 1, 2013, its Compliance Filing tolls.

The table below provides an updated response to Board Staff Interrogatory #14 found at Exhibit I.A3.EGD.STAFF.14. The scenarios contained in the table utilize the expected gas supply benefits calculated using TransCanada's Compliance Filing tolls as the baseline.

Witnesses: J. Denomy
S. Murray

(\$ Millions)	Base Case	Transportation Savings Sensitivity				
		100%	75%	50%	25%	0%
GTA pipeline Capital	\$554.6	\$554.6	\$554.6	\$554.6	\$554.6	\$554.6
Total transportation savings ¹	\$1,465.1	\$1,465.1	\$1,098.8	\$732.5	\$366.3	\$0.0
Total transportation service charge ²	\$277.6	\$277.6	\$277.6	\$277.6	\$277.6	\$277.6
Summary of Results:						
Net Present Value (40 years)	\$551.2	\$551.2	\$370.5	\$189.7	\$9.0	(\$171.8)
Profitability Index (40 years)	1.67	1.67	1.45	1.23	1.01	0.79

Notes:

1. Total 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).
2. Charges to be paid by TransCanada for use of the Shared Pipeline from Bram West Interconnect to Albion Road Station.

The response to Board Staff Interrogatory #11 found at Exhibit I.A1.EGD.STAFF.11 provides the expected gas supply benefits if the tolls from TransCanada's Compliance Filing are used. The expected gas supply benefits in the response to Board Staff #11 correspond to the base case expected gas supply benefits in the table above.

In order to provide a complete record the Company is also providing in this undertaking response updated tables for the expected gas supply benefits calculations utilizing final tolls for the TransCanada Mainline.

Below are the tables that underpin the calculation requested at Board Staff Interrogatory #11 found at Exhibit I.A1.EGD.STAFF.11, i.e., the expected gas supply benefits resulting from the NEB Decision in RH-003-2011. Provided below are Tables A1 to A4 contained in the Attachment to Exhibit A, Tab 3, Schedule 5. Tables A1 to A3 contain the toll, fuel ratio, and commodity price assumptions. Table A4 contains the expected gas supply benefits calculations. The tolls for Niagara Falls to Enbridge Parkway CDA and Parkway to Bram West CDA were provided by TransCanada and derived using the cost and billing determinant information contained in the Compliance Filing.

Witnesses: J. Denomy
 S. Murray

Table A1: Toll Assumptions

<u>Toll Assumptions</u>	<u>Demand Toll (\$/GJ)</u>	<u>Commodity Toll (\$/GJ)</u>
FT Empress-EGD CDA ¹	1.566	0.000
Dawn-EGD CDA ¹	0.236	0.000
Peaking 1 ²	0.682	Iroquois + \$0.00
Peaking 2 ²	0.731	Iroquois + \$0.19
Peaking 3 ²	0.926	Dawn + CDA Transport + \$0.24
M12 Dawn-Parkway ³	0.091	0.000
Niagara-Parkway Enbridge CDA ⁴	0.153	0.000
Union Parkway Belt-Bram West CDA ⁴	0.088	0.000

¹ 2013-2017 Final Mainline tolls per TransCanada's Compliance Filing.
² Pricing based on peaking RFP responses for 12'-13' winter service.
³ Toll provided in EB-2013-0074 Union Gas Brantford-Kirkwall/Parkway D Project application.
⁴ 2013-2017 Toll provided by TransCanada. Toll based on costs and billing determinants contained in TransCanada's Compliance Filing.

Table A2: Fuel Ratio Assumptions

Fuel Ratio Assumptions (%)	January	February	March	April	May	June	July	August	September	October	November	December
Empress-EGD CDA ¹	4.500	5.050	5.000	2.800	1.350	1.000	0.950	1.350	1.100	1.650	2.400	3.500
Dawn-EGD CDA ¹	0.590	0.510	0.760	0.400	0.240	0.000	0.150	0.180	0.020	0.090	0.360	0.360
M12 Dawn-Parkway ²	1.086	1.033	0.972	0.802	0.567	0.463	0.451	0.355	0.352	0.697	0.840	0.945
Niagara-Parkway Enbridge CDA ³	0.420	0.310	0.550	0.300	0.160	0.000	0.120	0.130	0.000	0.030	0.280	0.220
Union Parkway Belt-Bram West CDA ⁴	0.250	0.150	0.250	0.180	0.100	0.000	0.070	0.080	0.000	0.000	0.120	0.110

¹ Actual fuel ratios from June 2012 to May 2013.

² Fuel ratios per M12 rate schedule effective April 1, 2013. Dawn to Parkway (TCPL).

³ Actual fuel ratios from June 2012 to May 2013. Assumes Niagara to EGD CDA fuel ratios.

⁴ Actual fuel ratios from June 2012 to May 2013. Assumes Union Parkway Belt to EGD CDA fuel ratios.

Table A3: Commodity Price Assumptions

<u>Commodity Price Assumptions - Annual Average (\$/GJ)</u> ¹	<u>Empress</u>	<u>Dawn</u>	<u>Niagara</u>	<u>Iroquois</u>	<u>EGD CDA</u>
2015	3.69	4.40	4.30	5.51	4.64
2016	3.85	4.44	4.40	5.62	4.68
2017	4.02	4.57	4.55	5.77	4.81
2018	4.42	4.75	4.72	5.95	4.98
2019	4.47	4.94	5.01	6.00	5.18
2020	4.52	5.03	5.08	6.05	5.26
2021	4.56	5.07	5.12	6.09	5.30
2022	4.60	5.10	5.16	6.12	5.34
2023	4.64	5.15	5.20	6.17	5.38
2024	4.68	5.15	5.24	6.21	5.39
2025	4.72	5.19	5.28	6.24	5.42

¹Commodity prices based on forward curves from OpenLink as at May 6, 2013.

Table A4: GTA Project Benefits Calculations (\$ millions)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Increased Firm Transportation Scenario											
Service Path											
TCPLFT - EGD		168.8	168.3	168.3	168.3	168.8	168.3	168.3	168.3	168.8	168.3
Empress-EGD CDA	28.1	10.8	11.2	12.3	12.4	12.6	12.7	12.8	12.9	13.1	13.1
Commodity Cost	69.2	415.3	474.9	474.9	480.6	487.2	490.3	494.4	494.4	504.8	507.1
Total Cost	99.4	594.9	612.1	655.5	661.4	668.6	671.3	675.4	680.3	686.6	688.5
Service Path											
Peaking Supplies - EGD	0.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Empress-EGD CDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commodity Cost	0.0	6.2	6.4	6.5	6.2	6.3	6.4	6.4	6.4	6.5	6.5
Total Cost	0.1	7.2	7.3	7.5	7.2	7.3	7.3	7.4	7.4	7.4	7.4
Service Path											
TCPLFT - Direct Purchase	15.7	94.1	93.8	93.8	93.8	94.1	93.8	93.8	93.8	94.1	93.8
Empress-EGD CDA, Dawn-EGD CDA	1.1	6.0	6.2	6.8	6.9	7.0	7.0	7.1	7.1	7.2	7.3
Commodity Cost	48.6	291.2	302.2	327.6	333.7	338.7	340.8	343.5	346.7	350.0	351.6
Total Cost	65.4	391.2	402.3	428.2	434.4	439.8	441.6	444.4	447.6	451.3	452.7
A-Total Cost	164.9	993.3	1,021.6	1,091.2	1,102.9	1,115.7	1,120.2	1,127.2	1,135.3	1,145.4	1,148.7
Expected Contracting With GTA Project Facilities Approved											
Service Path											
Union M12 - EGD	1.1	6.7	6.6	6.6	6.6	6.7	6.6	6.6	6.6	6.7	6.6
Dawn-Parkway	0.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Commodity Cost	25.8	158.6	162.8	168.9	176.0	179.4	180.3	181.6	183.2	183.8	184.5
Total Cost	27.2	166.4	170.7	176.8	183.9	187.4	188.3	189.6	191.1	191.8	192.5
Service Path											
TCPLFT - EGD	1.9	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2
Niagara Falls-Enbridge Parkway CDA	0.1	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Commodity Cost	53.5	321.9	331.8	344.6	365.6	372.2	374.1	376.7	379.9	383.8	385.3
Total Cost	55.5	333.8	343.7	356.5	377.6	384.2	386.0	388.7	391.8	395.8	397.3
Service Path											
Union M12 - Direct Purchase	1.1	6.7	6.6	6.6	6.6	6.7	6.6	6.6	6.6	6.7	6.6
Dawn-Parkway	0.5	2.3	2.4	2.5	2.6	2.6	2.7	2.7	2.7	2.7	2.7
Commodity Cost	54.7	325.3	333.9	346.5	360.9	368.0	369.9	372.6	375.7	377.1	378.5
Total Cost	56.3	334.3	343.0	355.7	370.2	377.3	379.2	381.9	385.1	386.4	387.9
Service Path											
TCPLFT - EGD & Direct Purchase	4.3	25.8	25.7	25.7	25.7	25.8	25.7	25.7	25.7	25.8	25.7
Parkway to Bram West CDA	0.1	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Commodity Cost	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Cost	4.4	26.3	26.3	26.3	26.3	26.4	26.3	26.3	26.3	26.4	26.3
B-Total Cost	143.4	860.8	883.5	915.3	957.9	975.3	979.8	986.5	994.4	1,000.4	1,004.0
Savings (A-B)	21.5	132.5	138.1	175.9	145.0	140.4	140.3	140.7	141.0	144.9	144.7