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Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario
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Filed electronically

Attention: Ms. Kristen Walli
Board Secretary

Dear Ms. Walli:

Re: 2010 Natural Gas Market Review - Stakeholder Conference
Ontario Energy Board ("Board")
File No. EB-2010-0199

TransCanada PipeLines Limited submits its advance written questions for ICF International for the question and answer session on the ICF Market Report.

Should the Board require additional information with respect to this filing, please contact Jim Bartlett at (403) 920-7165 or by email at jim_bartlett@transcanada.com.

Yours truly,
TransCanada PipeLines Limited

Original Signed by

Jim Bartlett
Law and Regulatory Research

Question 1:

Reference: 2010 Natural Gas Market Review – ICF Market Report ("ICF Market Report"), Page 7, paragraph 3; Page 52, exhibit 36.

Preamble: ICF International ("ICF") states that by 2020 shale gas is projected to grow to over 30 Bcf/d.

Request:

a. Of the 30 Bcf/d, what portions does ICF estimate will come from Horn River, Montney, Utica and Marcellus shale sources, respectively?
b. What does ICF estimate to be the total production from all gas sources from the Western Canadian Sedimentary Basin ("WCSB") by 2020?
c. Please provide individual production estimates for each of the British Columbia shale plays out to 2020.

Question 2:

Reference: ICF Market Report, Page 26, paragraph 3 and Page 64, paragraph 4.

Preamble: ICF states in separate areas of their report that Ontario has 240 Bcf and 260 Bcf of storage in-province for natural gas.

Request:

What storage figure does ICF use for estimates of natural gas storage in Ontario when modeling supply and market gas balances? Please explain why the two references to storage capacity are different.

Question 3:

Reference: ICF Market Report, Page 26, exhibit 15.

Preamble: ICF shows pipeline exports from Ontario for 2009 to be 2.31 Bcf/d, broken out between exports to Quebec and at Niagara. The exhibit does not reference exports at Chippawa, Waddington or at Cornwall.

Request:

a. Did ICF model exports from Ontario at Chippawa, Waddington or Cornwall?
b. If so, please provide the analysis data.

Question 4:

Reference: ICF Market Report, Page 28, paragraph 3 and Page 50, paragraph 4.

Preamble: ICF states that by 2020 total United Sates ("U.S.") and Canada gas demand is projected to grow to 94 Bcf/d.
ICF states that by 2020 total U.S. and Canada gas production is projected to grow to nearly 92 Bcf/d.

Request:

a. Did ICF include Mexico demand in the sum of 94 Bcf/d, or is this strictly U.S. and Canada? Please explain why, or why not, this assumption was made.
b. Did ICF include Mexico production in the sum of 92 Bcf/d? Please explain why, or why not, this assumption was made.
c. Based on the domestic demand and production estimates, is ICF estimating liquid natural gas ("LNG") imports to be approximately 2 Bcf/d by 2020?
d. What volumes of supply and demand in the ICF analysis are attributable to each of the U.S., Canada and Mexico?

Question 5:

Reference: ICF Market Report, Pages 30-31, paragraph 3 and exhibit 21.

Preamble: ICF states that "over 70 percent of the incremental increase in Ontario gas demand is projected to come from increased gas use in the power sector." By multiplying the sector percentages in the exhibit by the total Ontario demand for each of the two years in the exhibit, the increase in power demand is calculated to be 480 MMcf/d, which equates to 60 % of the 800 MMcf/d stated increase in total natural gas demand.

Request:

Please provide the Ontario power sector gas demand for 2009 and 2020 in Bcf/d, and show the calculation of percentage increase.

Question 6:

Reference: ICF Market Report, Page 52, paragraph 3.

Preamble: ICF states that they "assume that the Kitimat LNG export facility in British Columbia will be completed and start exporting in 2014," and further states that they "assume that the Kitimat facility will export 0.4 Bcf/d initially, and increase its exports to about 0.8 Bcf/d by 2017."

Request:

a. What is the basis for ICF's expectation that the Kitimat project will proceed, and be in service by 2014?
b. What assumptions in terms of pipeline capacity and deliveries to the Kitimat LNG facility has ICF made in order to facilitate LNG exports of 0.8 Bcf/d by 2017?

Question 7:

Reference: ICF Market Report, Page 53, exhibit 37.

Preamble: ICF lists sources of Ontario Natural Gas Supplies through to 2020.

Request:

a. What assumptions, if any, has ICF made with regards to the Utica shale play?
b. What did ICF assume are the implications of Utica shale gas as a source of gas for Ontario?
c. What assumptions underlie the distribution of shale gas supplies into Ontario from Marcellus vs. the Haynesville, Fayetteville, Barnett and Woodford shale plays?

Question 8:

Reference: ICF Market Report, Page 55, paragraph 4.

Preamble: ICF states that "traditionally gas has flowed west out of the WCSB over TCPL and Great Lakes Transmission into Ontario."

Request:

a. Does ICF's Gas Market Model expect that exports from the WCSB on the Alliance and Northern Border systems reach Ontario via the Vector pipeline? Please explain.
b. If so, what volumes of gas does ICF estimate will be supplied to Ontario via each of these two ex-WCSB systems by 2020?

Question 9:

Reference: ICF Market Report, Page 59, paragraph 2.

Preamble: ICF states that "the TCPL mainline to Parkway is the high cost pipeline out of the WCSB."

Request:

a. In describing the alternative paths used to evaluate netbacks, ICF lists delivery points such as Dawn, for which there exists a TransCanada Mainline toll, and yet uses the TransCanada Parkway toll for comparison. Please explain.
b. ICF lists a firm rate that is applicable to TransCanada shippers of $1.85/MMBtu. What specific components does this rate include?
c. ICF indicates that 2009 market prices were used to determine netbacks. Does ICF feel the netbacks calculated in this way will be representative in forward periods, across all pipelines considered in their analysis?

Question 10:

Reference: ICF Market Report, Page 61, exhibit 44.

Preamble: ICF shows inter-regional pipeline flows for 2009.

Request:

Based on a sum of flows shown exiting the WCSB, does ICF estimate ex-WCSB flows for 2009 to be 10,180 units? What unit of measure does this represent?

Question 11:

Reference: ICF Market Report, Page 63, exhibit 47.

Preamble: ICF shows the TransCanada Mainline flows to be insensitive to wide variations in Marcellus production and the presence or absence of exports at the Kitimat LNG facility.

Request: a) In the Alternate 2 case, what was the distribution of the 800 MMcf/d of gas not being exported at Kitimat on ex-WCSB pipelines? How highly utilized were each of the ex-WCSB pipelines in the results of that case and in the other two cases?
b) In their analysis, what assumptions has ICF made with regards to pipeline capacity and utilization levels into the northeast market area?

Question 12:

Reference: ICF Market Report, Page 74, paragraph 4.

Preamble: ICF discusses the fact that supply sources and inter-regional pipeline flow patterns are changing.

Request: What does ICF predict to be the impact of the Ruby and Bison pipelines on ex-WCSB pipelines and their associated flows?

Question 13:

Reference: ICF Market Report, Page 12, paragraph 2 and Page 68, paragraph 2.

Preamble: On page 12 ICF states: "The response to projected reductions in TCPL mainline flows is a critical issue for Ontario gas consumers." On page 68 ICF then identifies three options for addressing TCPL toll increases caused by declines in throughput. ICF's third option is to diversify sources of natural gas away from TCPL's mainline. ICF notes that this option would exacerbate the de-contracting problem on TCPL and that northern Ontario does not have alternatives to TCPL.

Request: Has ICF developed pipeline toll impacts or delivered cost of gas analyses associated with this option? If so, please provide the analysis.