

## UNDERTAKING JT1.20

### UNDERTAKING

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Enbridge to provide some clarification as to why transportation costs or some of the load shapes fall so dramatically by the storage costs for space and water heating. Also to provide the inputs that went into the supply transportation and storage columns in this cost.

### RESPONSE

Further analysis will be required in order to adequately address the above request. Enbridge will file a subsequent response upon completion of the required analysis.

### RESPONSE UPDATE

It is Enbridge's understanding that this undertaking pertains to the table that was provided in response to part (a) of GEC Interrogatory #43 found at Exhibit I.T9.EGDI.GEC.43a. The avoided costs included in this table are predicated on the avoided cost calculations for natural gas that were conducted in 2012 which were subsequently updated in accordance with the Demand Side Management Guidelines for Natural Gas Utilities.

The avoided cost calculations for natural gas that were conducted in 2012 were determined through the use of a gas supply optimization model called SENDOUT from 2015 through to 2020. Enbridge has reviewed the SENDOUT results that were conducted in 2012 and has determined that the unit avoided costs were predominantly being impacted by storage balances leading into the winter season of 2020 being lower than anticipated and assumptions made at the time of the analysis related to the management of daily Dawn purchases and the use of transportation capacity on Vector. Enbridge has estimated that making adjustments to the storage balances and updating the assumptions that were used in the analysis would result in a marginal decrease in avoided unit cost of approximately 2 percent.

The Company has committed to providing a complete update of the avoided gas costs, inclusive of the costs for transportation and storage in addition to commodity costs by the fourth quarter of 2015. The updated avoided gas costs will serve as the final 2015 avoided gas costs.

The inputs for that were used in SENDOUT are provided in response to undertaking number JT1.15.

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