

ONTARIO ENERGY BOARD

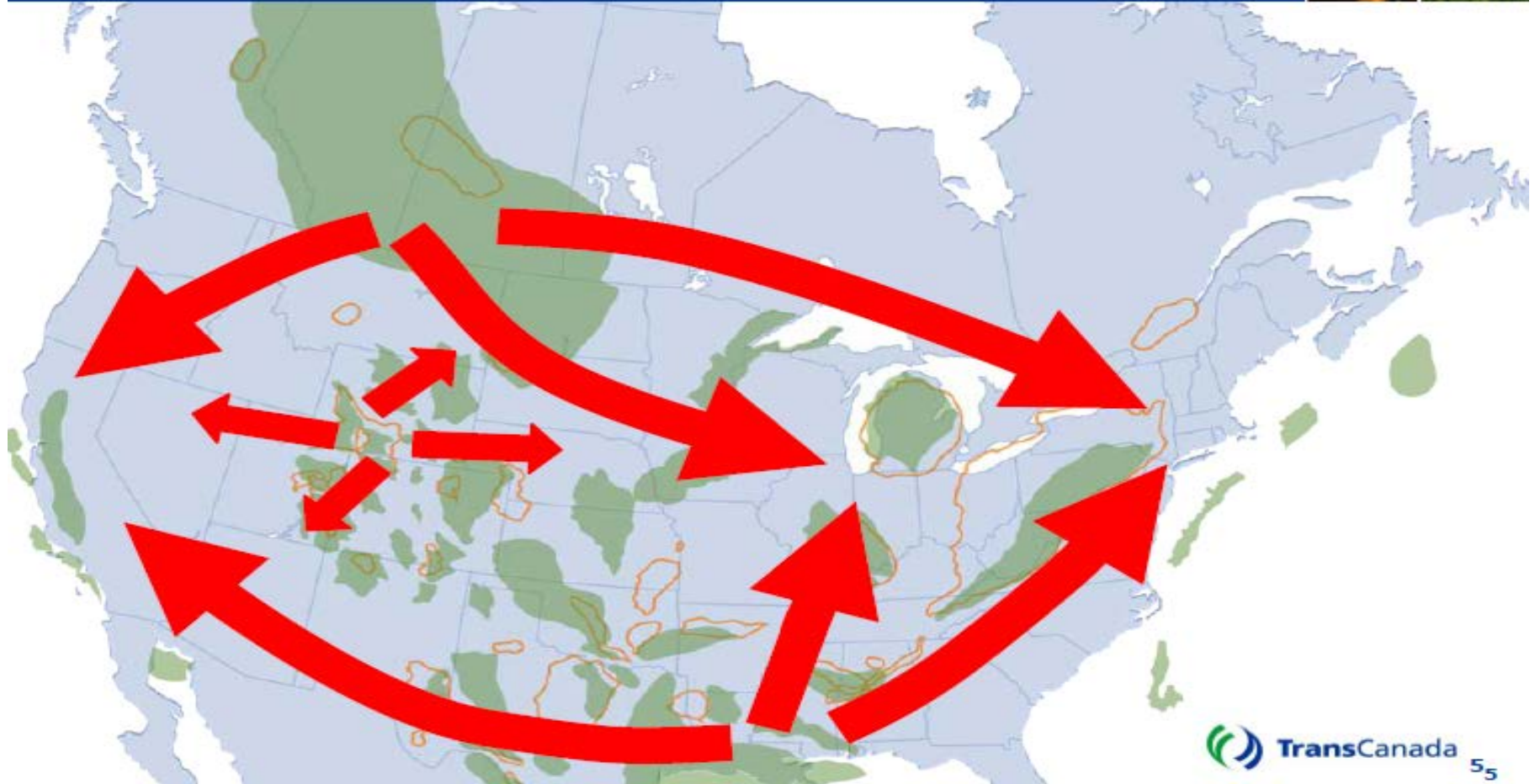
Distributor Gas Supply Planning Consultation

December 3, 2015

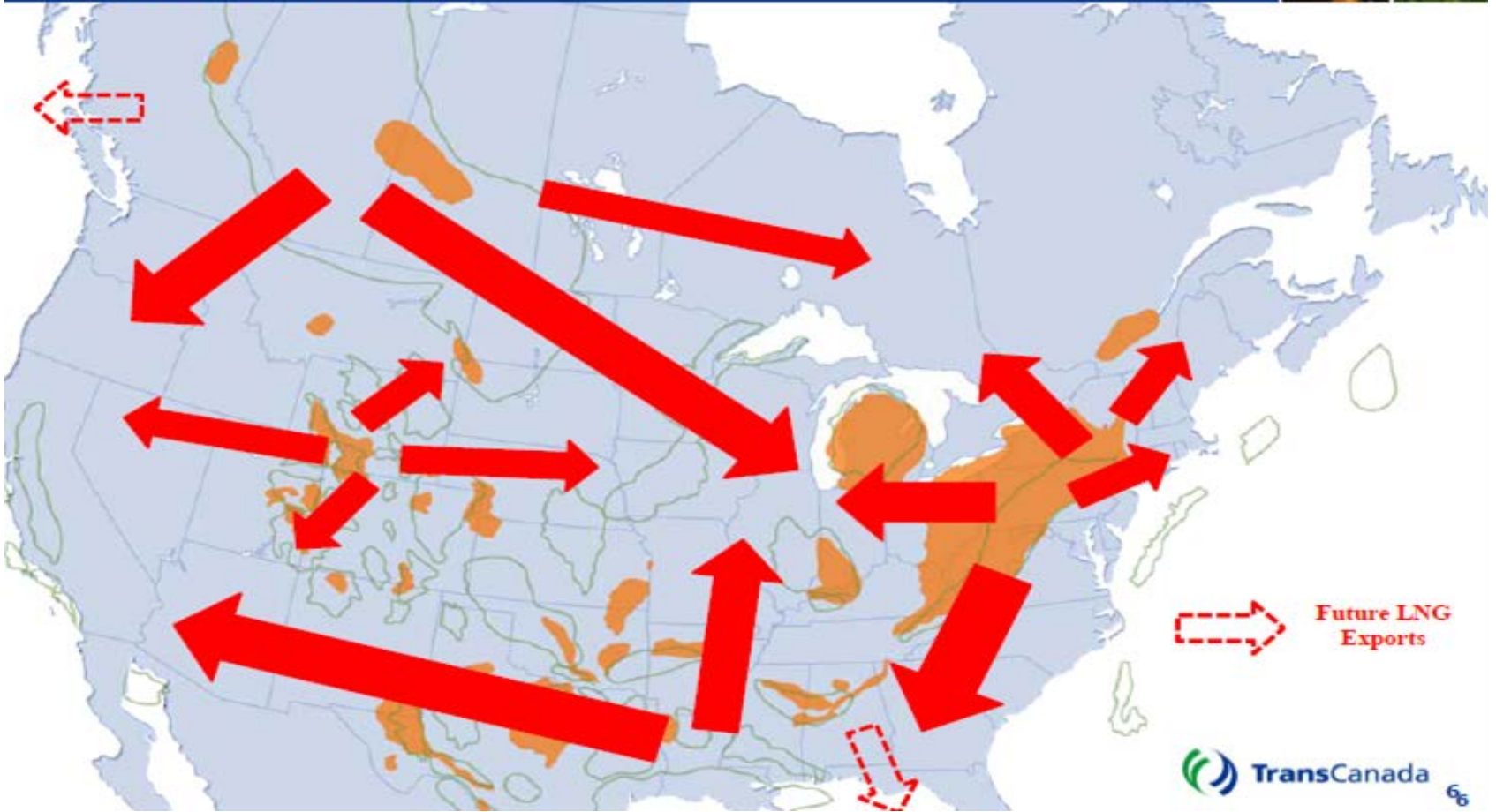
AGENDA

- NORTH AMERICAN TRANSITION
- IMPACTS ON PIPELINE FLOW AND PROJECTS
- ONTARIO MARKET IMPLICATIONS
- MODIFY RISK MANAGEMENT CONSIDERATIONS

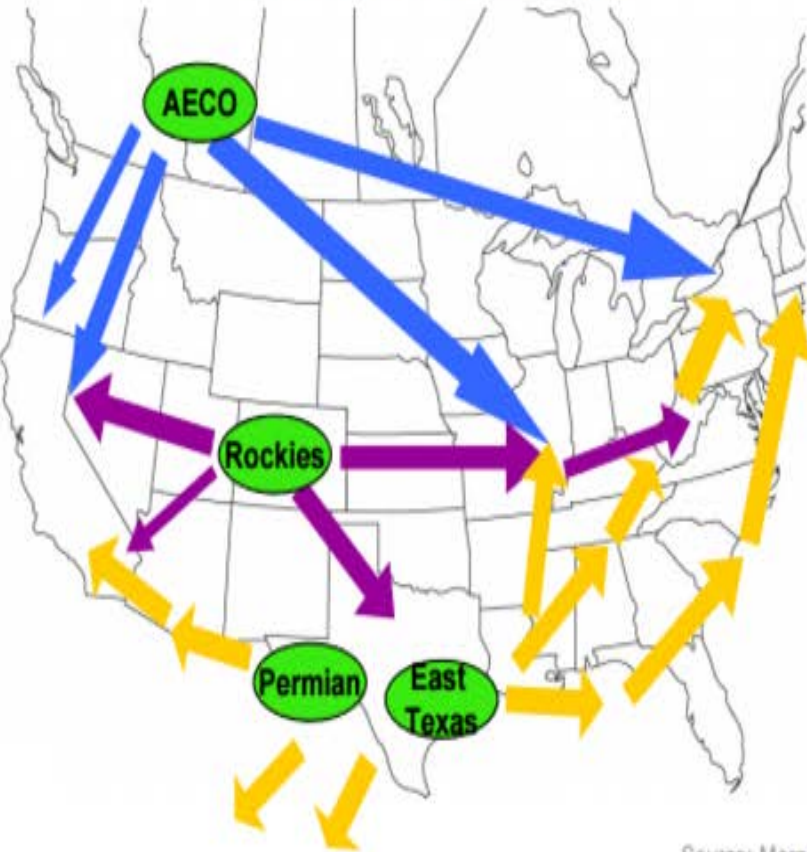
Pre-shale – Primary Gas Flows North America



Post Shale – Gas Flow Impacts Marcellus / Utica

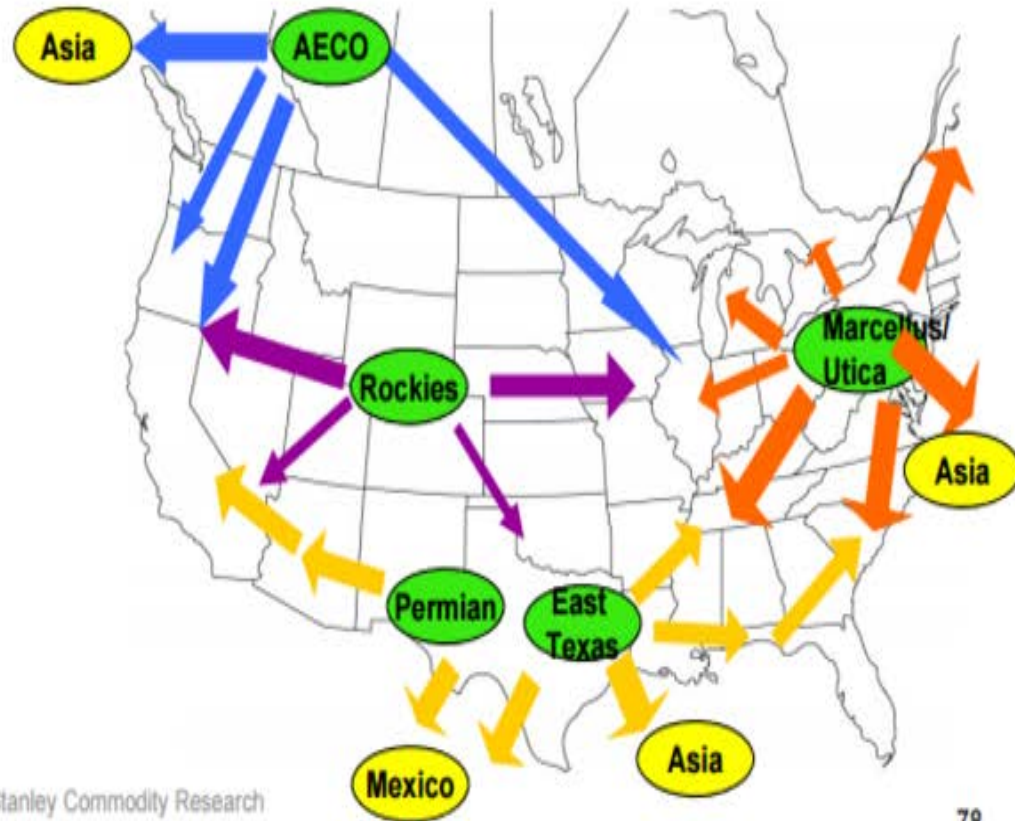


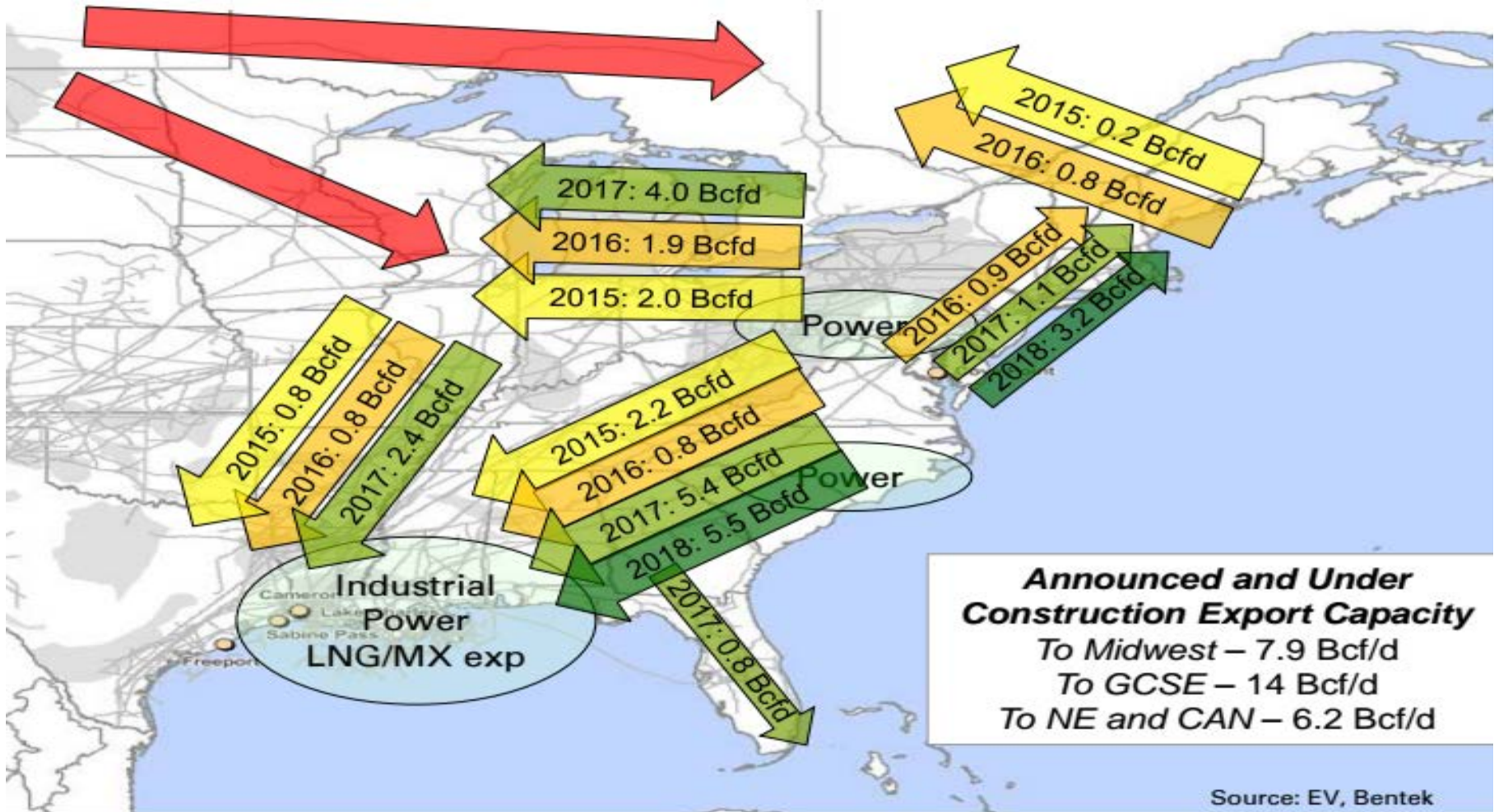
Historical Gas Flow



Source: Morgan Stanley Commodity Research

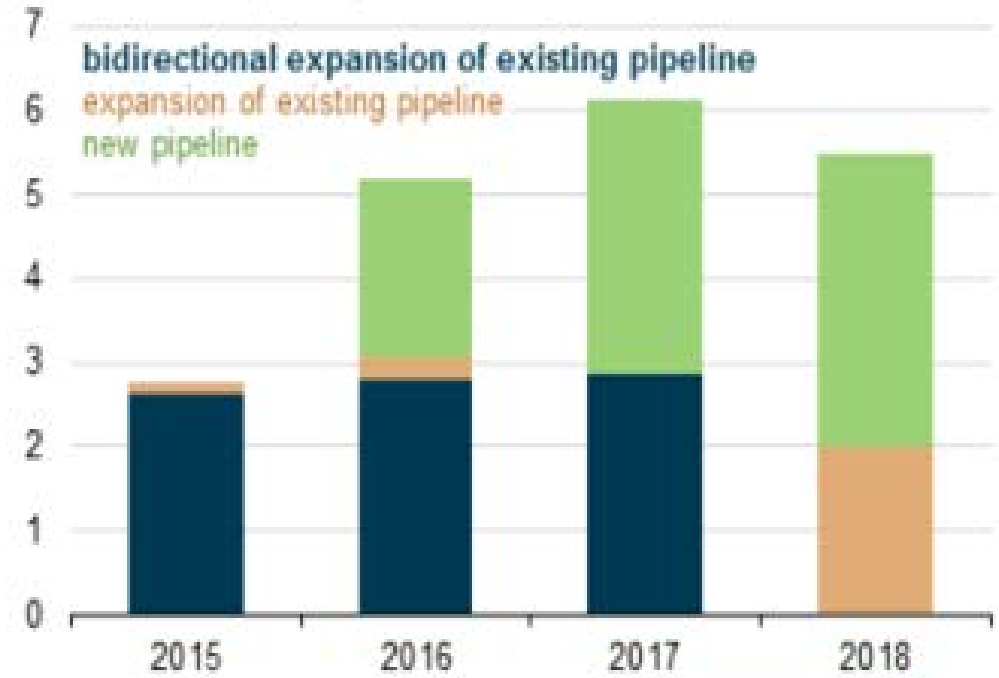
Future Gas Flow





32% of natural gas pipeline capacity into the Northeast could be bidirectional by 2017

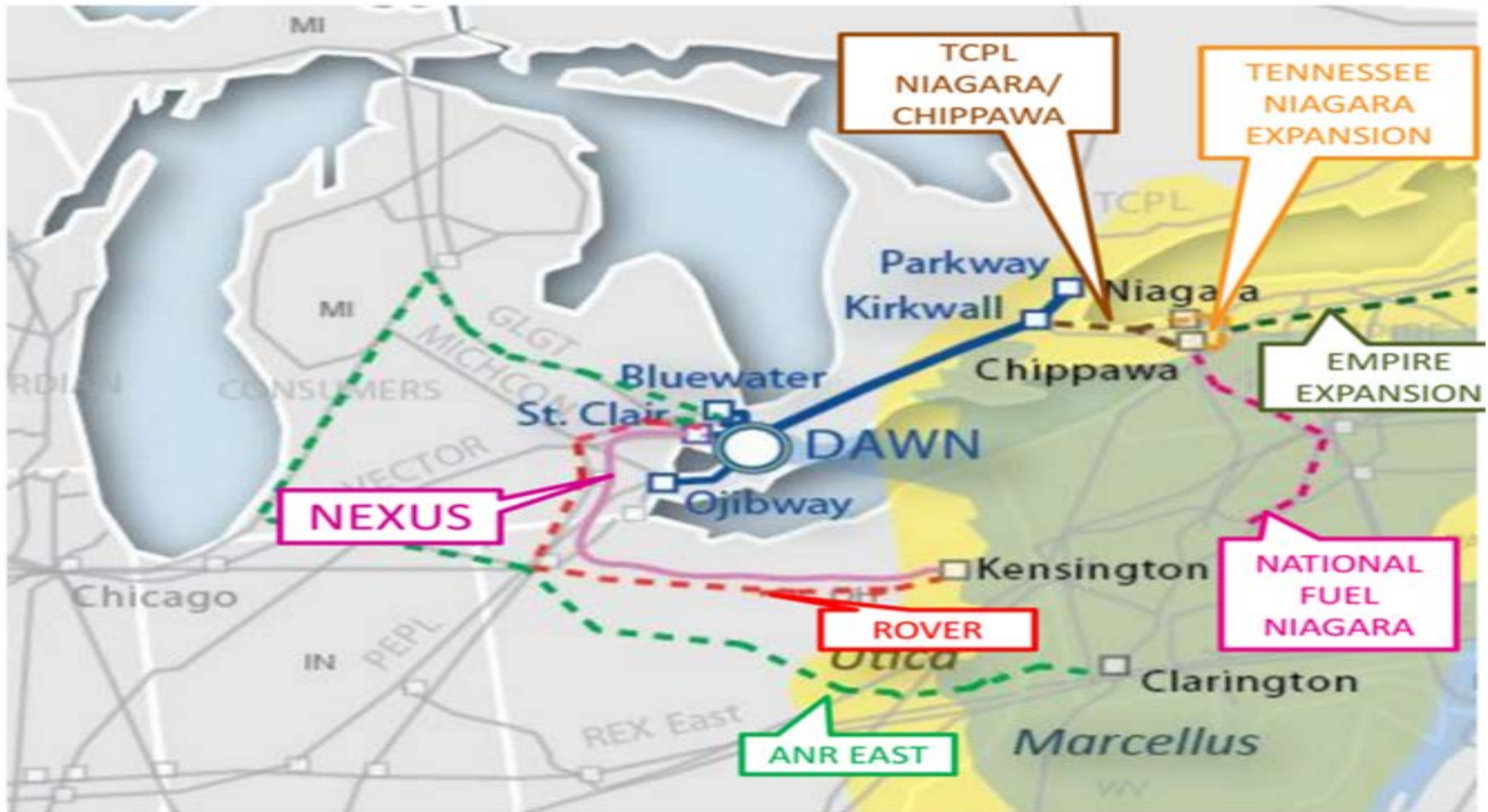
Planned interregional natural gas pipeline projects in the Northeast
billion cubic feet per day



Source: U.S. Energy Information Administration, Pipeline Projects

Note: In this context, the Northeast includes the Northeast Census region as well as Delaware, Maryland, Ohio, and West Virginia.

Appalachian pipelines to Ontario



Source: Union Gas, Nov. 19, 2014



SONO PROJECT

Reverse flow on Iroquois offering physical transportation
to U.S.-Canada border
Capacity – up to 650,000 Dt/day

DR QUINN & ASSOCIATES LTD.

ONTARIO MARKET IMPLICATIONS

- LDC'S MOVE TO SHORT-HAUL CENTRIC PORTFOLIOS
- NEED TO MANAGE SEASONAL GAS SUPPLY
- ENSURE OPTIMAL STRATEGY FOR WINTER PEAK SUPPLY AND TRANSPORTATION
- MODIFY RISK MANAGEMENT CONSIDERATIONS



ONTARIO REGULATORY IMPLICATIONS

- OVERSEE TRANSITION IN THE PUBLIC INTEREST
- REVIEW OF MEDIUM TERM SUPPLY STRATEGIES
- APPROVAL OF SHORT-TERM COST CONSEQUENCES
- EVOLUTION OF GAS SUPPLY APPROVAL PROCESS