

June 25, 2012

Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

RE: EB-2011-0210 – Union Gas Limited – 2013 Rates Application – Response to Motion

Dear Ms. Walli,

Below are Union's responses to requests for additional information relating to certain interrogatories as directed in the Board's June 15, 2012 Decision and Order.

J.B-1-7-1 a)

Please see Attachment 1 for a diagram of all existing connections between Union and all parties in the Parkway/Lisgar area. Proposed connections for the Parkway West project are planned for a location West of Parkway. The Parkway West project is in early design, and detailed drawings are not available. Please refer to Exhibit J.B-1-1-2 for a schematic of the planned connections.

J.B-1-7-5 d)

Please see Attachment 2 for the running hours and maintenance hours for Parkway A and Parkway B from 2008 through 2012.

J.B-1-7-5 g)

Union does not collect data to correlate between unit maintenance and overall system conditions, and as such it is not possible to answer the question as requested. The data provided at Attachment 3 identifies the hours each unit was unavailable due to maintenance during each winter season from 2006 to present.

J.B-1-7-6 c)

As indicated in Union's original response to Exhibit J.B-1-7-6 c), filed May 4, 2012, Union does not have the information requested. Union can confirm there were no instances of LCU unit requirements since January 1, 2011.

J.B-1-7-8 b)

Please see Attachment 4 for Union's preliminary Parkway West analysis that supported the presentation to Union's management.

J.B-1-7-8 c)

Parkway West costs will be allocated to all rate classes in the same manner as existing Parkway costs which is in proportion to distance weighted design day demands on the Dawn-Trafalgar system. There are no new M12 or C1 demands associated with this project.

Please see Attachment 5 for the allocation of estimated Parkway West Project costs to in-franchise and ex-franchise rate classes.

J.B-1-7-8 d)

Please see Attachment 6 for the M12, M12-X and C1 rate impacts of the Parkway West Project as compared to Union's 2013 proposed rates.

J.B-1-7-8 e)

The un-redacted presentations originally included as Attachment 1 and Attachment 2 of Exhibit J.B-1-7-8 can be found at Attachment 7 and 8. The presentations given to Enbridge relating to the Parkway West project can be found at Attachments 9-13. Four slides have been removed from Attachment 10 and have been filed in confidence with the Board per the Practice Direction on Confidential Filings. The slides contain sensitive commercial information that is not related to the Parkway West Project.

J.B-1-7-13 a)

Please see Attachment 1 for a diagram of all existing connections between Union and all parties in the Parkway/Lisgar area and Attachment 14 for the detail requested.

J.B-1-7-14 f)

Table 1 below shows Union's forecast for deliveries at Parkway (TCPL) and Parkway (Consumers) for 2012, 2013 and 2014.

Table 1

	2012	2013	2014
Forecast Annual Deliveries (GJ)			
Deliveries to Parkway (TCPL)	536,938,455	556,095,929	594,691,470
Deliveries to Parkway (Consumers)	148,798,490	147,989,490	157,494,769
Total	685,736,945	704,085,419	752,186,239
Forecast Average Daily Deliveries (GJ)			
Deliveries to Parkway (TCPL)	1,467,045	1,523,550	1,629,292
Deliveries to Parkway (Consumers)	406,553	405,451	431,493
Total	1,873,598	1,929,001	2,060,785

Union does not have a forecast of daily or monthly deliveries for 2015 and 2016.

Union has provided information regarding its view on future activity at Parkway in its interrogatory responses at Exhibits J.B-1-13-4 (a) (ii) and J.B-1-7-2 (a). In addition, Exhibit J.D-14-16-8, Attachment 2, discusses transportation contracts at risk of non-renewal.

From Exhibit J.B-1-7-1(c), activity through Parkway and total deliveries at Parkway discharge in W13/14 were summarized as follows:

Table 2

Total W13/14 Contracted Quantities at Parkway (TCPL) (includes M12 and M12-X Parkway Deliveries)	2.6 PJ/d
Obligated Deliveries to Parkway Discharge (from Exhibit J.B-1-7-4(a)(ii))	0.7 PJ/d
Total W13/14 Quantity Compressed at Parkway	1.9 PJ/d

Exhibits J.B-1-13-4(a)(ii) and J.B-1-7-2(a) addressed potential incremental market for deliveries through the Parkway discharge. Union's view of potential incremental market for transportation on the Dawn-Parkway system and through the Parkway discharge can be summarized as follows:

Table 3

Niagara/Chippawa Gas Supply from Marcellus: Total Contracted Receipts at Niagara/Chippawa of ~0.8 PJ/d minus Quantity of Receipts with Ontario Transportation Contracts ~0.4 PJ/d	0.4 PJ/d
Potential Conversion of Current Long Haul Contracts to Short Haul Contracts, including those to serve a portion of Direct Purchase Demands (sourced from the TCPL CDE Report)	0.7 PJ/d
Potential Demand Growth in Ontario (GTA area, Gas-Fired Power Generation)	0-0.4 PJ/d
Potential Obligated Deliveries Shifting from Parkway to Dawn	0.3-0.4 PJ/d
Current Capacity Flowing from Dawn “Around the Horn” that could flow from Dawn direct to Parkway	0.4 PJ/d

Union does not expect all of the incremental market identified above to materialize for deliveries through the Parkway discharge. Union expects enough of the market to materialize to increase flow through the Parkway discharge to at least 3 PJ/d by 2015/2016. In its recent transportation open season and reverse open season, Union received net interest for Dawn-Parkway transportation in excess of 0.7 PJ/d.

J.B-1-7-21 b)

Please see Attachment 15 for the daily scheduled receipts and deliveries at Parkway (TCPL) from November 1, 2009 to October 31, 2011, based on transportation to Parkway by service class.

J.B-4-7-1 a)

Please see Attachment 16 for the percentage utilization for the past four years based on data gathered by Union’s telemetry system for segments with measurement.

J.B-4-7-1 b) v)

Please see Attachment 17 for the capacity awarded for each open season in 2006, 2007 and 2008.

J.G-1-7-11

- a) Union does not have the information requested. Union’s ability to move dry gas to the Dawn-TCPL delivery point and the compression requirements at Dawn are highly dependent on the receipt point of supplies presumed. The detailed compressor information for each of the units is dependent on supplies and demands entering and leaving Dawn.
- b) Union’s current capacity to provide Dawn to Dawn-TCPL service is 500 TJ/d.
- c) Volumes incremental to the current firm contract are constrained by the location of the Dawn-TCPL delivery point in relation to Union’s ability to move dry gas in the Dawn yard.

Reversal of the TCPL flow on the west side of Dawn is counter to historical west-east operations. The configuration of the Dawn yard is set up to move gas west to east, with the main outlet located on the east side of Dawn, downstream of the dehydration facility to facilitate the movement of gas easterly to Parkway. Supply of gas is received on the west side of Dawn, primarily from Vector, TCPL, Tecumseh and Union storage. Currently, dry gas is primarily received from Vector and TCPL while wet gas is received from Union and Tecumseh storage. To provide firm capacity in excess of 500 TJ/d Union will require facilities to connect the TCPL metering site to the discharge side of Dawn dehydration. Union cannot construct these facilities in time for the winter of 2012/13.

- d) Volumes incremental to the current contract will be constrained by Union's ability to move dry gas from the discharge side of Dawn downstream of the dehydration facility.

Although Union has not completed specific analysis for 600 TJ/d, 800TJ/d or 900 TJ/d, in all three cases Union would need to build header piping from the outlet of the Dawn east end to the west end where TCPL enters the yard. In 2010, when Union was previously approached by TCPL, Union provided TCPL with an estimated cost of the facilities to configure Union's Dawn yard to supply incremental export flows to the Dawn-TCPL point referred to in c) above. The requested capacity of these facilities was to meet approximately 800 mmcf/d. The preliminary estimated cost of this alternative was \$130 million. The facilities included expanding dehydration capability, installing new NPS 42 header piping (approximately 650 meters), new compression, and upgrade of the current measurement and control station.

- e) Please see the response to d) above.

- f) Please see the response to d) above.

J.H-12-2-1 d)

In its Decision and Order the Board requested a detailed breakdown of the costs associated with the third party service contract. However, there is no breakdown as Union pays a single, aggregated fee for all services covered by the contract.

J.O-4-1-11 a)

Please see Attachment 18 for the list of participants in the AGA, CGA and PSE&G benchmarking surveys.

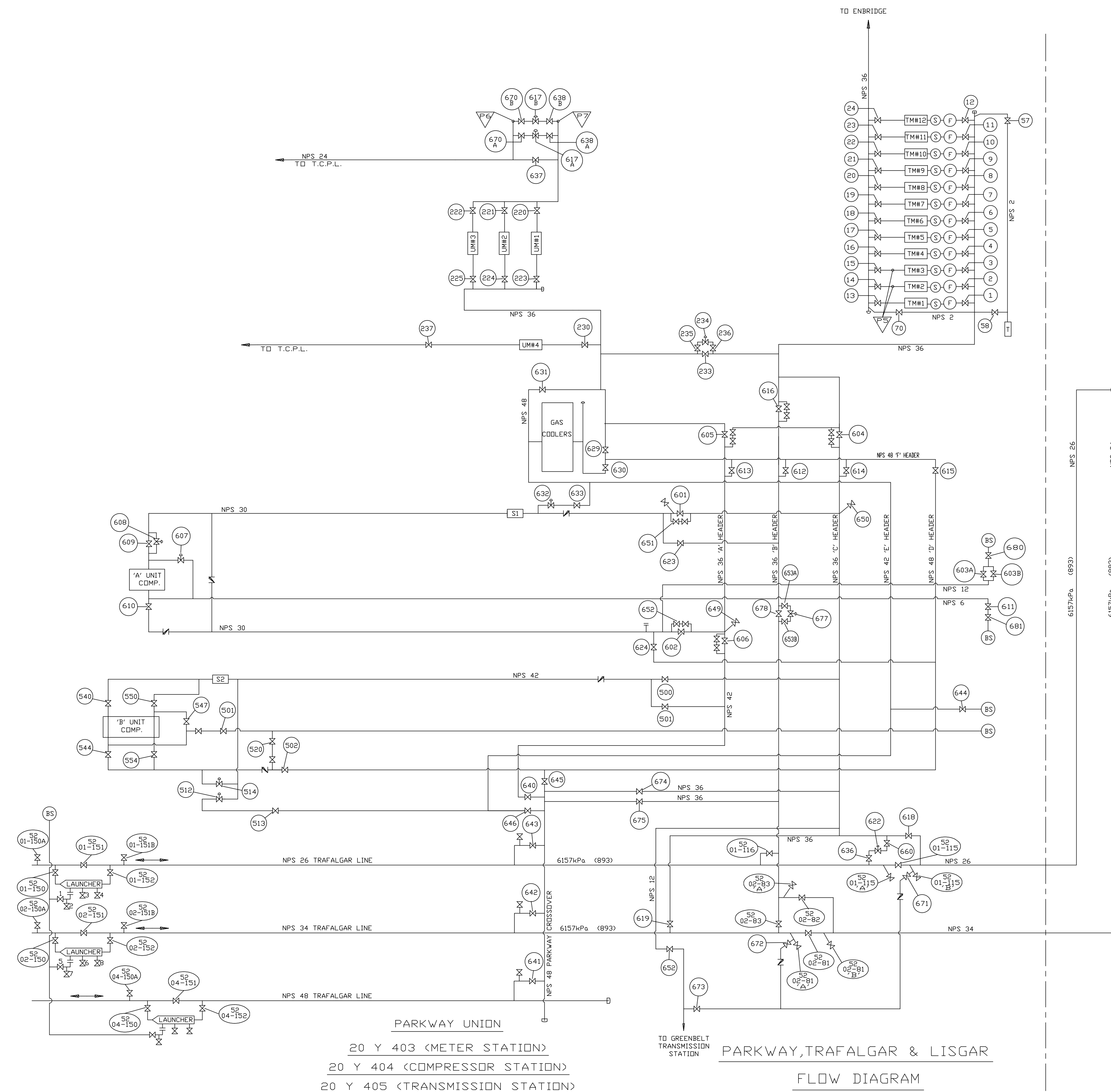
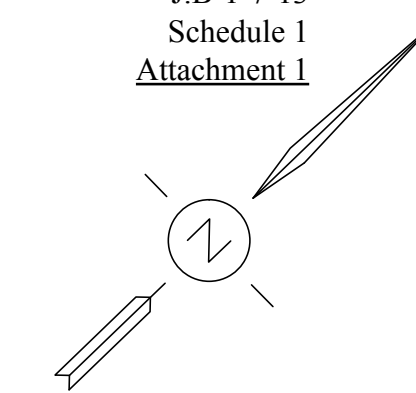
Two copies of these responses have been sent to the Board. If you have any questions, please contact me at (519) 436-5476.

Yours truly,

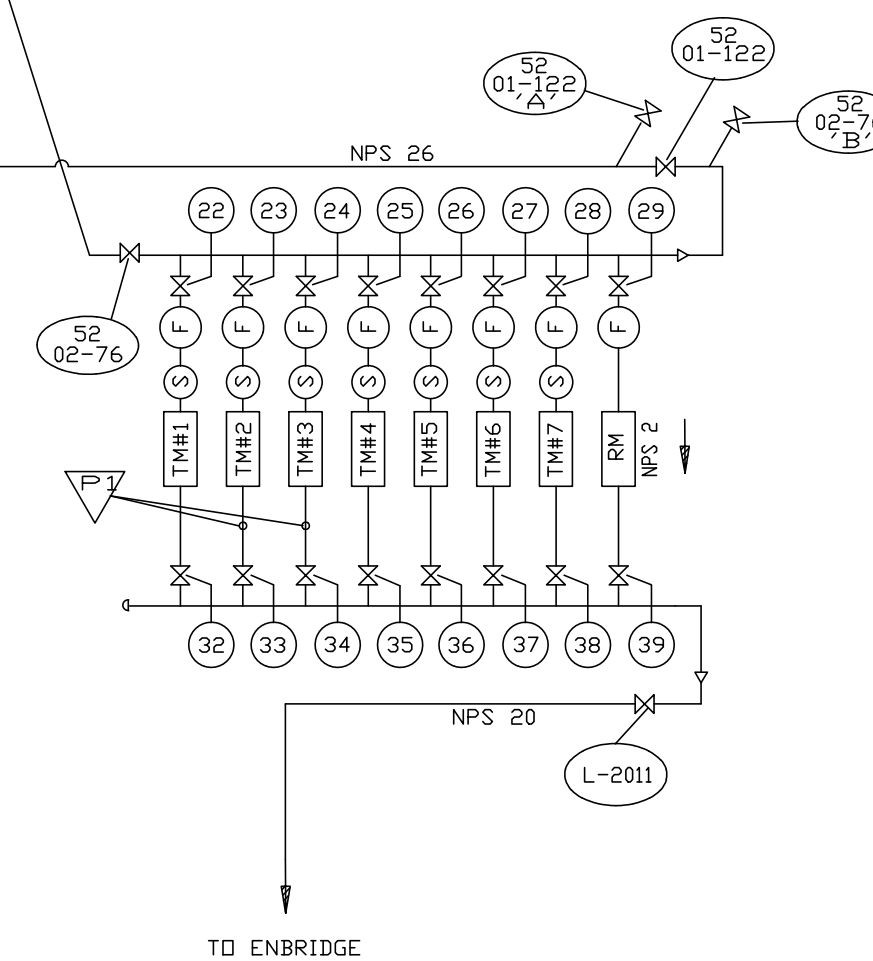
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Chris Ripley
Manager, Regulatory Applications

cc: Crawford Smith, Torys
EB-2011-0210 Intervenors



20 Y 401
LISGAR METERING STATION



LEGEND

- | | | | |
|------|--------------------|-----------|--------------------------------------|
| (F) | FILTER | (R) | REGULATOR |
| (PD) | PULSATION DAMPENER | U | UNION GAS VALVE PREFIX |
| TM | TURBO-METER | (PDV 650) | POWER OPERATED VALVE PREFIX |
| DM | DRIFICE METER | P | GAS-POWERED VALVE SUFFIX |
| UM | ULTRASONIC METER | PC | ELECTRICALLY CONTROLLED VALVE SUFFIX |
| RM | ROOTS METER | ▽ | SCADA TELEMETRY POINT |
| —V— | VALVE | | |
| —CV— | CONTROL VALVE | | |

REVISIONS					unongas				
NO.	DATE	BY	APP'D	REMARKS	PARKWAY & LISGAR FLOW DIAGRAM				
1	08.07.03	I.M.		LABELLED UNITS	DRAWN BY I.A. MILNE DATE 2008.03.03 SCALE N.T.S. PLOT SPEC. 1=1				
2	08.11.24	I.M.		PIPING SEPARATED INTO MOPS					
3	10.01.12	I.M.		ADDED ENBRIDGE VALVE & NUMBER					
4	12.05.07	I.M.		TRAFALGAR ABANDONMENT					
					CHECKED BY		DATE		A2/DRAW CODE D266-01
					APPROVED BY		DATE		JOB NO.
					SIZE D	DRAWER	SHEET	DRAWING NO. D266-01	

YEAR	'06		'07											
MONTH	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Parkway A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A
i) Running Hours	24.87	225.32	453.02	487.12	269.2	44.3	0	0	0	0	0	0.02	95.58	516.75
ii) Non-Running Hours - No Demand	694.33	510.65	290.98	184.88	474.8	219.68	0	0	0	0	0	247	624.42	220.48
iii) Maintenance	0.8	8.03	0	0	0	456.02	744	720	744	744	720	496.57	0	6.77

Parkway B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B
i) Running Hours	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ii) Non-Running Hours - No Demand	0	0	0	0	0	0	0	0	0	0	0	0	0	0
iii) Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	0	0

YEAR	'08											
MONTH	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Parkway A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A
i) Running Hours	366.22	213.73	368.53	22.52	0	65.17	0	0	0	122.58	273.72	194.63
ii) Non-Running Hours - No Demand	377.78	481.27	375.47	697.48	744	654.83	744	744	720	621.42	446.28	549.37
iii) Maintenance	0	1	0	0	0	0	0	0	0	0	0	0

Parkway B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B
i) Running Hours	181.18	278.95	117.02	0	0	0	0	0	0	0	137.05	437.63
ii) Non-Running Hours - No Demand	213.7	406.63	302.62	0	0	0	0	0	0	0	338.87	306.37
iii) Maintenance	0	5.41	324.37	720	744	720	744	744	720	744	244.08	0

YEAR	'09											
MONTH	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Parkway A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A
i) Running Hours	183.67	282.47	174.2	244.4	0	0	0	0	18.78	109.02	588.86	246.82
ii) Non-Running Hours - No Demand	560.33	389.53	569.8	475.43	297.02	686.5	744	744	701.22	634.98	131.14	494.12
iii) Maintenance	0	0	0	0.17	446.48	33.5	0	0	0	0	0	3.07

Parkway B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B
i) Running Hours	498.23	315.37	144.82	0	0	0	0	0	0	2.88	11.67	502.88
ii) Non-Running Hours - No Demand	245.77	356.63	597.72	720	744	720	8	0	0	411.57	708.33	241.12
iii) Maintenance	0	0	0	0	0	0	736	744	720	329.55	0	0

Notes:

1. Due to the nature of Union Gas' data recording methods, Parkway A or B units would often be recorded as down for maintenance for extended periods. Maintenance would be combined and completed during those periods, but would not take the entire time shown.
2. The Union Gas LCU philosophy is such that as long as an outage does not impact system demand it will not be specifically identified as unscheduled vs. scheduled, which results in a single "maintenance" number. The information provided in the initial response (2011/2012) was created by manually identifying the maintenance activities and backing out the outage hours to identify "scheduled" vs. "unscheduled".

YEAR	'10											
MONTH	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Parkway A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A
i) Running Hours	251.68	229.73	310.61	364.8	360.48	335.9	99.75	334.25	272.1	384.97	440.75	36.3
ii) Non-Running Hours - No Demand	492.32	442.27	433.39	355.2	383.52	384.1	644.25	409.75	447.9	359.03	279.25	707.7
iii) Maintenance	0	0	0	0	0	0	0	0	0	0	0	0

Parkway B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B
i) Running Hours	384.62	341.13	165.8	147.55	224.92	312.92	558.92	17.62	52.87	27.35	198.22	674.52
ii) Non-Running Hours - No Demand	359.38	330.47	578.2	572.45	519.08	403.42	185.08	726.38	667.13	638.67	519.48	66.57
iii) Maintenance	0	0	0	0	0	3.67	0	0	0	77.3	2.3	2.92

YEAR	'11											
MONTH	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Parkway A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A
i) Running Hours	7	116	219	351	441	375	482	20	523	551	110	104
ii) Non-Running Hours - No Demand	737	556	525	369	303	160	262	724	193	193	598	640
iii) Maintenance	0	0	0	0	0	185	0	0	4	0	12	0

Parkway B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B
i) Running Hours	699	495	264	151	1	19	29	0	5	125	281	587
ii) Non-Running Hours - No Demand	39.5	175	469	569	23	701	711	744	715	619	439	157
iii) Maintenance	5.5	2	1	0	720	0	4	0	0	0	0	0

YEAR	'12				
MONTH	Jan	Feb	Mar	Apr	May
Parkway A	UNIT A	UNIT A	UNIT A	UNIT A	UNIT A
i) Running Hours	69	22	84	279.22	476.4
ii) Non-Running Hours - No Demand	675	674	660	440.78	267.6
iii) Maintenance	0	0	0	0	0

Parkway B	UNIT B	UNIT B	UNIT B	UNIT B	UNIT B
i) Running Hours	625	536	338	336.58	14.52
ii) Non-Running Hours - No Demand	94	160	406	383.42	185.48
iii) Maintenance	25	0	0	0	544

SEASON (Nov 1 - March 31)	06/07	07/08	08/09	09/10	10/11	11/12
DAWN B						
i) Running Hours	710.23	902.4	1430.38	868.4	426.47	0
ii) Non-Running Hours - No Demand	2557.85	2173.02	1501.85	1917.35	3193.03	3648
iii) Maintenance	355.92	572.58	691.77	838.25	4.5	0
DAWN C						
i) Running Hours	828.42	1780.08	929.32	16.5	164.33	0
ii) Non-Running Hours - No Demand	920.25	1776.07	1740.48	3582.08	3262.97	3582
iii) Maintenance	1875.33	91.75	954.2	25.42	196.7	66
DAWN D						
i) Running Hours	1145.5	909.33	793.8	537.72	270.83	0.58
ii) Non-Running Hours - No Demand	2084.02	2721.17	2765.22	1996.17	2233.19	1369.17
iii) Maintenance	394.48	17.5	64.98	1090.12	1119.98	2278.25
DAWN E						
i) Running Hours	2039.67	2165.3	3166.68	2597.92	1875.47	1109.07
ii) Non-Running Hours - No Demand	865.25	851.83	348.35	962.43	570.96	2453.52
iii) Maintenance	719.08	630.87	108.97	63.65	1177.57	85.41
DAWN F1						
i) Running Hours	167.03	1070.23	560	1415.95	929.37	1032.07
ii) Non-Running Hours - No Demand	395.13	2404.62	2553.63	2185.92	2456.1	2526.01
iii) Maintenance	0.33	167.88	510.37	22.13	238.53	89.92
DAWN F2						
i) Running Hours	79.68	83.15	1021.95	356.59	915.25	185.94
ii) Non-Running Hours - No Demand	504.98	2468.85	2055.72	3267.41	2692.38	3462.06
iii) Maintenance	0	1096	546.33	0	16.36	0
DAWN G						
i) Running Hours	1325.5	1294	556.73	722.48	536.9	740.97
ii) Non-Running Hours - No Demand	1494.32	2311.72	2854.09	2896.48	3000.72	2543.03
iii) Maintenance	804.17	42.28	213.08	5.03	86.38	364
DAWN I						
i) Running Hours	N/A	1294	38.6	1118.58	725.43	151.52
ii) Non-Running Hours - No Demand	N/A	2311.72	2867.33	2478.7	2865.9	2344.73
iii) Maintenance	N/A	42.28	718.07	26.72	32.67	1151.75
DAWN J						
i) Running Hours	N/A	N/A	N/A	N/A	N/A	657.46
ii) Non-Running Hours - No Demand	N/A	N/A	N/A	N/A	N/A	2713.27
iii) Maintenance	N/A	N/A	N/A	N/A	N/A	277.37
LOBO A1						
i) Running Hours	988.25	439.12	876.92	702.85	910.16	197.57
ii) Non-Running Hours - No Demand	2558.3	3204.92	2747.08	2758.12	2659.02	3450.31
iii) Maintenance	77.45	3.96	0	163.03	54.72	0.12
LOBO A2						
i) Running Hours	1066.43	726.08	758.94	594.91	1551.17	241.26
ii) Non-Running Hours - No Demand	2557.47	2916.19	2860.81	3029.09	2072.83	3381.22
iii) Maintenance	0.1	5.73	4.25	0	0	25.52
LOBO B						
i) Running Hours	1913.78	2662.13	2456.37	2100.53	625.07	499.42
ii) Non-Running Hours - No Demand	1403.74	984.67	1119	1507.75	2808.65	3142.88
iii) Maintenance	306.48	1.3	48.63	15.72	190.28	5.7
BRIGHT A1						
i) Running Hours	490.18	673.3	682.69	672.99	874.75	1739.47
ii) Non-Running Hours - No Demand	3132.6	2973.08	2745.44	2950.99	2734.5	1758.11
iii) Maintenance	0	1.62	195.87	0.02	14.75	150.42
BRIGHT A2						
i) Running Hours	479.73	762.7	1539.78	1182.52	2434.09	1820.77
ii) Non-Running Hours - No Demand	3125.44	2882.22	1667.9	2432.28	1189.91	1827.23
iii) Maintenance	18.83	3.08	416.32	9.2	0	0
BRIGHT B						
i) Running Hours	1561.83	2825.62	1827.78	1289.05	2593.94	1856.63
ii) Non-Running Hours - No Demand	2062.17	820.68	1791.79	2323.47	1030.06	1791.37
iii) Maintenance	0	1.7	4.43	11.48	0	0

CALCULATION OF RATE BASE AND REVENUE REQUIREMENTS**Parkway West 2014 Project****Preliminary "High Level" Analysis**

<u>Particulars</u>	<u>2014</u> <u>1</u>	<u>2015</u> <u>2</u>	<u>2016</u> <u>3</u>	<u>2017</u> <u>4</u>	<u>2018</u> <u>5</u>	<u>2019</u> <u>6</u>	<u>2020</u> <u>7</u>	<u>2021</u> <u>8</u>	<u>2022</u> <u>9</u>	<u>2023</u> <u>10</u>
<u>Capital</u>										
Land	15,000									
Compression-Transmission	200,000									
Total Capital	215,000									
Average Undepreciated Net Plant	34,073	207,960	200,920	193,880	186,840	179,800	172,760	165,720	158,680	151,640
REVENUE REQUIREMENT										
Utility Return:										
Interest expense	889	5,428	5,244	5,060	4,877	4,693	4,509	4,325	4,142	3,958
Equity return	<u>1,305</u>	<u>7,965</u>	<u>7,695</u>	<u>7,426</u>	<u>7,156</u>	<u>6,886</u>	<u>6,617</u>	<u>6,347</u>	<u>6,077</u>	<u>5,808</u>
Total Return	<u>2,194</u>	<u>13,393</u>	<u>12,939</u>	<u>12,486</u>	<u>12,032</u>	<u>11,579</u>	<u>11,126</u>	<u>10,672</u>	<u>10,219</u>	<u>9,766</u>
Income taxes on return required:										
Income tax re equity return	435	2,655	2,565	2,475	2,385	2,295	2,206	2,116	2,026	1,936
Sub-total taxes	435	2,655	2,565	2,475	2,385	2,295	2,206	2,116	2,026	1,936
Adjustments to arrive at taxable income	<u>(3,827)</u>	<u>(6,903)</u>	<u>(5,516)</u>	<u>(4,336)</u>	<u>(3,334)</u>	<u>(2,482)</u>	<u>(1,758)</u>	<u>(1,142)</u>	<u>(619)</u>	<u>(174)</u>
Total taxes	<u>(3,392)</u>	<u>(4,248)</u>	<u>(2,951)</u>	<u>(1,861)</u>	<u>(949)</u>	<u>(186)</u>	<u>448</u>	<u>974</u>	<u>1,407</u>	<u>1,762</u>
Other operating costs:										
O&M expense	-	-	-	-	-	-	-	-	-	-
Book depreciation	3,520	7,040	7,040	7,040	7,040	7,040	7,040	7,040	7,040	7,040
Municipal taxes	-	-	-	-	-	-	-	-	-	-
Capital taxes	-	-	-	-	-	-	-	-	-	-
Total Operating Costs	<u>3,520</u>	<u>7,040</u>	<u>7,040</u>	<u>7,040</u>	<u>7,040</u>	<u>7,040</u>	<u>7,040</u>	<u>7,040</u>	<u>7,040</u>	<u>7,040</u>
Total Revenue Required	<u>2,323</u>	<u>16,184</u>	<u>17,028</u>	<u>17,665</u>	<u>18,124</u>	<u>18,433</u>	<u>18,614</u>	<u>18,686</u>	<u>18,666</u>	<u>18,568</u>
10 Year simple Average Revenue Requirement	16,429									

Assumptions:

60/40 Debt/Equity

ROE 9.58%

Debt 4.35%

In Service Nov 2014

Property Taxes, and other O&M costs excluded as to are not known at this point

Allocation of Estimated Parkway West Project Costs

Line No.	Particulars	Dawn-Trafalgar Demand Allocation ⁽¹⁾		Estimated Parkway West Project Costs ⁽²⁾
		(10 ⁶ m ³ /d x km) (a)	(%) (b)	(000's) (c)
1	Rate M1	1,820	6%	940
2	Rate M2	612	2%	316
3	Rate M4	178	1%	92
4	Rate M5	2	0%	1
5	Rate M7	82	0%	42
6	Rate M9	29	0%	15
7	Rate M10	1	0%	0
8	Rate T1	658	2%	340
9	Rate T3	207	1%	107
10	Rate M12	26,557	84%	13,723
11	Rate 01	1,189	4%	614
12	Rate 10	315	1%	163
13	Rate 20	83	0%	43
14	Rate 100	6	0%	3
15	Total	31,737	100%	16,400

Notes:

- (1) The Dawn-Trafalgar demand allocation is provided at Exhibit G3, Tab 5, Schedule 23, Updated, pages 7-8, line 5.
- (2) The estimated Parkway West Project costs are provided at J.B-1-7-8 part b).

M12/M12-X/C1 Transportation Demand Charge Impact of the Parkway West Project

Line No.	Services	EB-2011-0210 Updated: 2012-03-27 (\$/GJ/day) (a)		Parkway West Project Costs Included (\$/GJ/day) (b)	Difference (\$/GJ/day) (c) = (b) - (a)	% Change (d) = (c) / (b)
1	M12/C1 Dawn to Kirkwall	0.069	(1)	0.075	0.006	9.4%
2	M12/C1 Dawn to Parkway	0.081	(2)	0.089	0.008	9.6%
3	M12/C1 Kirkwall to Parkway	0.013	(3)	0.014	0.001	10.8%
4	C1 Parkway to Kirkwall	0.020	(4)	0.022	0.002	10.8%
5	C1 Kirkwall to Dawn	0.035	(5)	0.039	0.004	10.8%
6	C1 Parkway to Dawn	0.020	(6)	0.022	0.002	10.8%
7	M12-X	0.101	(7)	0.111	0.010	9.8%

Notes:

- (1) EB-2011-0210, Exhibit H3, Tab 2, Schedule 1, page 13, line 1 * 12 / 365.
(2) EB-2011-0210, Exhibit H3, Tab 2, Schedule 1, page 13, line 2 * 12 / 365 .
(3) EB-2011-0210, Exhibit H3, Tab 2, Schedule 1, page 13, line 3 * 12 / 365.
(4) EB-2011-0210, Exhibit H3, Tab 2, Schedule 1, page 14, line 24 * 12 / 365.
(5) EB-2011-0210, Exhibit H3, Tab 2, Schedule 1, page 14, line 25 * 12 / 365.
(6) EB-2011-0210, Exhibit H3, Tab 2, Schedule 1, page 14, line 23 * 12 / 365.
(7) EB-2011-0210, Exhibit H3, Tab 2, Schedule 1, page 13, line 5 * 12 / 365.



Parkway Projects

Parkway West Pre-spend Approval

Doug Alexander – Director Engineering and Execution

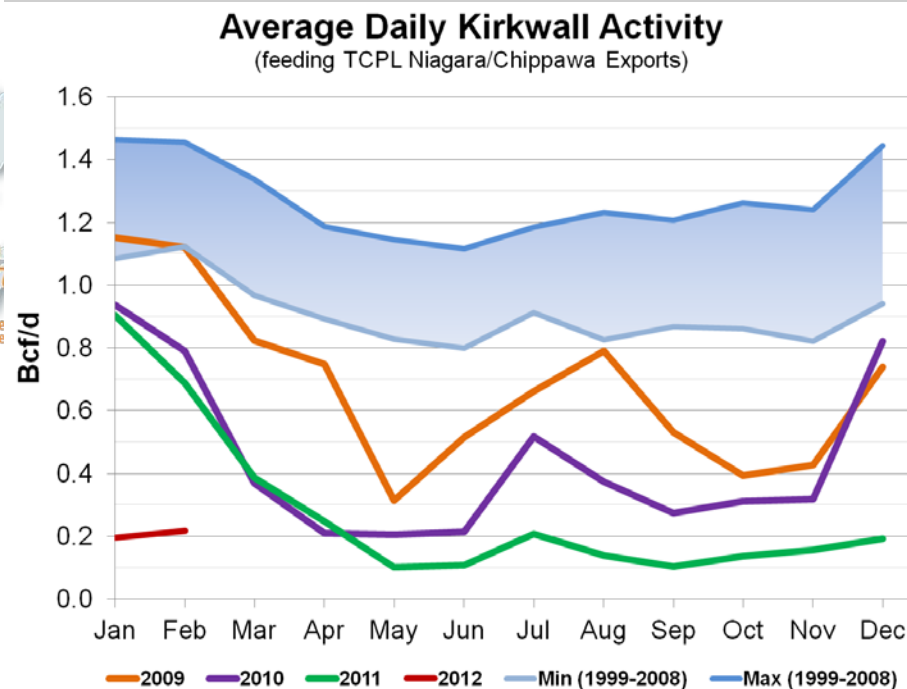
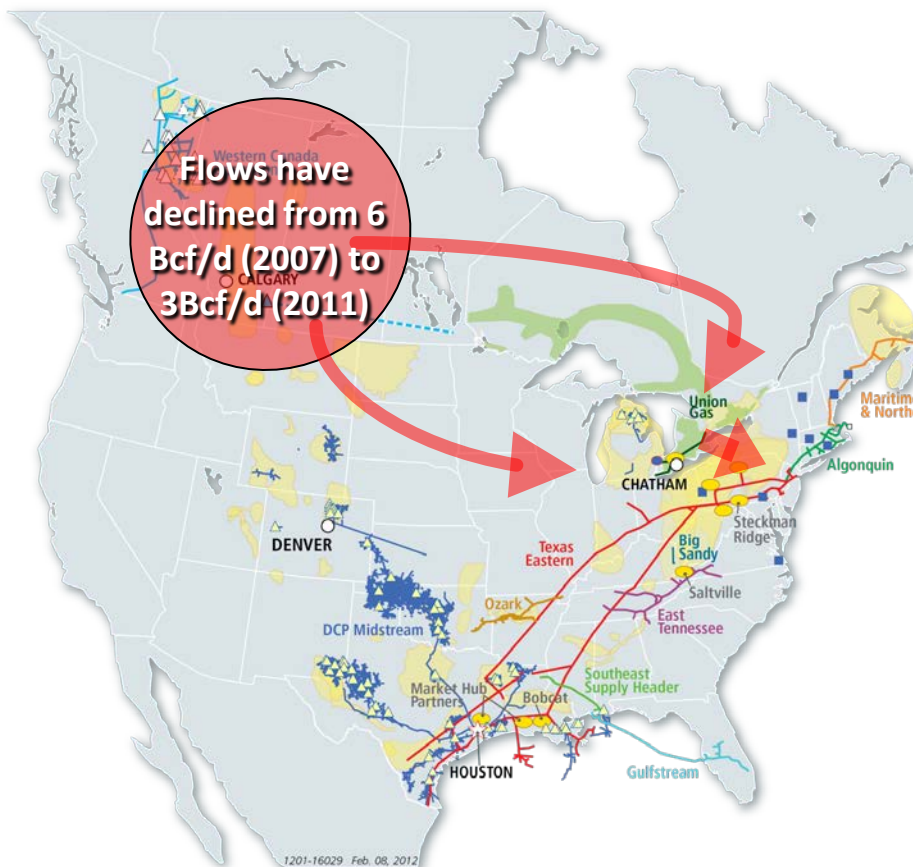
Mark Isherwood – VP Business Development, Storage and Transmission

Jim Redford - Director, Business Development & Strategic Accounts

Agenda

- Background - Changing Supply Dynamics
- Union Gas Strategic Response
- Actions to Date
- Parkway West Project
- Appendix

Background – Changing Supply Dynamics



Decreased natural gas flows out of Western Canada into Ontario, coupled with production growth in the Marcellus Shale, are driving exports at Kirkwall to all-time lows

Union Gas Strategic Response

Background

- Union held discussions in late 2010 and early 2011 with Enbridge to understand their concerns regarding security of supply at Parkway
 - ~70% of peak day Greater Toronto Area (GTA) volumes flow through Parkway or are delivered at Parkway
 - Enbridge expressed concern with this level of dependency given the projected impact of a Parkway outage
 - Enbridge was considering a new independent 3rd feed into the GTA
- Union began receiving significant turn back from TCPL (to Kirkwall) beginning November 1, 2011 (0.89 bcf/d by November 1, 2013)
- Union is now forecasting near zero exports at Kirkwall by 2013/14 due to Marcellus development
- Union's best opportunity to remarket capacity is to customers downstream of Parkway
- Pipe downstream of Parkway (Parkway to Maple) is owned by TCPL and is capacity constrained

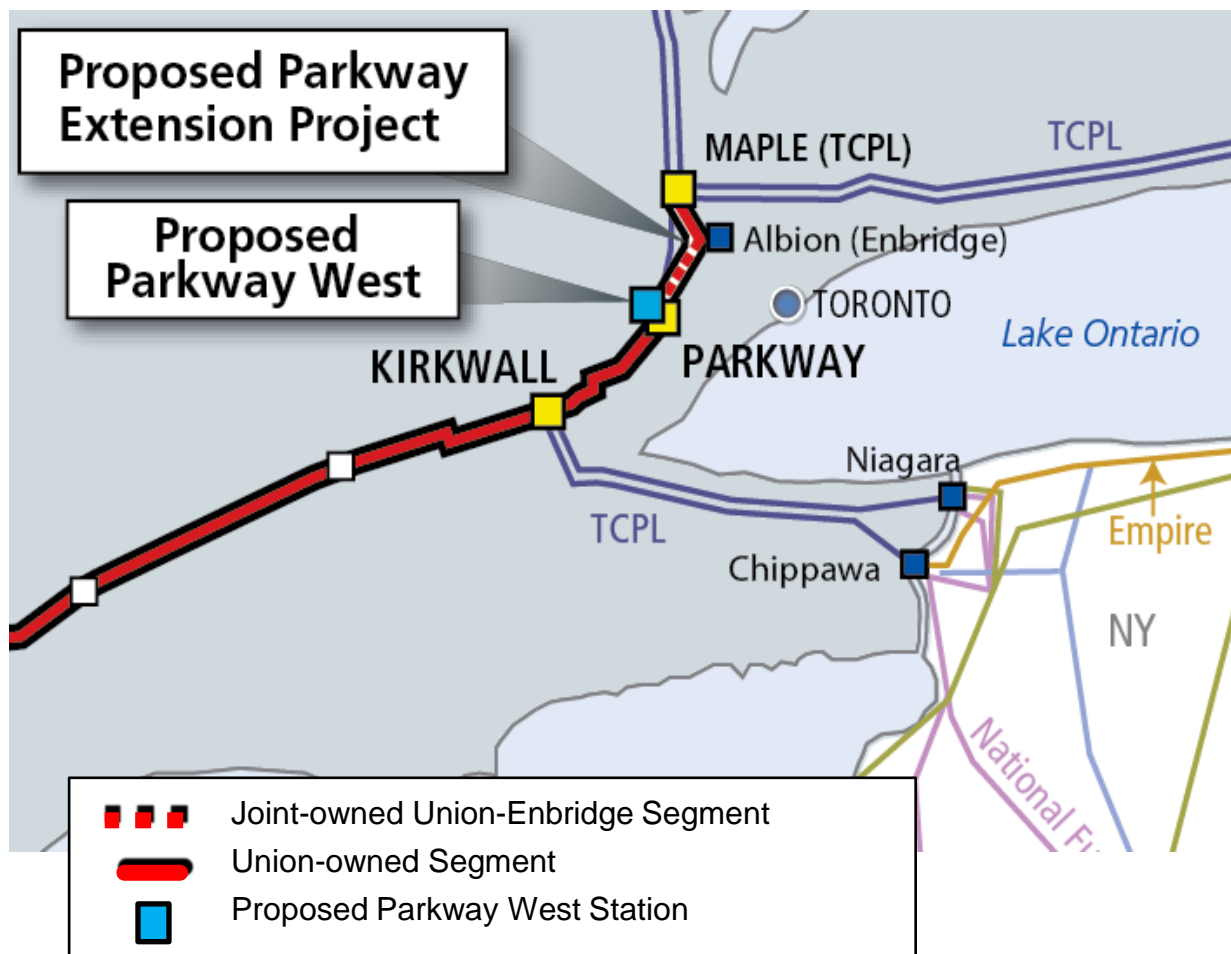
Union Response

- In July of 2011, Union and Enbridge formed a study team to evaluate security of supply at Parkway and to look for synergistic solutions to re-enforce Parkway, create a new independent feed for Enbridge and to expand capacity on the constrained Parkway to Maple path
- Solution:
 - Union to build and own the Parkway West compressor station. Provides LCU protection for Parkway compressor volumes and provides bypass piping around existing station
 - With security of supply addresses, additional Parkway volumes could be considered
 - A new feed into the GTA from the Parkway West station to a new city gate for Enbridge at Albion is built. This section of pipe will be a Joint Venture between Union and Enbridge
 - Union builds and owns the remaining pipe from Albion to Maple. Union would then be able to provide service between Dawn and Maple
 - Sum of all projects defined as "Parkway Projects"

Actions to Date

- Option to purchase compressor station land secured in 2011 for new Parkway West site (April 2012 expiry)
- Memorandum of Understanding (“MOU”) executed with Enbridge and Gaz Métro to support Parkway Extension Project
- MOU with Enbridge also supports a JV approach between Parkway and Albion (part of path to Maple)
- Open season launched March 13 for Parkway Extension Project and Dawn-Parkway capacity (closes April 25)

Parkway Projects



Parkway West

- Loss of Critical Unit Compression
- Second, secure Enbridge feed

Parkway Extension Project

- Parkway to Maple Pipeline and Compression

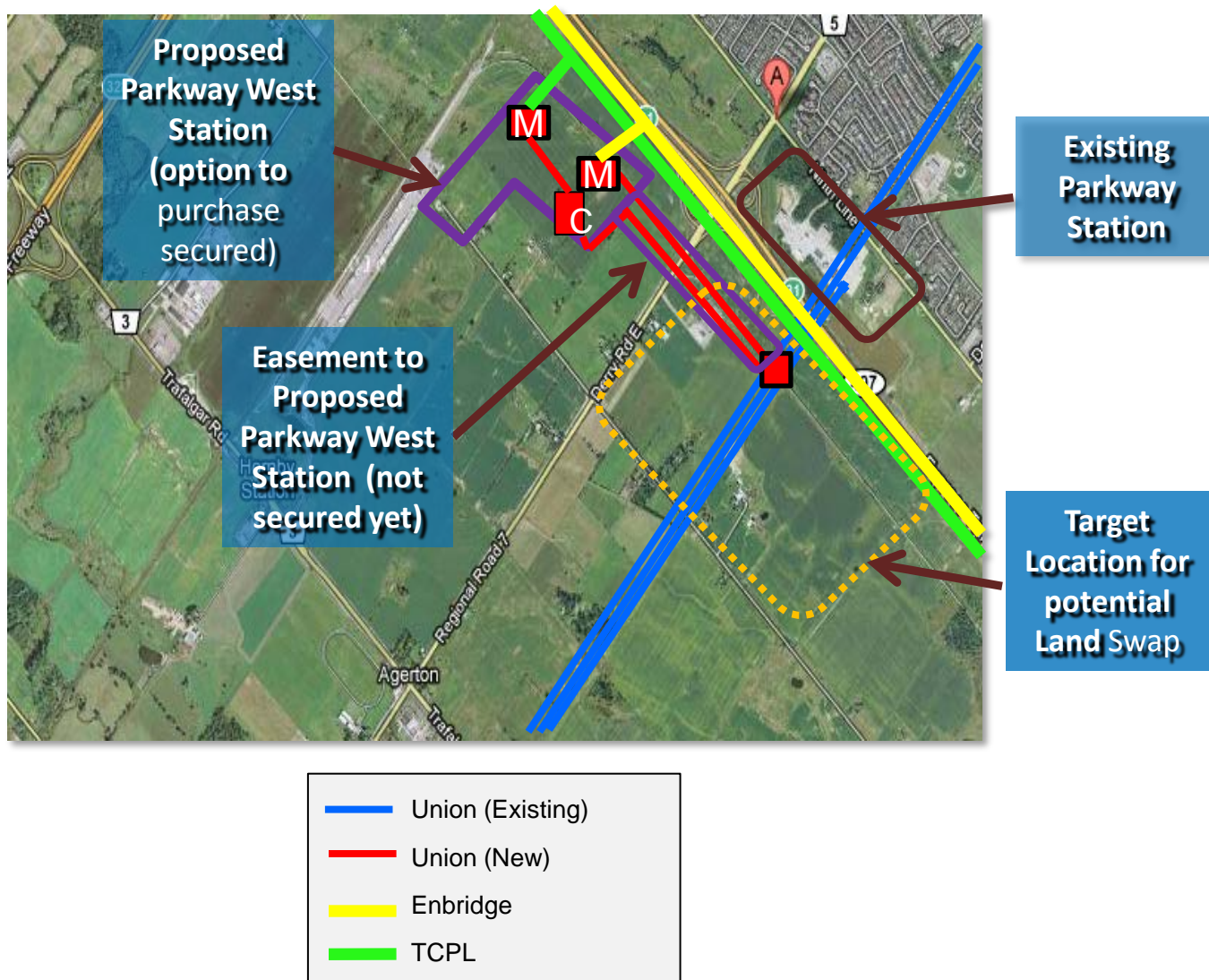
Suite of projects that will eliminate the bottleneck east of Parkway and provide Enbridge the third feed to the GTA

Parkway West

Transaction Overview

- Gas supply flow dynamics have changed significantly
- As a result, Parkway Compression utilization has increased significantly since 2009 and has also shifted to year-round exports;
 - Peak day flow increased from <0.5 Bcf/d in 2005 to 1.9 Bcf/d in 2011
 - With growth, Parkway flow is expected to exceed 3.0 Bcf/d by 2016
 - Parkway is the only location on Dawn-Parkway system without full Loss of Critical Unit (LCU) protection.
- Parkway West Facilities;
 - LCU Compressor (~47,000 HP)
 - New TCPL metering and interconnect with existing TCPL infrastructure
 - New Enbridge metering and interconnect with existing Enbridge infrastructure
 - Parkway Discharge Metering Upgrade to provide custody transfer measurement for TCPL discharge
 - Future metering and interconnect with new pipeline to Albion/Maple
- Estimated Capital Expenditure: CDN\$224 million
- Targeted In-Service Date: November 1, 2014
- No new incremental capacity associated with Parkway West
- Parkway West facilities provide reliability and security of supply for customers east of Parkway and provide ability to re-contract existing capacity and pursue expansion capacity

Project Map



Strategic Rationale

- Prior to the development of Parkway West, Enbridge was considering a new feed into the GTA to address supply reliability
- A new Enbridge feed would have resulted in reduced volumes (decontracting) on the Union system
- Parkway West provides supply reliability and eliminates this risk
- An outage at Parkway on a peak day would have significant consequences for the GTA
- Parkway West would mitigate the impact of a Parkway compression outage
- Union has and continues to experience decontracting by TCPL on the Dawn to Kirkwall path
- The additional security of supply created by Parkway West will possibly allow Union the ability to resell the turn back capacity
- Parkway West complements future growth projects east of Parkway, including the proposed Parkway Extension Project and Enbridge System Upgrade
- Parkway West complements Ontario and Quebec consumers increasing supply diversity back to Dawn
- Provides operational and maintenance flexibility for Parkway compressor units

Base Case Assumptions

- In-service Date – November 1, 2014
- Capital - \$224 M
- All analysis done in Canadian dollars
- The Union Gas estimate of \$224 M was used in analysis, not the Monte Carlo CapEx Mean (\$200 M)
- Project economics assume full cost of service recovery in rates at regulated return levels
- Reflects 2013 Rate Case application to increase equity ratio from 36% to 40% and ROE of 9.58%
- Includes 200 basis point increase in ROE above regulated return to recognize revenue synergies realizable from additional transactional services available at Dawn Hub

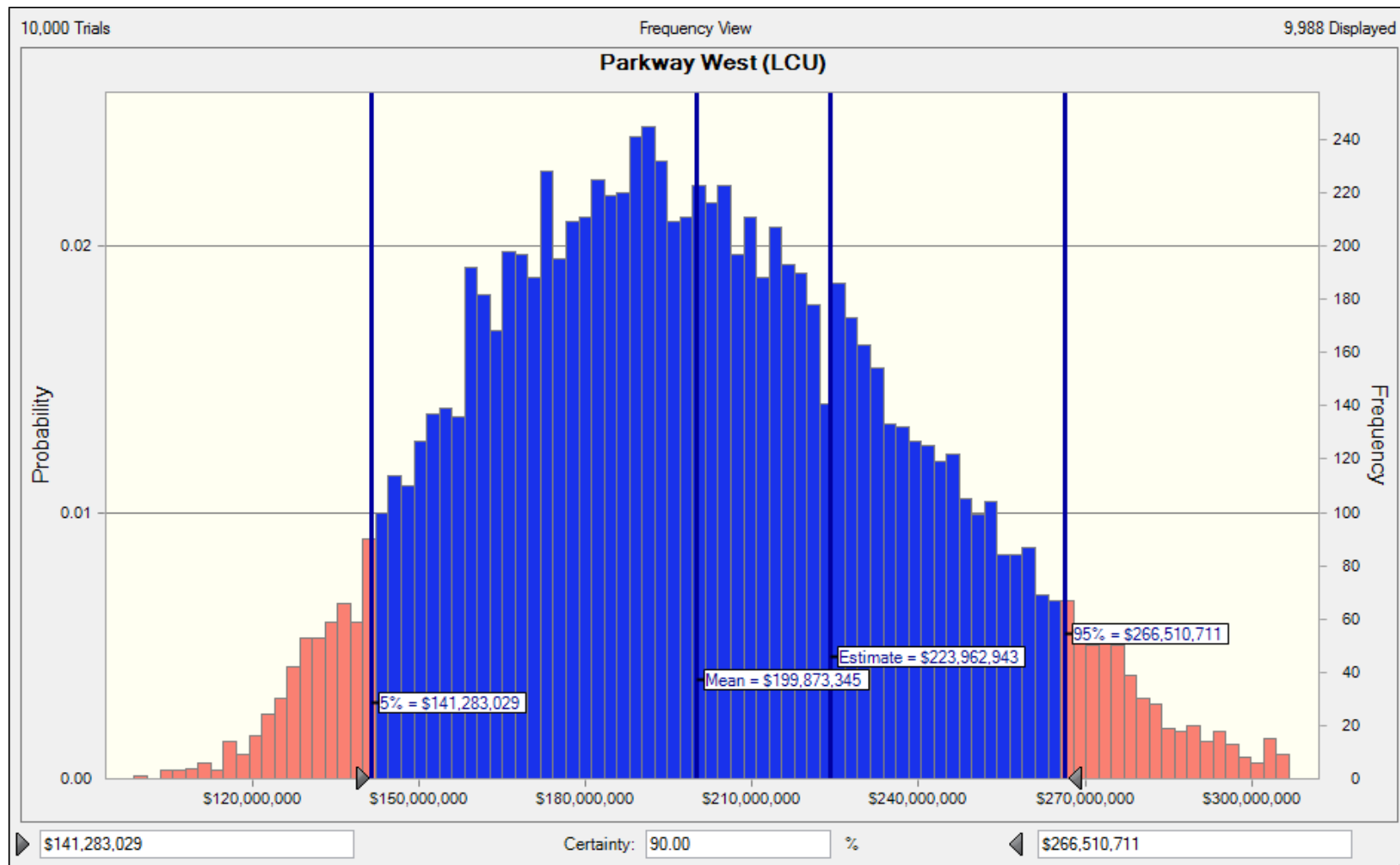
SE Financial Implication

CapEx	\$224.0 MM
IRR	6.6%
NPV@ 8.5%	(\$ 33.9) MM
NPV@ 5.8%	\$17.9 MM
Payback (years)	17.0

IRR Based on Regulated Utility Return	5.5%
Increase in Equity ratio to 40%	0.3%
Dawn S&T Transactional Synergies	<u>0.8%</u>
Base Case IRR	6.6%

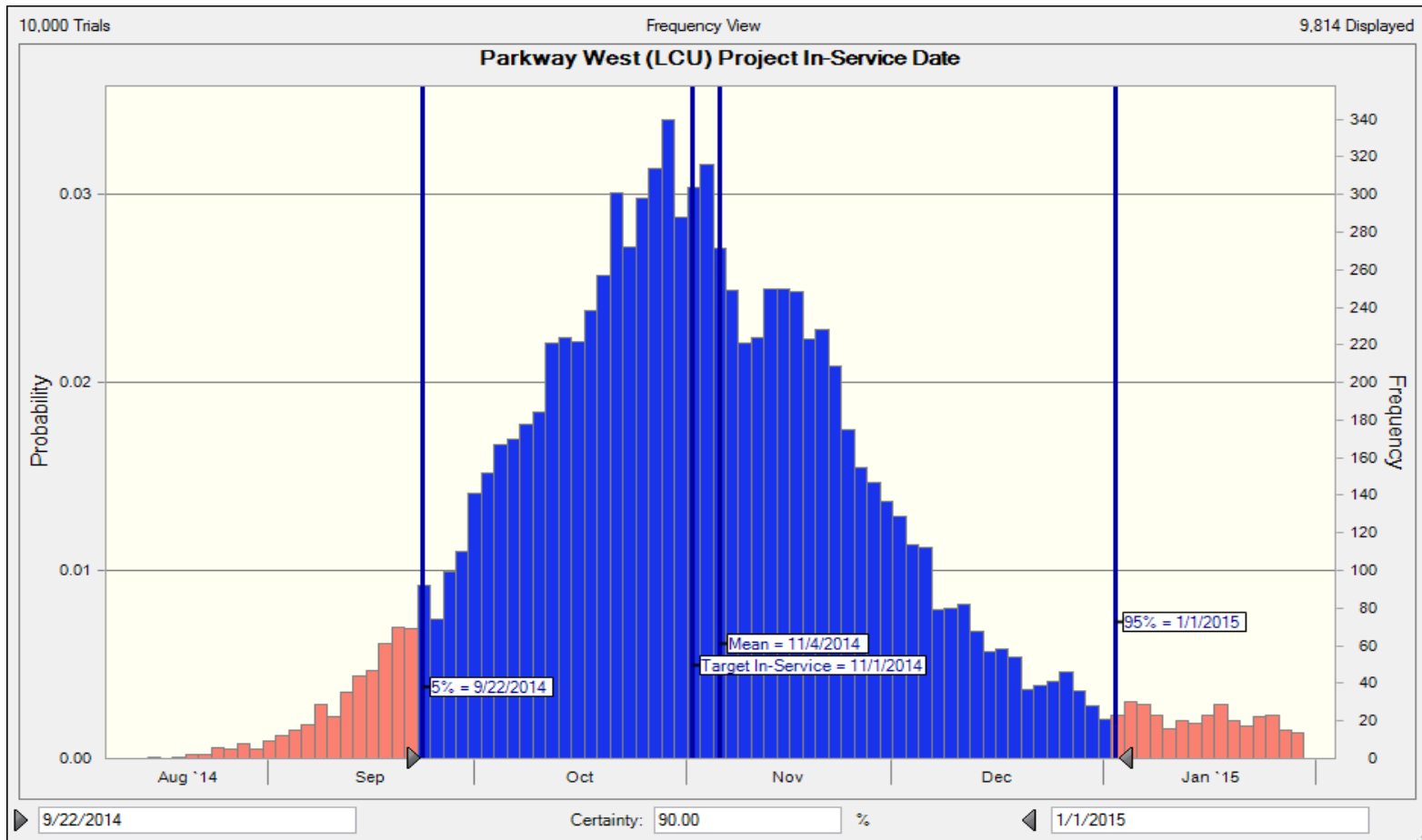
\$ MM CDN	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
CapEx	\$0.2	\$36.8	\$40.8	\$144.4	\$1.7	-	-
AT Cash Flow	(\$0.2)	(\$36.8)	(\$40.8)	(\$139.8)	\$14.4	\$15.9	\$15.7
Revenue				2.0	\$21.5	\$22.3	\$23.0
EBIT				(\$1.4)	\$12.8	\$13.5	\$14.1
EBITDA				\$1.6	\$18.8	\$19.6	\$20.1
ROCE (%)				(1.0)%	5.9%	6.4%	6.9%
ROE (%)				11.6%	11.6%	11.6%	11.6%

CapEx Monte Carlo Results



Estimate is at the 73rd percentile

Schedule Monte Carlo Results



Target In-Service date is at the 50th percentile

Risks and Mitigation

Risk	Mitigation
<u>Regulatory Risk</u> <ul style="list-style-type: none"> • OEB Approval of rate increase to cover Parkway West Capital • Ability to acquire easements for headers from Trafalgar Lines 	<ul style="list-style-type: none"> • Meet with the OEB to describe the linkage to Enbridge GTA upgrade project and the Parkway to Maple extension project. • Consider early filing for OEB approval • Seek specific cost recovery through new IR framework • Demonstrate market support for Parkway to Maple and customer decision for greater supply diversity • Apply early for project approval and expropriation rights, if necessary • Potential for Parkway West land swap that would eliminate need for headers on easement
<u>Competitive Risk</u> <ul style="list-style-type: none"> • TCPL's competitive response 	<ul style="list-style-type: none"> • Detailed regulatory and advocacy strategy

Risks and Mitigation

Risk	Mitigation
<p><u>Cost Overrun Risk</u></p> <ul style="list-style-type: none"> • Material and construction cost overruns for major components (i.e. compressor package, meters and pipe) • Land cost increasing (Station property) • Cost of easements for headers from Trafalgar Lines 	<ul style="list-style-type: none"> • Early order of major equipment (Compressor – August 2012) • Potential for land swap – would reduce capital cost • Feasibility level cost estimate includes 20% contingency (excludes land purchase) • Pre-spend allows for preliminary engineering to be completed to develop pre-budget quality estimate for planning • Exercise land option and secure station property • Purchase or option easements as soon as possible to lock in cost for Union Gas headers from Trafalgar lines • Land swap would eliminate need for easement for headers
<p><u>Timing</u></p> <ul style="list-style-type: none"> • Delay in overall Project timing • Delay in securing permits 	<ul style="list-style-type: none"> • Managed through project management process and focus • Apply for as early as possible

Summary

- Parkway West is critical infrastructure
- Parkway West addresses supply reliability related to the significant changes in gas flows in Ontario
- Provides reliability for existing and new export volumes for customers downstream of Parkway (Enbridge, Gaz Métro and ANE)
- Provides opportunity to re-contract Dawn-Kirkwall capacity turned back by TCPL
- Complements Parkway Extension Project (Parkway-Maple) which facilitates Ontario consumers supply diversity back to Dawn

Next Steps

- Union requests FRC endorsement to seek approval from the TRC for pre-spend capital of \$37.3 million in 2012
- Prior to seeking FRC endorsement of full project, advance Parkway West by securing lands, completing detailed engineering and committing to vendor engineering for the compressor unit
- Seek FRC, TRC and SE Board of Directors final approval of full project in 2H2012 once detailed engineering and costing is completed

Appendices

- Capital Costs
- SE Financial Implication – Based on Deferred Tax
- Union Gas System Map
- Parkway Extension Project Background

Preliminary Parkway West Capital Costs

Year	Project Component	Cost (as spent millions CDN)
2012	Purchase Parkway West Land and Easements	\$26
2013	Upgrade Existing Parkway Discharge Metering	\$8
2014	Parkway West – Trafalgar Connection and Header	\$29
2014	Enbridge Measurement and Parkway Header	\$35
2014	TCPL Measurement	\$19
2014	LCU Compression	\$107
	TOTAL	\$224

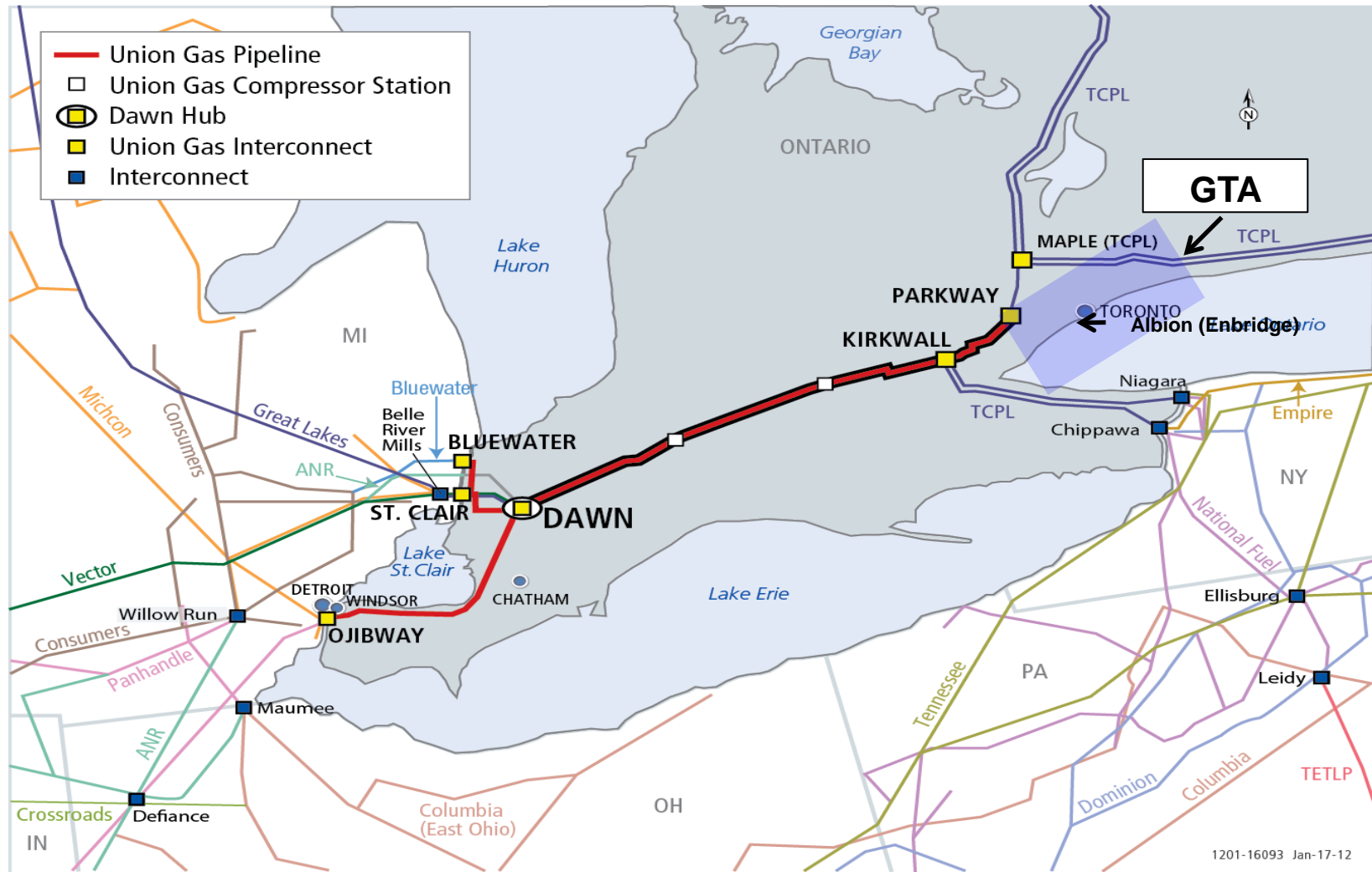
SE Financial Implication - Based on Deferred Tax

CapEx \$224.0 MM
 IRR 6.6%
 NPV@ 8.5% (\$ 32.6) MM
 NPV@ 5.8% \$14.3 MM
 Payback (years) 18.0

IRR Based on Regulated Utility Return	5.5%
Increase in Equity ratio to 40%	0.3%
Dawn S&T Transactional Synergies	<u>0.8%</u>
Base Case IRR	6.6%

\$ MM CDN	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
CapEx	\$0.2	\$36.8	\$40.8	\$144.4	\$1.7	-	-
AT Cash Flow	(\$0.2)	(\$36.8)	(\$40.8)	(\$140.1)	\$14.1	\$15.5	\$15.1
Revenue				6.4	\$27.3	\$26.7	\$26.0
EBIT				\$3.0	\$18.6	\$17.9	\$17.2
EBITDA				\$6.0	\$24.6	\$23.9	\$23.2
ROCE (%)				2.0%	8.8%	8.9%	8.9%
ROE (%)				9.7%	11.7%	11.8%	11.8%

Union Gas System Map



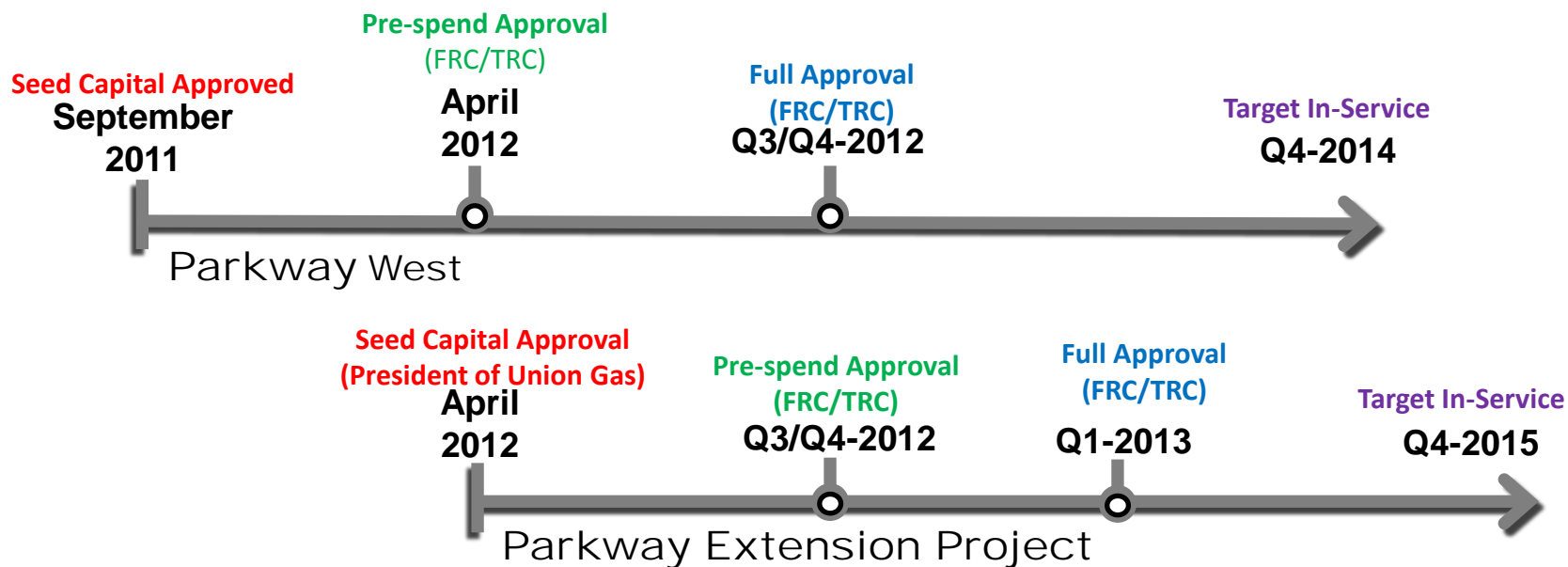
Parkway Extension Project

- Growth project that extends the Union Gas system from Parkway to Maple and eliminates the bottleneck east of Parkway
- Parkway to Albion (or Maple) jointly owned with Enbridge in undivided interest. Enbridge needs 800 mmcf/d of capacity to Albion
- Binding open season launched in March for ~ 1 PJ/d of capacity to Parkway plus 500-700 mmcf/d of capacity to Maple (in addition to Enbridge Albion requirement)
 - Non-binding MOU's executed with Enbridge and Gaz Metro
- Facilities include:
 - 29 mile Parkway to Maple Pipeline (36 or 42 inch)
 - Maple and Parkway ('D' Plant) Compression
- November 1, 2015 in-service target
- \$400-600 M estimated capital cost added to Union Gas rate base

Parkway Extension Project Strategic Rationale

- Serves growing demand for natural gas in Ontario, Quebec and the US Northeast
- Provides consumers with choice: a new transportation option to link supply with demand, supporting the development of new natural gas infrastructure
- Provides secure access to diverse supply basins for residential, commercial, industrial, and Direct Purchase customers within the Union Gas, Enbridge and Gaz Métro franchise areas
- Provides access to affordable energy options
- Supports economic development powered by cleaner energy – (Ontario's off-coal initiative)
- Enhances reliability and security of supply by providing a second pipeline option to Maple and supports upgrades to the GTA delivery system.
- Links markets and supply basins to the Dawn Hub, Canada's largest underground storage facility, where Shippers can contract for Union's suite of innovative, customizable storage and transmission services
- Joint pipeline development serving Union Gas and Enbridge needs creates synergies for economics as well as environmental and social impacts

Parkway Projects Estimated Approval Timeline





Parkway Projects

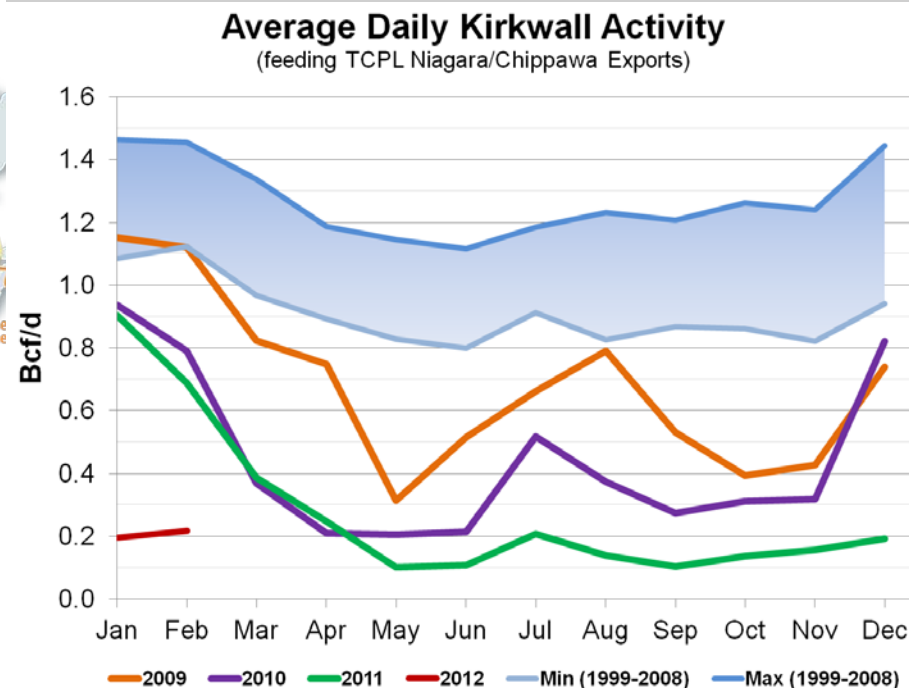
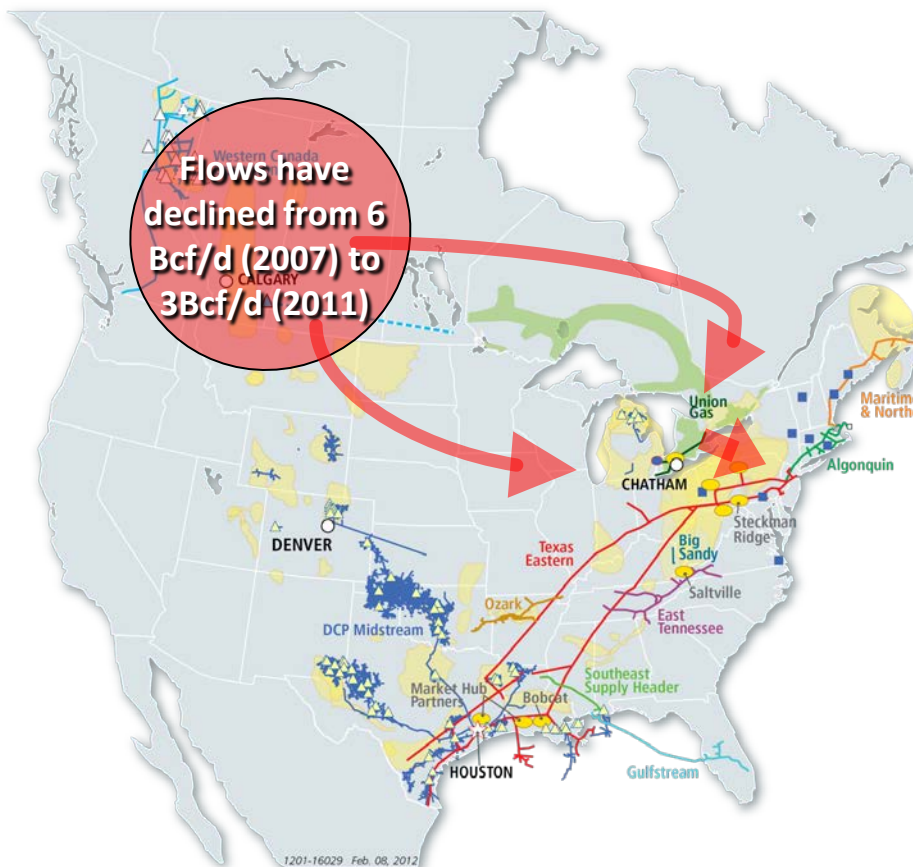
Parkway West Pre-spend Approval

Mark Isherwood – VP Business Development, Storage and Transmission
Jim Redford - Director, Business Development & Strategic Accounts

Agenda

- Background - Changing Supply Dynamics
- Union Gas Strategic Response / Actions to Date
- Parkway West Project
- Appendix

Background – Changing Supply Dynamics



Decreased natural gas flows out of Western Canada into Ontario, coupled with production growth in the Marcellus Shale, are driving exports at Kirkwall to all-time lows

Union Gas Strategic Response

Background

- Discussions in late 2010 and early 2011 with Enbridge re: concerns regarding security of supply at Parkway
 - ~70% of peak day Greater Toronto Area (GTA) volumes flow through or are delivered at Parkway
 - Expressed concern with current level of dependency and projected impact of a Parkway outage
 - Enbridge was considering a new independent 3rd feed into the GTA
- Capacity turn back from TCPL (to Kirkwall) beginning November 1, 2011 – expect 0.9 bcf/d by November 1, 2013
- Forecasting near zero exports at Kirkwall by 2013/14 due to Marcellus supply development
- Opportunity to remarket capacity is to customers downstream of Parkway
- TCPL capacity downstream of Parkway (Parkway to Maple) is capacity constrained
- Volumes through Parkway compression have grown from < 0.5 bcf/d in 2005 to 1.9 bcf/d in 2012

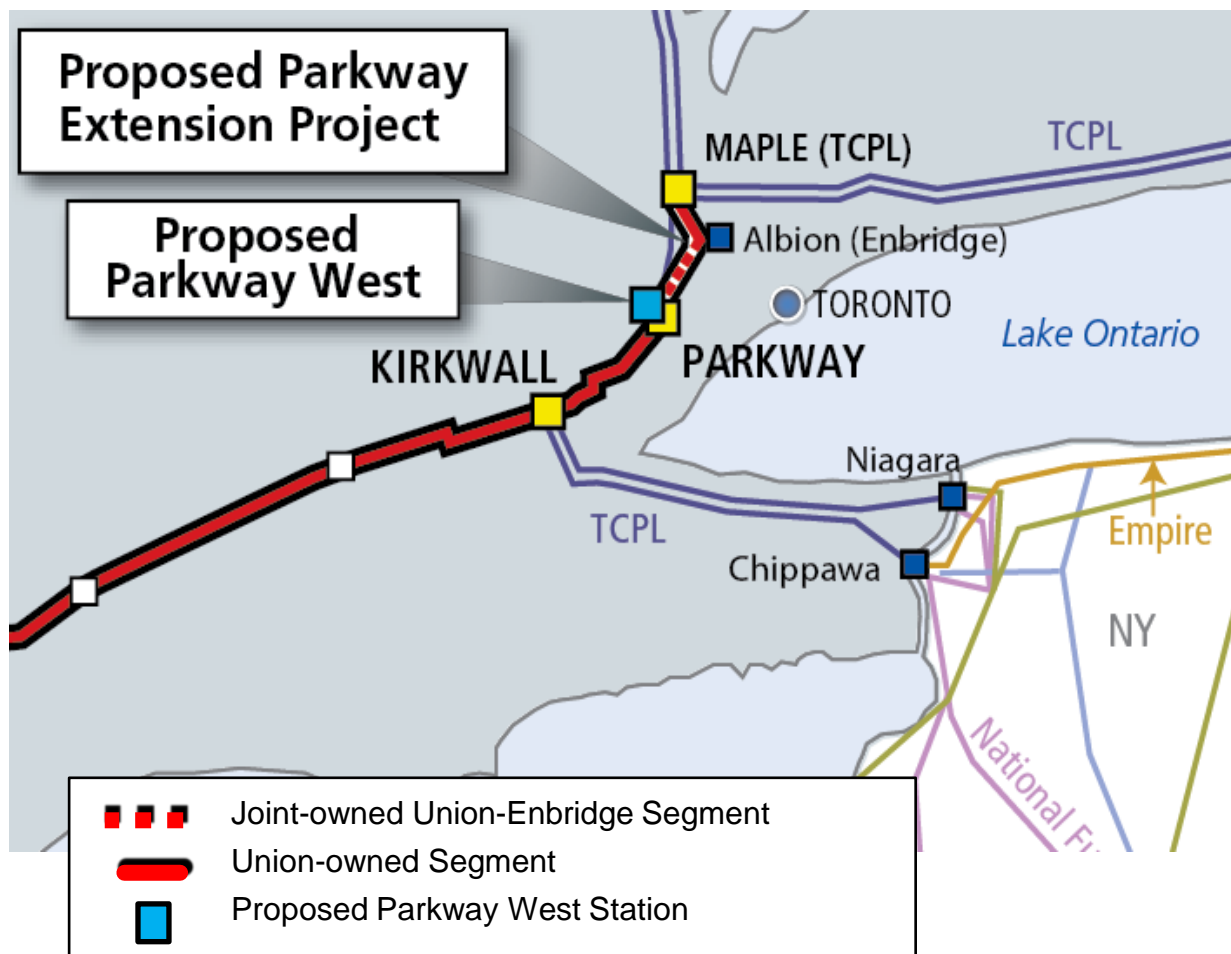
Union Response

- In 1H/11 - Union and Enbridge team assembled to evaluate security of supply at Parkway and review options
- Solution:
 - Union to build new redundant (LCU) compression at Parkway West compressor station.
 - With security of supply addressed, additional Parkway volumes could be considered
 - New Parkway compression will support Enbridge new feed into the GTA (Albion) via Joint Venture between Union and Enbridge and new demands from eastern markets
 - Seek market support for capacity from Parkway to Maple – Union to construct pipe from Albion to Maple
 - Sum of all projects defined as “Parkway Projects”

Actions to Date

- Option to purchase compressor station land secured in 2011 for new Parkway West site
 - Currently negotiating extension of option from April 2012 expiry to April 2013
- Memorandum of Understanding (“MOU”) executed with Enbridge and Gaz Métro to support Parkway Extension Project
- MOU with Enbridge also supports a Joint Venture approach between Parkway and Albion (part of path to Maple)
- Open season launched March 13 for Parkway Extension Project and Dawn-Parkway capacity (closes April 25)

Parkway Projects



Parkway West

- Loss of Critical Unit Compression
- Second, secure Enbridge feed

Parkway Extension Project

- Parkway to Maple Pipeline and Compression

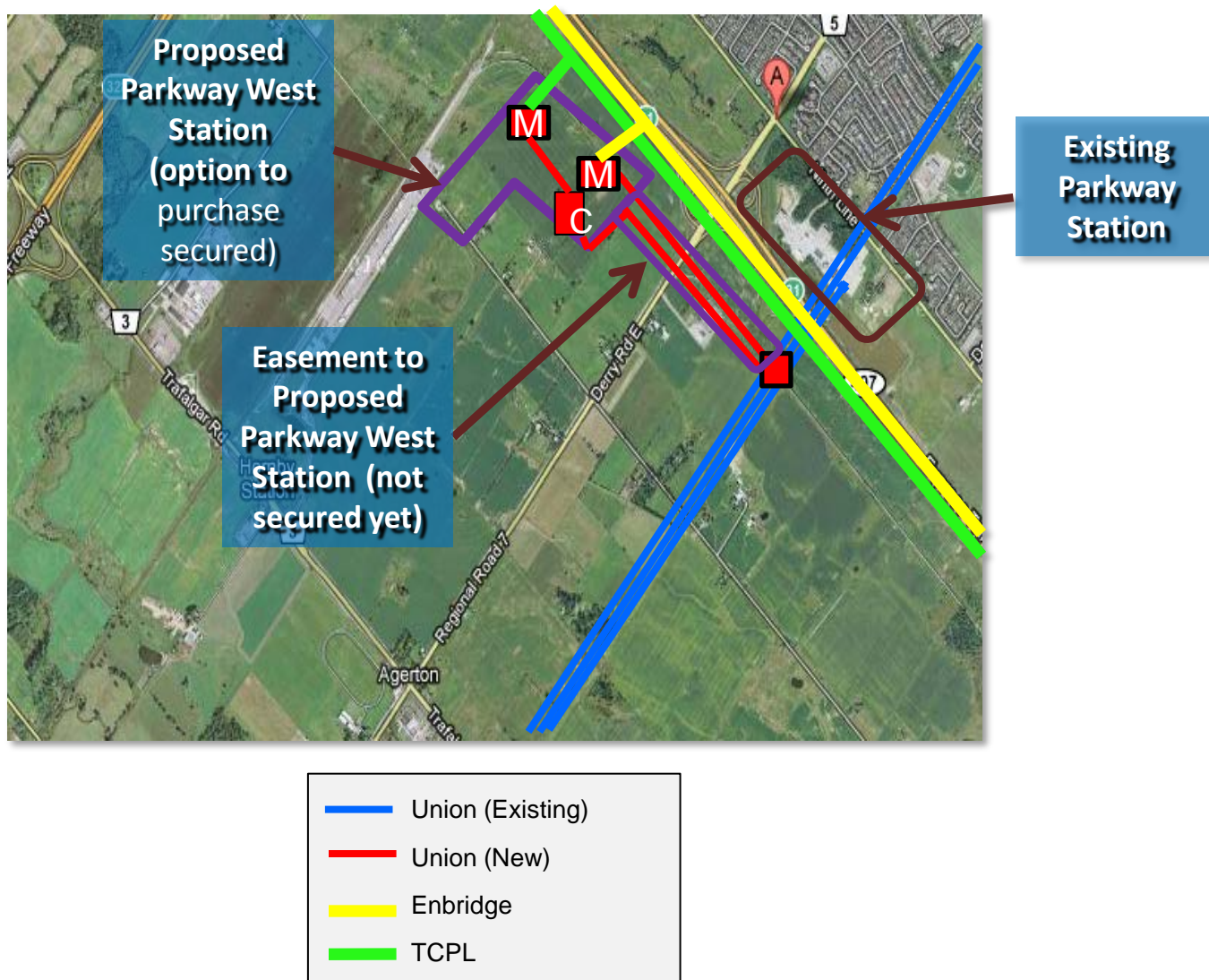
Suite of projects that will eliminate the bottleneck east of Parkway and provide Enbridge the third feed to the GTA

Parkway West

Transaction Overview

- Parkway West Facilities;
 - LCU Compressor (~47,000 HP)
 - New TCPL metering and interconnect with existing TCPL infrastructure
 - New Enbridge metering and interconnect with existing Enbridge infrastructure
 - Parkway Discharge Metering Upgrade to provide custody transfer measurement for TCPL discharge
 - Future metering and interconnect with new pipeline to Albion/Maple
- Estimated Capital Expenditure: CDN\$224 million
- Project currently considered Maintenance Capital
- Targeted In-Service Date: November 1, 2014
- No new incremental capacity associated with Parkway West
- Parkway West facilities required to support reliability and security of supply for existing customer volumes and markets east of Parkway
- New Parkway West station would provide ability to expand system and volumes going forward

Project Map



Strategic Rationale

- An outage at Parkway on a peak day would have significant consequences for the GTA and Ontario
- Parkway West required to provide security of supply reliability for existing Parkway demands
- Parkway West would mitigate the impact of a Parkway compression outage
- Parkway West complements future growth projects east of Parkway, including the proposed Parkway Extension Project and Enbridge System Upgrade
- Provides operational and maintenance flexibility for Parkway compressor units

Base Case Assumptions

- In-service Date – November 1, 2014
- Capital - \$224 M
- All analysis done in Canadian dollars
- Project economics assume full cost of service recovery in rates at regulated return levels
- Reflects 2013 Rate Case application to increase equity ratio from 36% to 40% and ROE of 9.58%

SE Financial Implication

CapEx	\$224.0 MM
IRR	6.6%
NPV@ 8.5%	(\$ 33.9) MM
NPV@ 5.8%	\$17.9 MM
Payback (years)	17.0

IRR Based on Regulated Utility Return	5.5%
Increase in Equity ratio to 40%	0.3%
ROE Upside	<u>0.8%</u>
Base Case IRR	6.6%

\$ MM CDN	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
CapEx	\$0.2	\$36.8	\$40.8	\$144.4	\$1.7	-	-
AT Cash Flow	(\$0.2)	(\$36.8)	(\$40.8)	(\$139.8)	\$14.4	\$15.9	\$15.7
Revenue				2.0	\$21.5	\$22.3	\$23.0
EBIT				(\$1.4)	\$12.8	\$13.5	\$14.1
EBITDA				\$1.6	\$18.8	\$19.6	\$20.1
ROCE (%)				(1.0)%	5.9%	6.4%	6.9%
ROE (%)				11.6%	11.6%	11.6%	11.6%

Risks and Mitigation

Risk	Mitigation
<u>Regulatory Risk</u> <ul style="list-style-type: none"> • OEB Approval of rate increase to cover Parkway West Cost of service • Ability to acquire easements for headers from Trafalgar Lines 	<ul style="list-style-type: none"> • proactive outreach with OEB • Pursue early filing for OEB facilities approval • Coordinate regulatory application for Parkway West with Enbridge GTA upgrade project • Seek specific cost recovery mechanism through new IR framework • Demonstrate market support for Parkway to Maple and customer desire for greater supply diversity • Apply early for project approval and expropriation rights, if necessary
<u>Competitive Risk</u> <ul style="list-style-type: none"> • TCPL's competitive response 	<ul style="list-style-type: none"> • demonstrate market and system need for LCU capacity at Parkway

Risks and Mitigation

Risk	Mitigation
<p><u>Cost Overrun</u></p> <ul style="list-style-type: none"> • Material and construction cost overruns for major components (i.e. compressor package, meters and pipe) • Land cost (Station property) • Cost of easements for headers from Trafalgar Lines 	<ul style="list-style-type: none"> • Early order of major equipment (Compressor engineering – July 2012) • Feasibility level cost estimate includes 20% contingency (excludes land purchase) • Pre-spend allows for preliminary engineering to be completed to develop pre-budget quality estimate for planning • Exercise land option and secure station property • Purchase or option easements as soon as possible to lock in cost for Union Gas headers from Trafalgar lines
<p><u>Timing</u></p> <ul style="list-style-type: none"> • Delay in overall Project timing • Delay in securing permits 	<ul style="list-style-type: none"> • Managed through project management process and focus • Apply for as early as possible

Parkway West Timelines

- Negotiate Land Option Extension – April 2012
 - Exercise Land Option – April 30, 2012 if option extension cannot be negotiated
- Complete detailed Station and pipeline engineering design - Start May 2012
 - Supports compressor package design, permitting and OEB filing
- Complete compressor package engineering (Vendor) – Start July 2012
 - Commit to compressor order in Q4 2012 or Q1 2013
- OEB Filing – Q3 2012 (aligned with Enbridge Reinforcement filing)
 - Leave to Construct for compression and header pipelines
- Seek rate recovery through new incentive rate framework
- Order material for Parkway metering upgrade – Q4 2012
- Commit to Parkway West long lead items - Q2 2013
 - 54" pipe, valves, buildings, major equipment

Parkway West 2012 Cash Flow

Project Component	To Date	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total
Land and Easements				\$20.0				\$6.0			\$26.0
Compressor Engineering & Early Order						\$2.5			\$3.6		\$6.1
Detailed Station and Pipeline Design	\$0.4	\$0.1	\$0.6	\$0.2	\$0.3	\$0.3	\$0.3	\$0.4	\$0.3	\$0.4	\$3.3
Contingency											\$1.8
IDC											\$0.1
TOTAL											\$37.3M

Note:

- All costs in \$CDN
- Land and Easement costs assume land option (easement) and option extension (station property) were not available and full payment required.

Summary

- Parkway West is critical to support reliability of existing customer demands
- Parkway West driven by significant changes in gas flows in Ontario
- Provides reliability for existing and new export volumes for customers downstream of Parkway (Enbridge, Gaz Métro and ANE)
- Provides compressor station footprint to support future demands from eastern Canadian and US shippers at Parkway

Next Steps

- Union request TRC approval of pre-spend capital of \$37.3 million in 2012 (assumes no land option extension)
- Seek FRC, TRC and Board approvals as necessary in 2H2012 upon completion of detailed engineering cost estimates

Appendices

- SE Financial Implication – Based on Deferred Tax (Parkway West)

SE Financial Implication - Based on Deferred Tax

CapEx \$224.0 MM
 IRR 6.6%
 NPV@ 8.5% (\$ 32.6) MM
 NPV@ 5.8% \$14.3 MM
 Payback (years) 18.0

IRR Based on Regulated Utility Return	5.5%
Increase in Equity ratio to 40%	0.3%
ROE Upside	<u>0.8%</u>
Base Case IRR	6.6%

\$ MM CDN	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
CapEx	\$0.2	\$36.8	\$40.8	\$144.4	\$1.7	-	-
AT Cash Flow	(\$0.2)	(\$36.8)	(\$40.8)	(\$140.1)	\$14.1	\$15.5	\$15.1
Revenue				6.4	\$27.3	\$26.7	\$26.0
EBIT				\$3.0	\$18.6	\$17.9	\$17.2
EBITDA				\$6.0	\$24.6	\$23.9	\$23.2
ROCE (%)				2.0%	8.8%	8.9%	8.9%
ROE (%)				9.7%	11.7%	11.8%	11.8%



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Enbridge & Union Executive Meeting

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Attachment 9

Jan 12, 2012



1. Reliability Team - summary and conclusions
2. Understanding TCPL's Expansion Options & Plans
3. Parkway East
 - Proposed Timeline for Open Season
 - Proposed MOU between Enbridge and Union
4. New Supply to Dawn
5. Next Steps



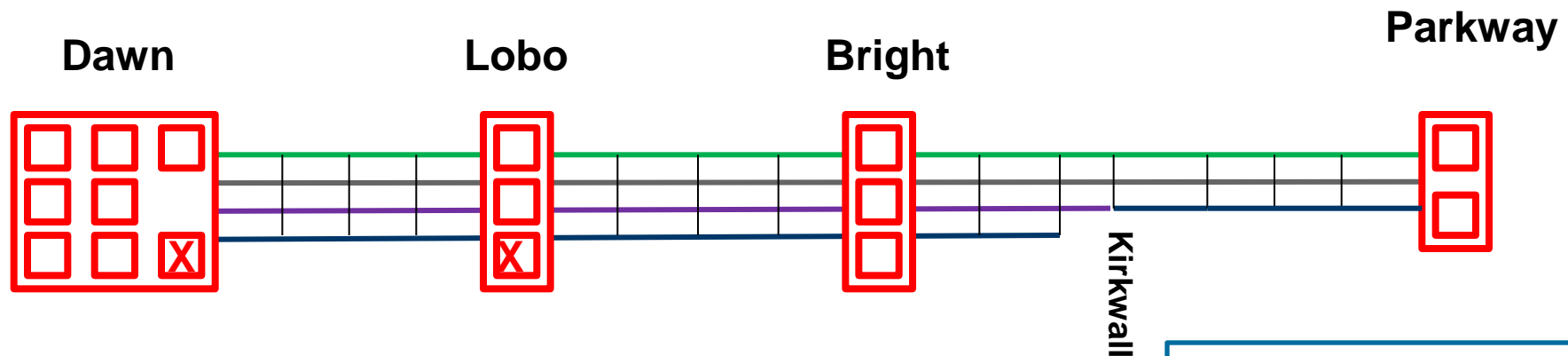
- Currently 70% of Enbridge peak day flows pass through or are delivered at Parkway
 - 0.5 PJ/d through Parkway compression discharge – Parkway (TCPL)
 - 1.7 PJ/d from suction side of Parkway – Parkway (Consumers)/Lisgar
- Enbridge considering increasing reliance on deliveries at or through Parkway
 - Supports GTA Reinforcement, including optimizing deliveries at Albion (up to 840 TJ/d)
 - Provides access to Marcellus/Utica shale gas supply (up to 500 TJ/d)
- Fundamental Question
 - **Do incremental deliveries through Parkway impact Enbridge vulnerability?**
- As well, market need for incremental supplies through Parkway to get to the NDA and EDA will add demands to Parkway
- Enbridge and Union engineering teams worked together to evaluate this issue



- Operations Background:
 - Union Gas has excellent operating history
 - Union Gas has operations, maintenance, emergency response and integrity management systems in place to manage threats and ensure reliability
 - Union Gas has Loss of Critical Unit coverage for compression on the Dawn to Parkway system with the exception of Parkway (TCPL)
- Parkway Obligations:
 - Total Parkway Obligations are ~700 TJ/day (System and Direct Purchase Customers)
 - Parkway Obligations are delivered to the discharge side of Parkway
 - 2/3rds of Parkway Obligations are backed by firm pipeline capacity
 - Parkway Obligations are assumed to be met when completing impairment modelling



Current Dawn-Parkway System Schematic



Notes:

- The LCU unit at Lobo covers LCU at Lobo and Bright
- Final section of 48" loop not installed between Brantford and Kirkwall

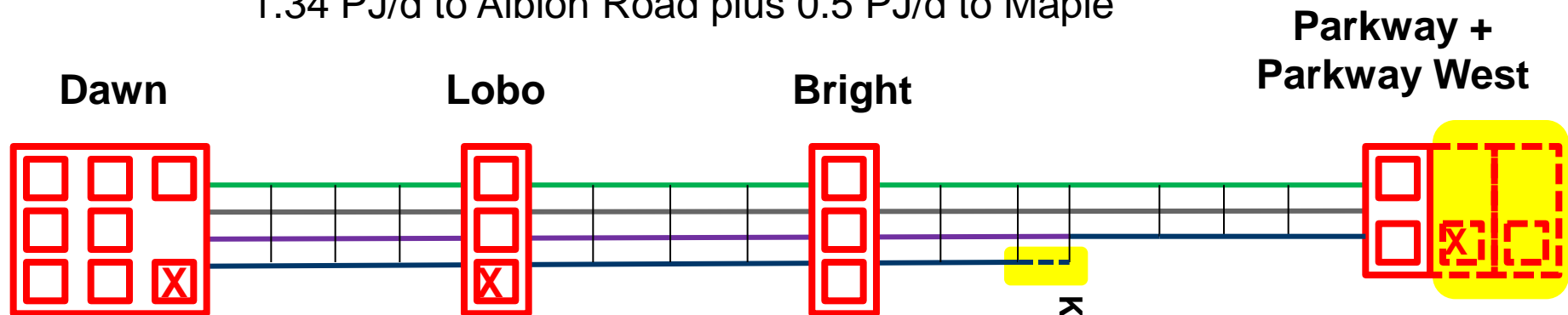
Legend

	NPS 26
	NPS 34
	NPS 42
	NPS 48
	Compressor Station
	Compressor LCU unit
	Compressor Unit



Dawn-Parkway System Schematic

Base Case = Parkway to Maple Pipeline with
1.34 PJ/d to Albion Road plus 0.5 PJ/d to Maple



Notes:

- To service Enbridge incremental demands at Albion, Union will need to add 48" Brantford-Kirkwall loop on Dawn-Parkway system
- Parkway West Station constructed to provide i) LCU coverage for Parkway compression; ii) second, secure feed at Parkway (Consumers)/Lisgar; and iii) feed and compression for Parkway to Maple Pipeline (Parkway D)
- The LCU unit at Lobo covers LCU at Lobo and Bright

Legend

- NPS 26
- NPS 34
- NPS 42
- NPS 48
- Compressor Station
- Compressor LCU unit
- Compressor Unit

Reliability between Dawn and Parkway



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- Current potential Enbridge exposure on a 35 HDD is:
 - 96 critical km of pipeline from Bright to Parkway where outage results in 100-800 TJ/d of delivery shortfall
- Once the Base Case demands added and the Parkway to Maple Pipeline is constructed (assuming 48" Brantford-Kirkwall loop is also constructed), potential Enbridge exposure on a 35 HDD is:
 - 88 critical km of pipeline from Kirkwall to Parkway where outage results in 150-725 TJ/d of delivery shortfall
- Probability of pipeline failure on the Dawn to Parkway system is 9×10^{-4} failures/year
 - Probability of pipeline failure on the Dawn to Parkway system is once in 1,130 years
 - Probability of pipeline failure on a 35 HDD on the Dawn to Parkway system is once in 82,644 years
- Compressor outage on Dawn to Parkway system impacts deliveries to Enbridge only in the unlikely event that i) multiple compressor unit failures occur at one compressor station, ii) one compressor unit failure occurs at multiple compressor stations (Lobo + Bright) or iii) a combination of both
 - Compressor reliability exceeds 99.9% over 10 year period

With Enbridge commitment to further Dawn-Parkway capacity, infrastructure expansion in critical locations provides a slight increase in pipeline reliability west of Parkway and security of supply for Enbridge customers east of Parkway



- Currently a compressor outage at Parkway on a 35 HDD results in potential Enbridge exposure of 150-300 TJ/d of delivery shortfall
 - Physical shortfall could be much larger than the contractual shortfall
- If the existing Parkway Station connection to the Dawn-Parkway system fails (at the valve site, on the suction side of the station) and Parkway has to be shut in, a potential 2.2 PJ/d of delivery shortfall to Enbridge could occur
- LCU at Parkway West will protect existing Parkway (TCPL) compression plus compression installed to support the Parkway to Maple Pipeline (Parkway D)
- Parkway West will also provide a second, secure interconnect from the Dawn-Parkway system providing protection for all Enbridge deliveries at Parkway (Consumers)/Lisgar
- Reliability at Parkway improves significantly with Parkway West in place (contractual and physical)
- Potential Enbridge exposure, with Parkway West in-service, would be limited to multiple compressor failures at one or more compressor stations or outage of both connections to the Dawn-Parkway system
 - Extremely low risk scenario

The addition of Parkway West, including LCU protection and a second, secure interconnect for Parkway(Consumers)/Lisgar capacity, provides significant security of supply benefits for Enbridge customers east of Parkway



- Parkway West and 48" Brantford-Kirkwall looping are critical infrastructure that provide needed upstream capacity for the GTA reinforcement project and enhance security of supply for Enbridge customers east of Parkway
- The 48" Brantford-Kirkwall looping supplying the GTA reinforcement project slightly decreases Enbridge risk and consequence of a pipeline outage on Dawn-Parkway, *even with significant incremental demands from the Base Case on Union's system*
 - Probability of pipeline failure on the Dawn-Parkway system on a 35 HDD is 1 in 82,644 years
- Loss of Critical Unit protection at Dawn, Lobo and Bright limits Enbridge exposure to multiple compressor unit failures at one or more compressor stations
- With Parkway West in place:
 - Loss of Critical Unit protection is provided for existing Parkway compression
 - A secure, second interconnect to the Dawn-Parkway system provides security of supply for Enbridge deliveries at Parkway(Consumers)/Lisgar
 - Loss of Critical Unit protection is provided for compression required to support the Parkway to Maple Pipeline (Parkway D)

Reinforcing supply to Enbridge through the Dawn-Parkway system provides significant security of supply benefits to Enbridge customers east of Parkway and will meet Enbridge's needs for a third feed into the GTA



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TCPL Expansion Options on the Parkway to Maple path

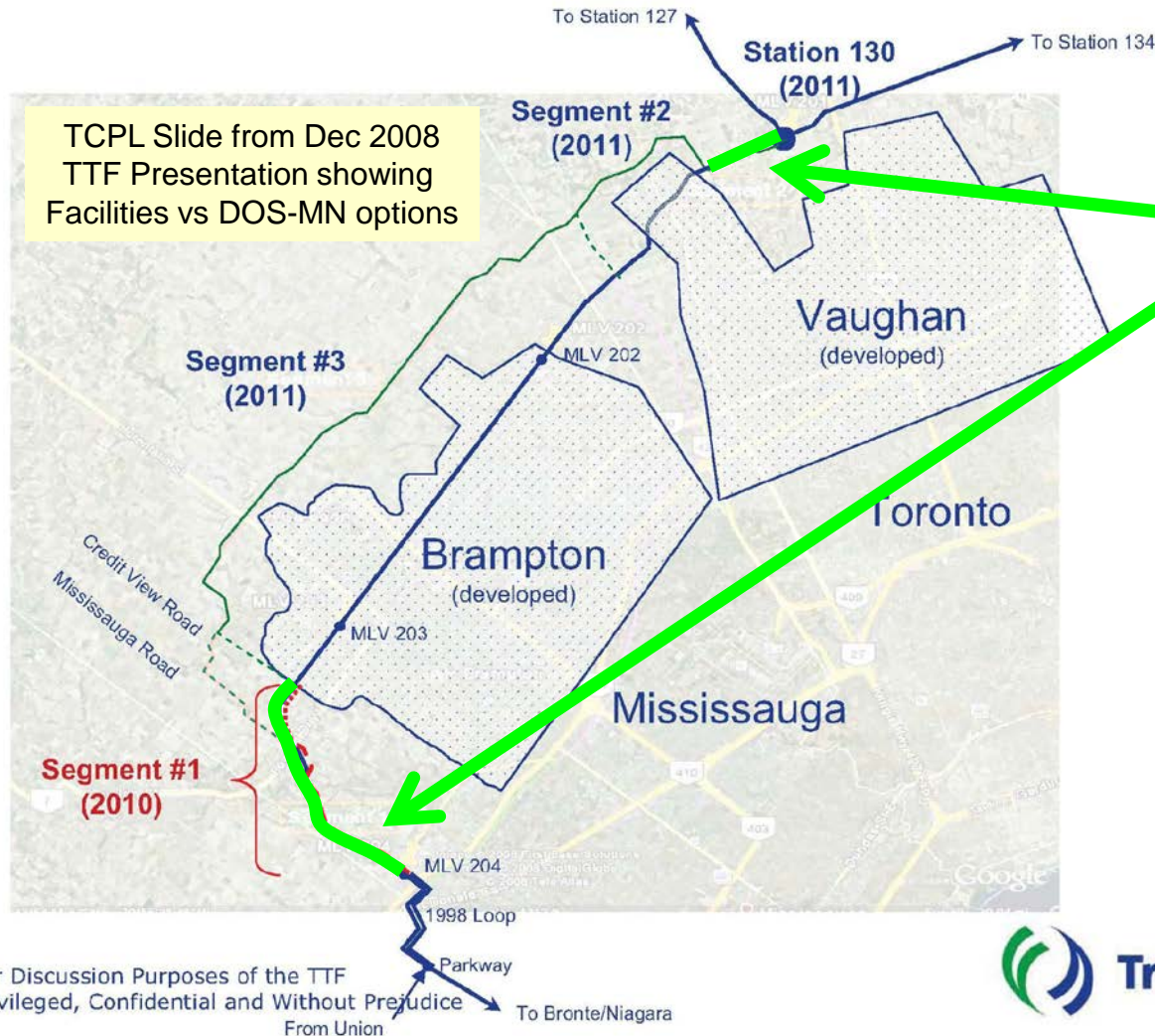
TCPL Expansion Options / Plan (2008 vs. 2012)



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2012 Mainline Expansion Project now proposes:

- 3 km west of Maple and
- 10 km east of MLV 204

Future Expansion:

- Likely compression at Maple
- After that – TCPL is likely looping around built up areas and will need “large critical mass” to complete looped path



TransCanada

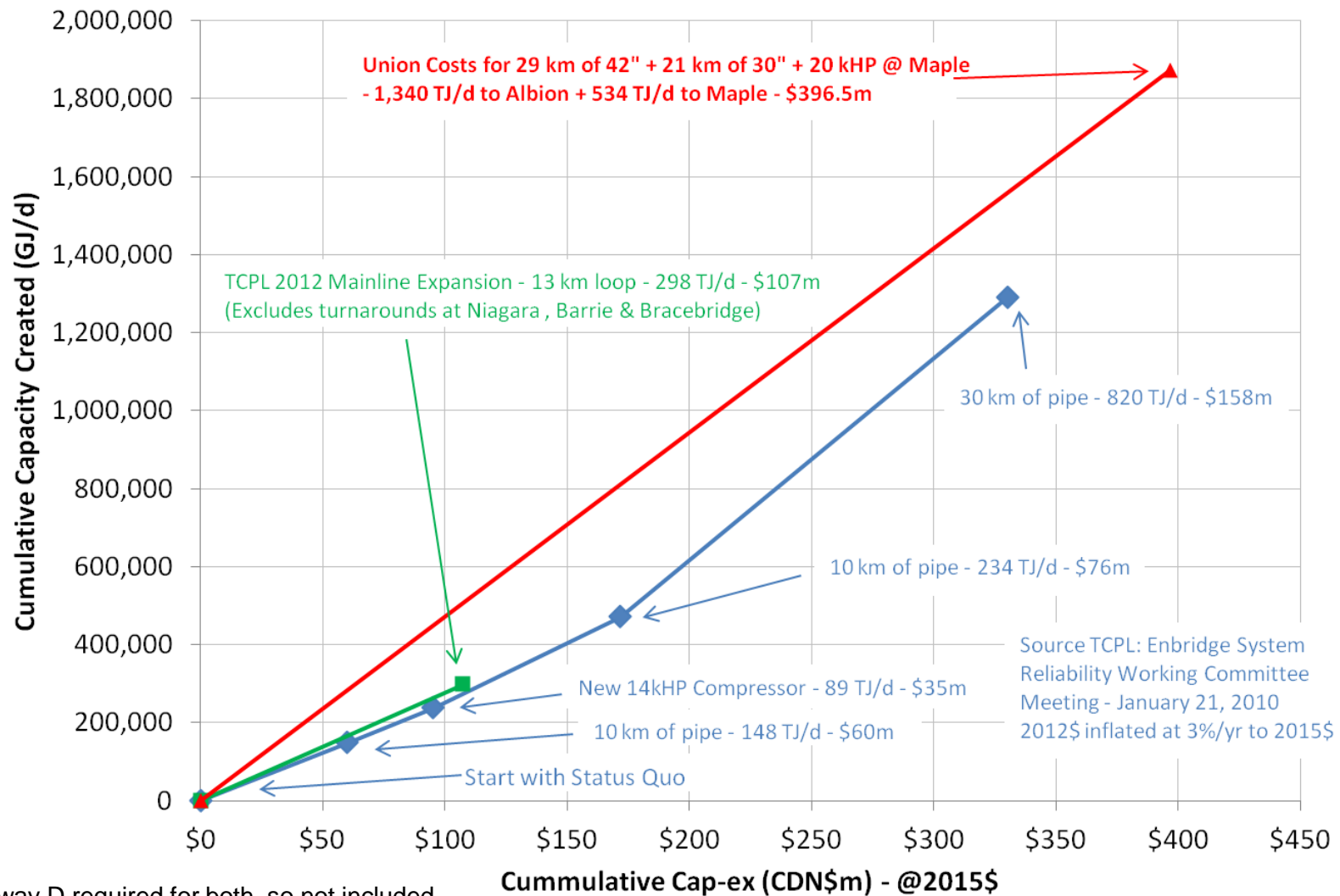
Comparing Costs of Parkway to Maple Capacity



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Note: Parkway D required for both, so not included



- Once fully built out, our costs to expand are more economic than TCPL's, (on both a \$/km pipe cost and a capex\$/GJ/d created basis)
 - If Union and Enbridge combine demands and work together to capture synergies and build a larger project, TCPL is less competitive
- TCPL may have a relatively low cost 1st tranche of capacity expansion (for 2012), but any expansion project beyond a 2013 compression project will require significant market commitment (because TCPL will go around Brampton) – which TCPL is unlikely to obtain under the current regulatory framework
- TCPL has asked NEB for approvals of the project on or by May 1, 2012
- The costs for existing TCPL shippers to withdraw from the TCPL project are limited to commitments incurred by TCPL to date – if before May 1, most of which are the NPV of TCPL's Union M12 contracts – which Union may be willing to negotiate away if the current TCPL shippers were to shift support to our project with M12 capacity (and take TCPL's M12 capacity)
- Union and Enbridge should proceed with the project immediately, with Open Season launch by Jan 20, 2012



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Enbridge – Union Parkway to Albion to Maple project

Potential Shippers

– Downstream of Maple



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	Shipper & Description	Potential* (TJ/d)	Timing
1	Union – EDA & NDA - Long Haul to SH conversion + Direct Purchase	293	2014/15
2	Enbridge – EDA – Long Haul to Short Haul conversion	197	2014/15
3	Gaz Métro – EDA – Long Haul to Short Haul for Direct Purchase	232	2014/15
	Total =	722	

*= maximum potential quantity

- **There is significant market potential Downstream of Maple that could support new infrastructure**
- **Articulating planned commitments by LDCs in the Open Season brings credibility to the project**

Proposed near-term Timeline for Parkway to Albion to Maple



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Description	Timing	Who
Memorandum of Understanding	Execute by Jan 20 th	Union & Enbridge
Start preparing & negotiating definitive co-ownership agreements	After MOU	Union & Enbridge
Launch Binding Open Season, with Press release	After MOU – targeting Jan 20 th	Union
Marketing to customers and stakeholders	While Open Season underway	Union & Enbridge
Close Open Season	Late Feb – early March (30 business days after launch)	
Award Capacity & issue PA's and Contracts	Early March	Union
Initiate Reverse Open Season on Union	Mid March	Union
Shippers waive Conditions Precedent	By end of March	Customers & Union
Internal Approvals	By late April	Union & Enbridge
Finalize Co-Ownership Agreements & Parkway West land option expires	April 27, 2012	

Proposed MOU for Parkway to Albion to Maple



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- Designed to let Union conduct an Open Season to secure market interest to Maple and interest on Dawn to Parkway to feed the new Parkway to Albion to Maple line
- Position Enbridge and Union as “working together as co-sponsors of a Parkway to Enbridge to Maple project” to exploit synergies of a combined project that would be co-owned by both parties in an unspecified manner.
- Enbridge would have exclusive access to Albion by way of ownership interest
- Ownership and project to be defined at conclusion of Open Season process, but we are proposing an undivided interest of 50/50 (on pipeline from Parkway to Albion to Maple and compression at Maple)
- Would be replaced with a definitive Co-ownership agreement
- Would mention current plans for capacity by Union and Enbridge



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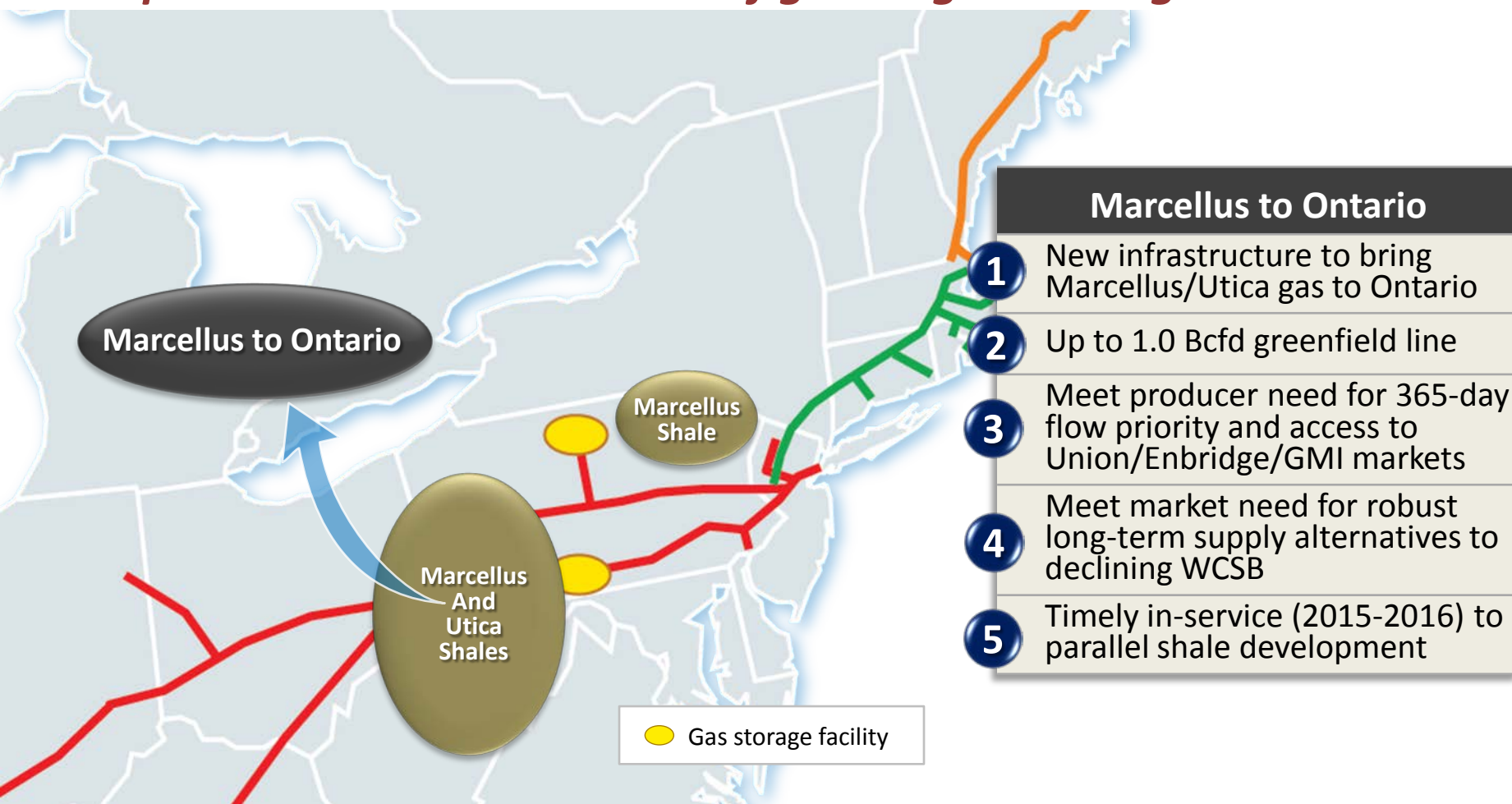
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New Supply to Dawn

Marcellus to Ontario

Expanding shale supply provides basis for next infrastructure expansion to serve demands of growing Ontario gas market



Potential Shippers – Marcellus to Dawn



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	Shipper & Description	Potential* (TJ/d)	Timing
1	Union – upstream system supply	115	2015
2	Union – diversify Dawn purchases (4 of 5 PJ/yr)	10	2015
3	Enbridge – diversify Dawn purchases (36 of ~40 to 50 PJ/yr)	100	
4	Gaz Métro – diversify Dawn Purchases (40 of ~70 PJ/yr)	110	
5	Marcellus Producers – serving new Dawn growth from Maple takeaway	507	
6	Marcellus Producers – replacing WCSB declines	~150	
	Total =	977	

*= maximum potential quantity

- Union can shift expiring transport contracts and Dawn purchases upstream
- Enbridge purchases ~40 PJ in 2010 – assumed to grow in 2011 and beyond – target 100 TJ/d
- Gaz Métro assumed to buy 85% of 80 PJ of system supply at Dawn – target 110 TJ/d
- 507 TJ/d is new demand at Dawn from Long haul to Short Haul from slide #15

With Debottlenecking of Parkway to Maple, there is significant new demand for gas at Dawn sufficient to support new upstream infrastructure

Marcellus to Ontario – Market Drivers

- Path to Ontario from Marcellus (SW and Central PA & WV) and Utica has not be established.
- Opportunity exists to match supply-push with market-pull
 - Producers (or marketers representing producers) could see Ontario as an attractive market as an alternative to moving gas through Appalachia
 - Dawn (as a potential landing point) is liquid with many buyers and sellers, including Ontario power generators, and supported by storage, take away capacity to growth markets and flexible services
 - Potential infrastructure to provide competitive delivery alternative to WCSB long-haul via TCPL
- Seasonal Flow
 - Winter supply may seek Dawn and other markets, such as Enbridge and GMI
 - Summer supply may seek storage at Dawn (Union and Tecumseh)

Drivers for Marcellus to Ontario will be both supply-push and market-pull

Marcellus to Ontario – Next Steps

- Conduct Market Outreach

- Enbridge, Gaz Métro & Union sign non-binding MOU with expression of interest

- Obtain broader market support

- Conduct Supplier Outreach

- Leverage market support
- Execute commercial agreements

- Conduct Open Season

- Request for binding interest – Q1 2012

- Implement Project

- *Project development can readily parallel shale supply development*

Proposed MOU for Marcellus to Dawn



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- Non-binding MOU to set framework to evaluate potential project
- Spectra proposing new “Greenfield” pipeline from Marcellus / Utica area of Ohio, Pennsylvania and West Virginia to Dawn
- In-service target is 2015 / 2016
- Benefits of project – enhance Dawn liquidity, provide greater access to new supplies, which will benefit all gas users in ON, QC & US NE
- Customer interested in long term firm capacity as an “anchor shipper”
- Working Group – Spectra, Union, Enbridge, Gaz Métro and any other Customers - will jointly evaluate and negotiate commercial aspects of participation in the project
- Exclusivity for 180 days to not frustrate the proposed project
- Confidential, except – names of Working Group may be released
- Term of 180 days or until definitive agreements or as mutually agreed

Next steps



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- Wrap up Reliability Task Force team project
- Enbridge feedback on MOU and execution
- Review Open Season joint positioning



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Attachment 10

Reinforcing Ontario's Natural Gas Infrastructure

25 November 2011

Agenda



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- The Big Picture
- Joint Task Team on Reliability – conclusions
- Project Description
- Strategic Rationale
- Ownership Options
- Next Steps

New Paths / New Infrastructure



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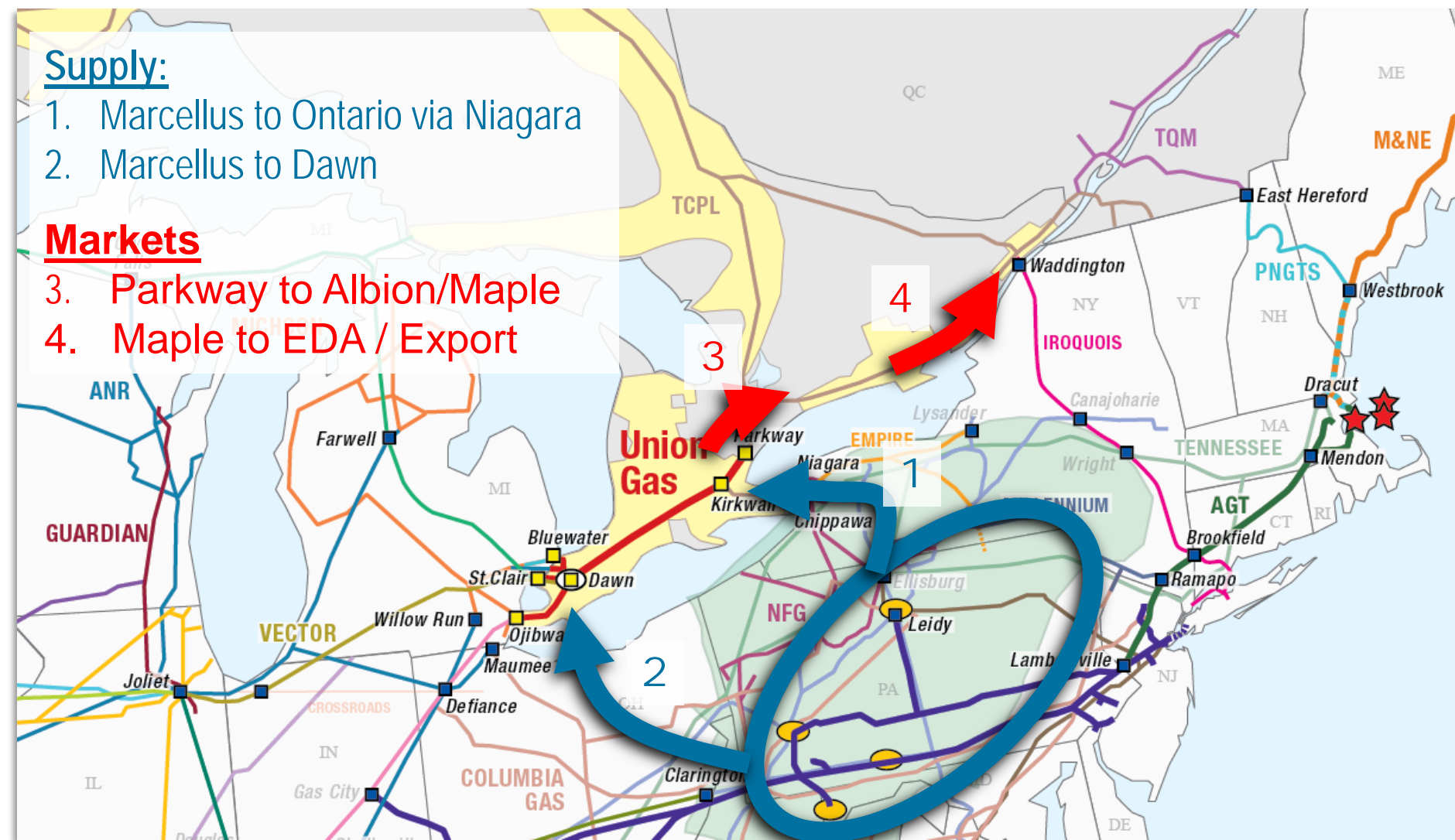
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Supply:

1. Marcellus to Ontario via Niagara
2. Marcellus to Dawn

Markets

3. Parkway to Albion/Maple
4. Maple to EDA / Export



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Potential Shippers – Downstream of Maple



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	Shipper & Description	Potential* (TJ/d)	Timing
1	Union – EDA & NDA - Long Haul to SH conversion + Direct Purchase	293	2014/15
2	Enbridge – EDA – Long Haul to Short Haul conversion	197	2014/15
3	Gaz Métro – EDA – Long Haul to Short Haul for Direct Purchase	232	2014/15
	Total =	722	

*= maximum potential quantity

**There is significant market potential Downstream of Maple
that could support new infrastructure**

Potential Shippers

– Marcellus to Ontario



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	Shipper & Description	Potential* (TJ/d)	Timing
1	Union – upstream system supply	115	2015
2	Union – diversify Dawn purchases (4 of 5 PJ)	10	2015
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- Union can shift expiring transport contracts and Dawn purchases upstream
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- Gaz Métro assumed to buy 85% of 80 PJ of system supply at Dawn – target 110 TJ/d
- 507 TJ/d is new demand at Dawn from Long haul to Short Haul from previous slide

With Debottlenecking of Parkway to Maple, there is significant new demand for gas at Dawn sufficient to support new upstream infrastructure



Team formed in July 2011 to

1. Evaluate Security of Supply / Reliability of Union Gas
2. Determine best option to create a new feed to Enbridge

Enbridge Drivers include:

- Focus is on reliability of distribution system including:
 - Upstream supply
 - Diversity of entry points
 - Ability to takeaway from supply points
 - Flexibility during adverse system events

Union Drivers include:

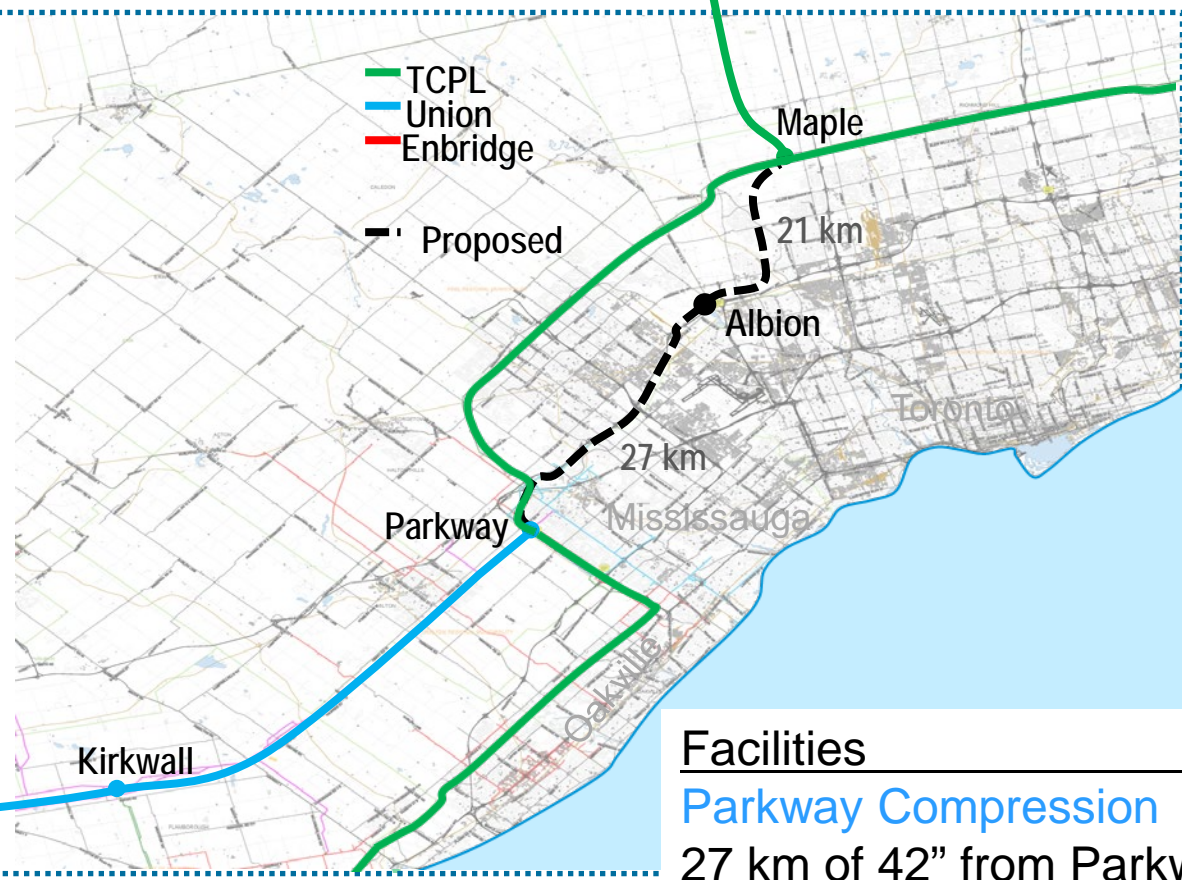
- Repurpose Kirkwall turnback to Parkway
- Debottleneck Parkway
- Be a key part of a solution for Enbridge
- Increase supply into Dawn & enhance value of Dawn assets



1. Loss of Critical Unit protection at Dawn, Lobo and Bright limits Enbridge exposure to multiple compressor unit failures at one or more compressor stations
2. With Parkway West in place:
 - Loss of Critical Unit protection is provided for existing Parkway compression
 - A secure, second interconnect to the Dawn-Parkway system provides security of supply for Enbridge deliveries at Parkway(Consumers)/Lisgar
 - Loss of Critical Unit protection is provided for compression required to support the Parkway to Maple Pipeline
3. 48" Brantford-Kirkwall looping provides needed upstream capacity for the GTA reinforcement project and enhances security of supply for Enbridge customers east of Parkway

Reinforcing supply to Enbridge through the Dawn-Parkway system provides significant security of supply benefits to Enbridge customers east of Parkway and will meet Enbridge's needs for a third feed into the GTA

Description of Projects



- Capacity Created:
- 1.25 bcfd to Albion
 - expandable by 0.25 bcfd
 - 0.5 bcfd to Maple

Facilities	Cost
Parkway Compression	\$183
27 km of 42" from Parkway to Albion	\$185
21 km of 30" from Albion to Maple	\$112
Maple area compression	\$99

Strategic Rationale: Parkway to Albion/Maple



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- Gas flow is constrained downstream of Parkway on TCPL. A new Parkway to Albion/Maple pipe will open up supply options for natural gas users in Ontario (Enbridge & Union), Quebec (GMI) and the U.S. NE AND solves GTA reinforcement issue. Specifically a new pipeline will;
 - Allow customers in the GTA, Northern and Eastern Ontario and Quebec access to short haul transportation back to Dawn.
 - Allows increased upstream infrastructure to be supported and built. Potential exists for new supply paths into Ontario/Dawn.
 - Allows for the continued use and growth of the existing storage assets at Dawn and the upstream pipe infrastructure into Dawn. Supports both Union and Enbridge assets in the Dawn area.
 - Provide increased security of supply for all of Ontario, Quebec and the U.S. NE.
 - Provide an opportunity for all 3 utilities (Enbridge, Union, GMI) to support significant new infrastructure
- Provides a logical geographic area of common interest for Enbridge and Spectra to JV on a project
- Allows both companies to make synergistic infrastructure investments. Enbridge – GTA reinforcement, Union Gas – Parkway West/upstream pipe
- Project would provide shippers long term (10 year) toll certainty



- Come to a conclusion on ownership structure – Nov 2011
- Formalize Union & Enbridge relationship (draft term sheet)
- Open Season to formally solicit market support – Dec 2011??
 - Need support from Union-EDA, Union-NDA, GMi-EDA, Enbridge-EDA (need feedback from Enbridge on willingness to support Enbridge-EDA)
- Formalize Union & Enbridge relationship (final agreements)
- Execute Precedent Agreements and Contracts with shippers – 1Q2012
- Union positions Parkway West to align with joint project
- Enbridge files GTA reinforcement project 2-3Q2012
- Enbridge and Union file Parkway to Maple project 2-3Q2012



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EGD/Union Joint Task Force Meeting #2

Filed: 2012-06-25

EB-2011-0210

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Attachment 11

August 2, 2011

Union Parkway /

Four Points Sheraton, Elmbank Room,
2501 Argentia Road, Mississauga, ON

(905-363-2448)



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Agenda



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- Confirm Concerns & Issues
- Existing Parkway Facilities
- Union System Reliability
- New Parkway West Options
- Next Steps



- Distribution System
 - Security of supply (3rd feed)
 - System reliability
 - Aging infrastructure and limited system flexibility
- Upstream Supply
 - Mitigation of TCPL toll uncertainty, further diversification of supply
- Meeting Future Demand Requirements
 - Address customer attachments & urban densification – growing peak hour/day demand
 - Design day upgrade – from 1 in 5yr probability to 1 in 10yr probability
 - Additional requirements for Co-gens and NGVs



- Repurpose Dawn-Kirkwall turn back to Dawn-Parkway
 - Maximize use of the Dawn-Parkway system
- Debottleneck Parkway
 - Need for additional take away capacity east of Parkway
 - Constraint east of Parkway has significant impact on value of Dawn storage assets
- Third Feed for Enbridge
 - Be part of the solution for Enbridge third feed and system security
- Increase supply into Dawn
 - Access unconventional sources to replace declining WCSB



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Existing Parkway Facilities

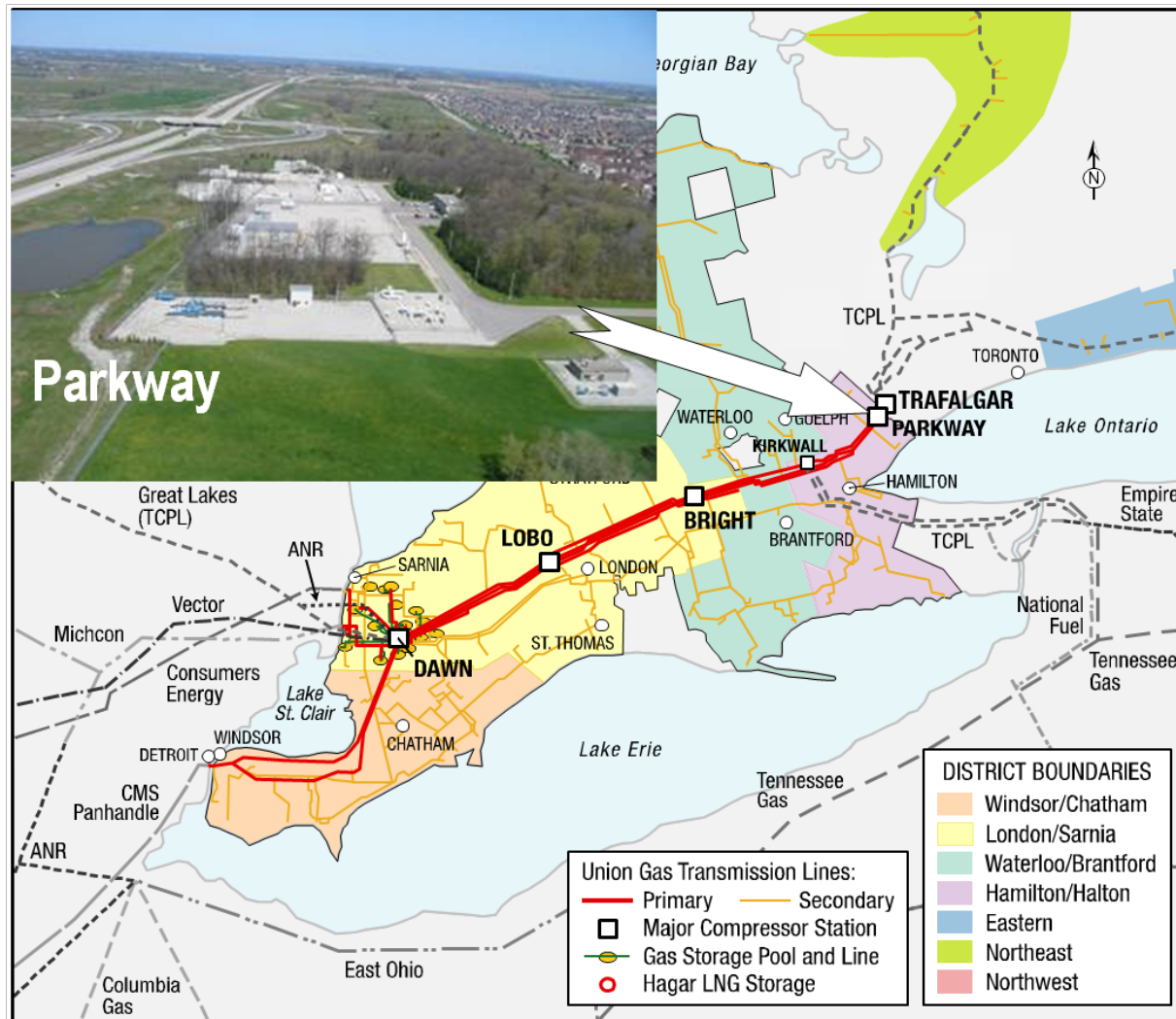
Parkway Compressor – 2 Units - 65,000 HP



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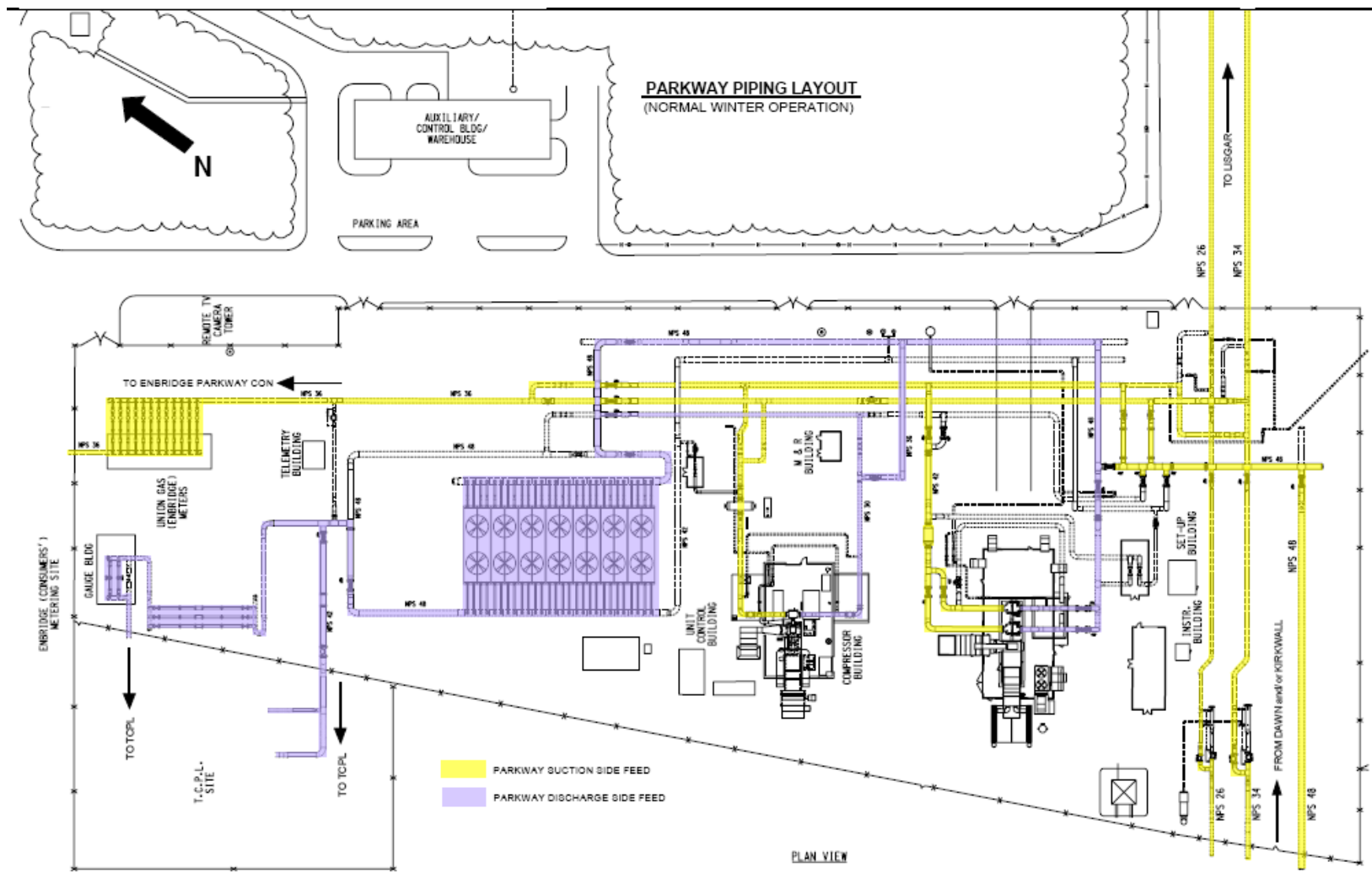
Existing Parkway Operation



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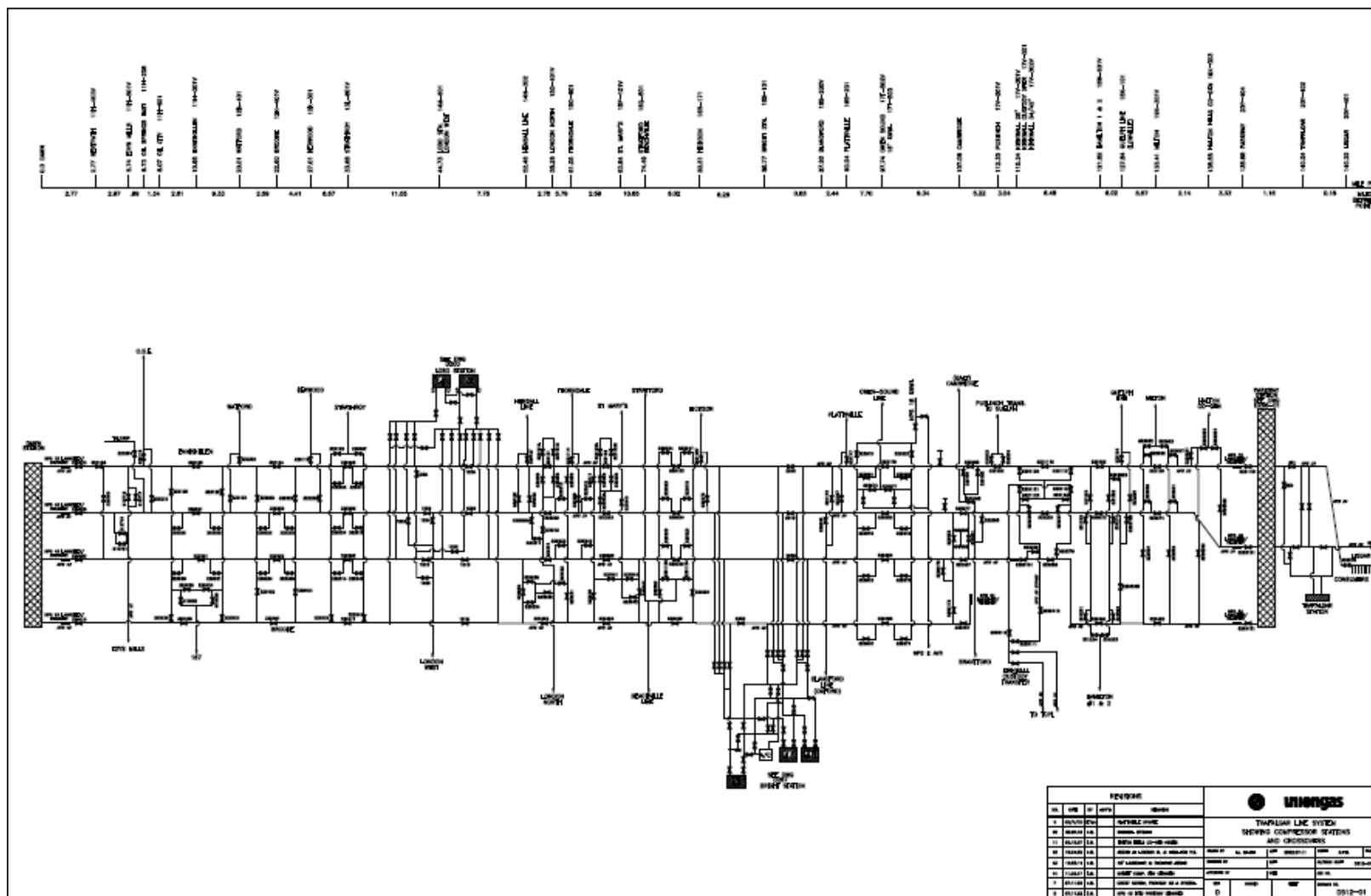
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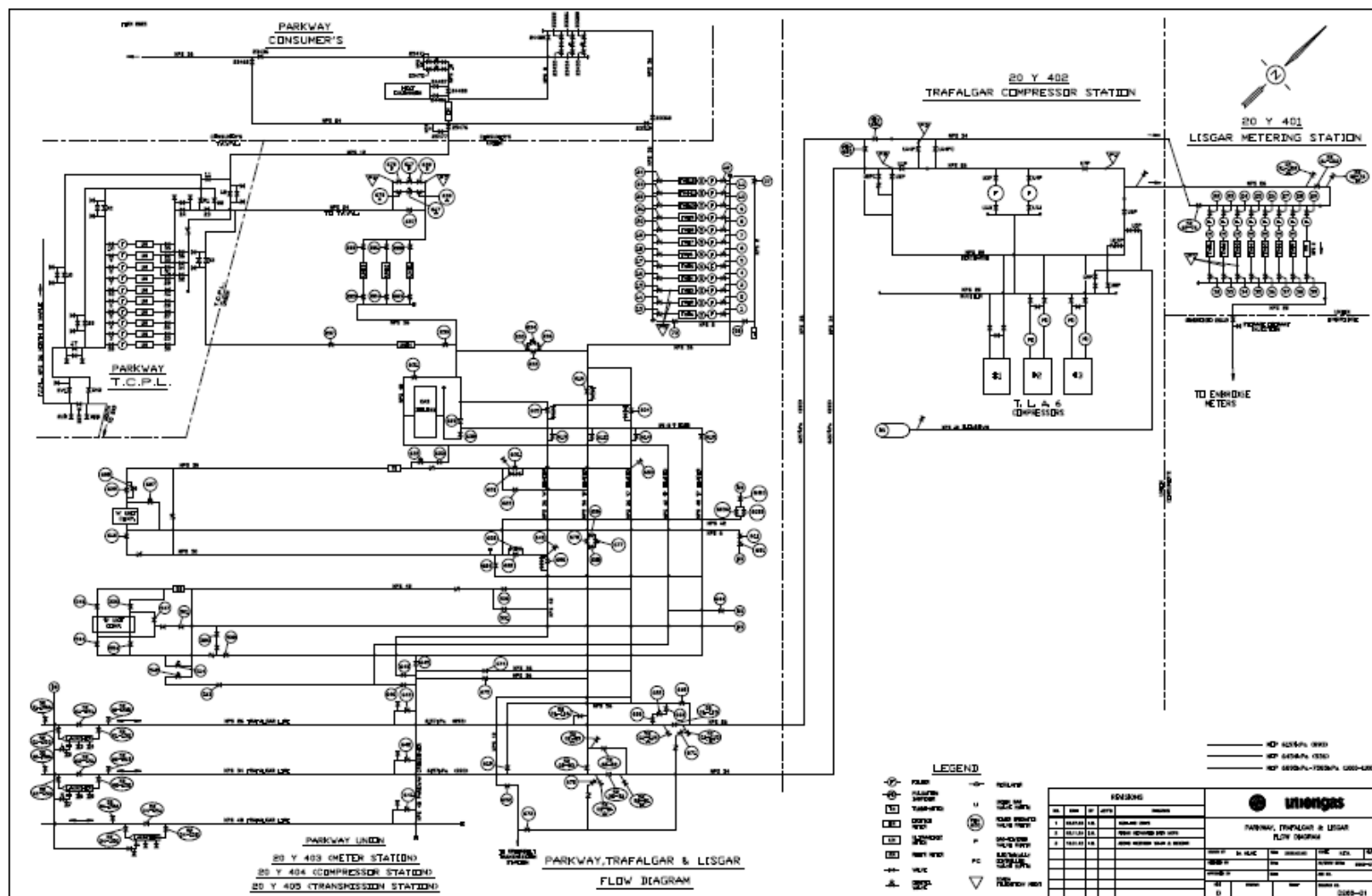
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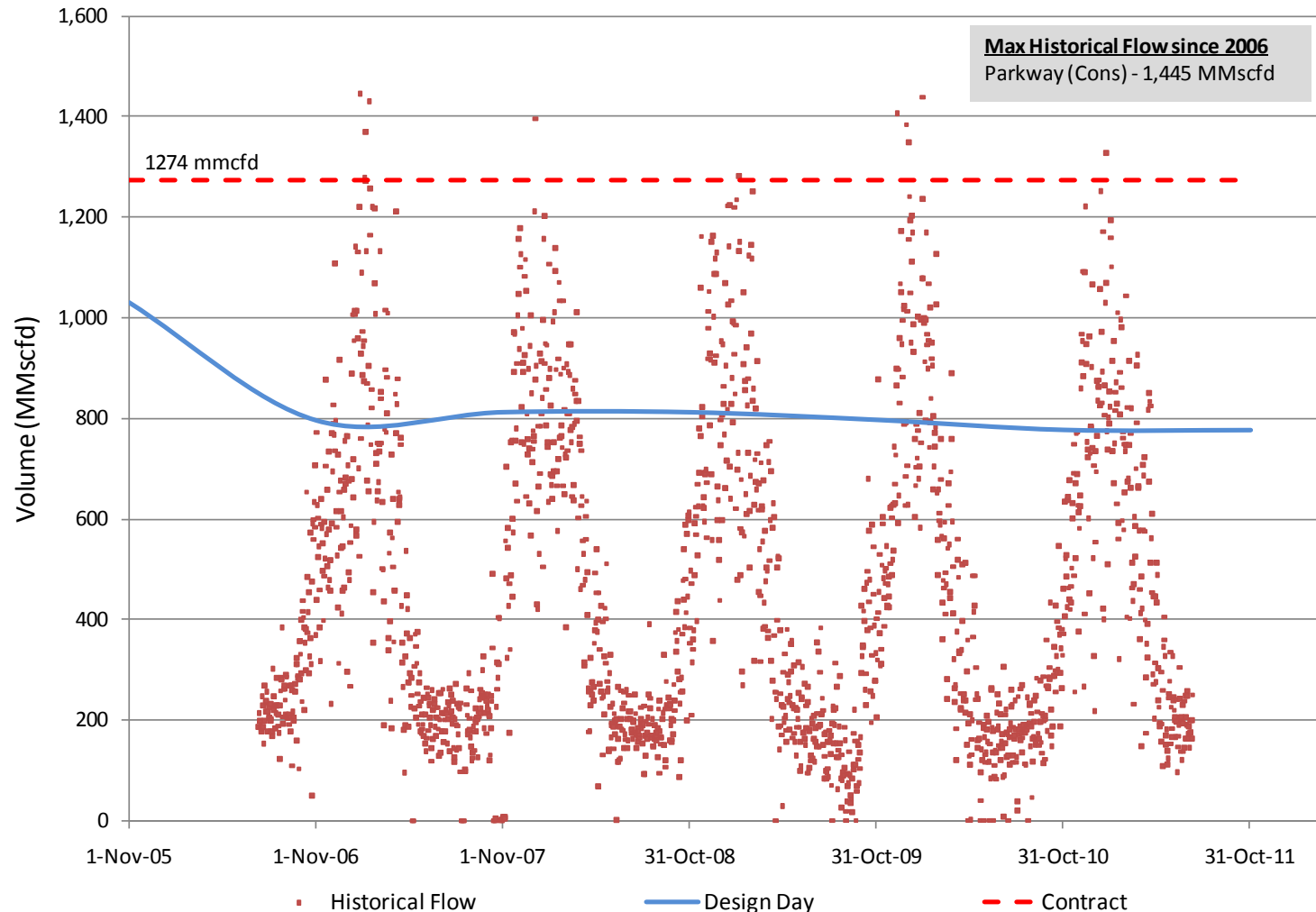
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EGD Utilization – Parkway (Cons)

Historical Parkway (Cons) Sendout Volume



EGD Utilization - Lisgar

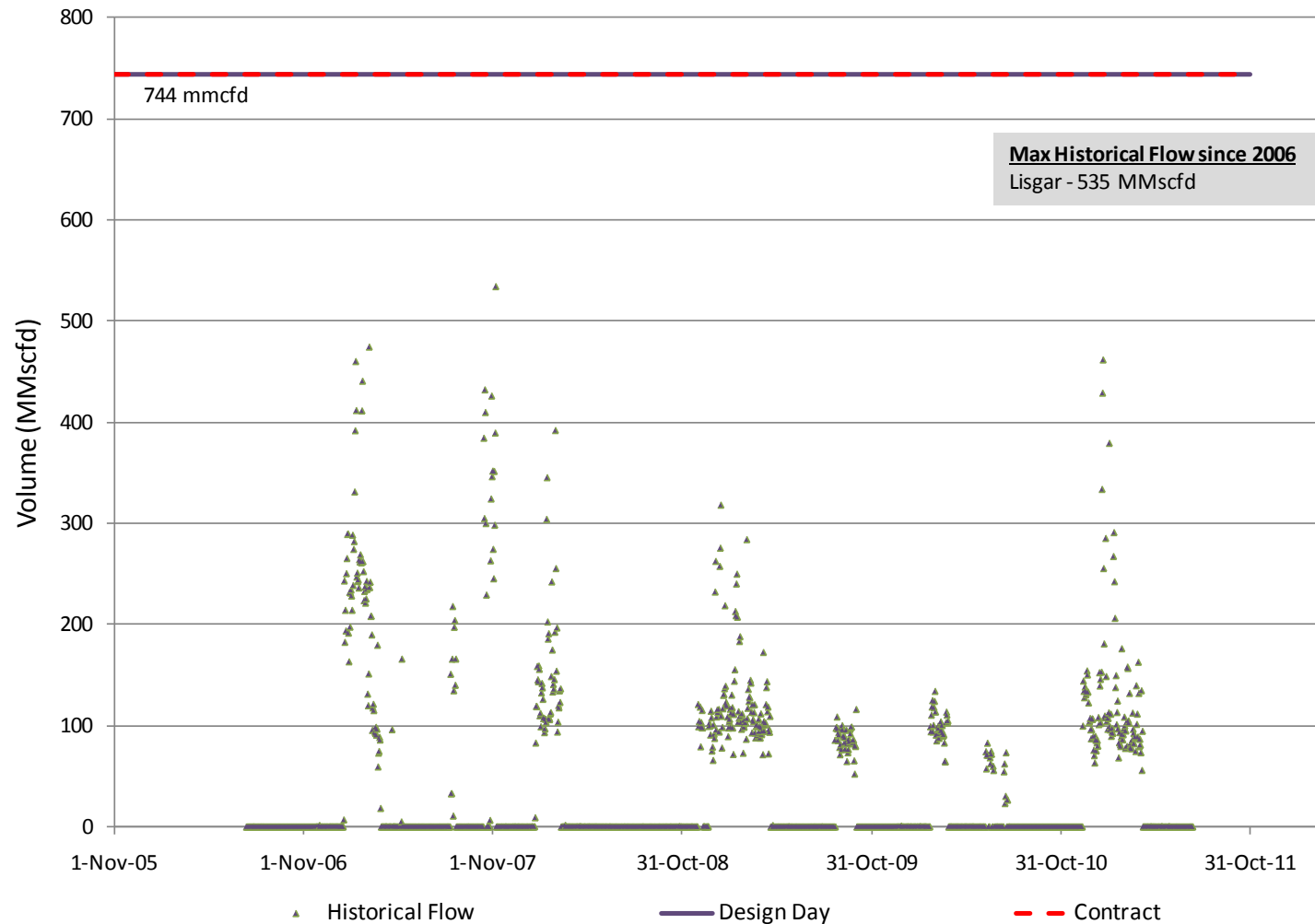


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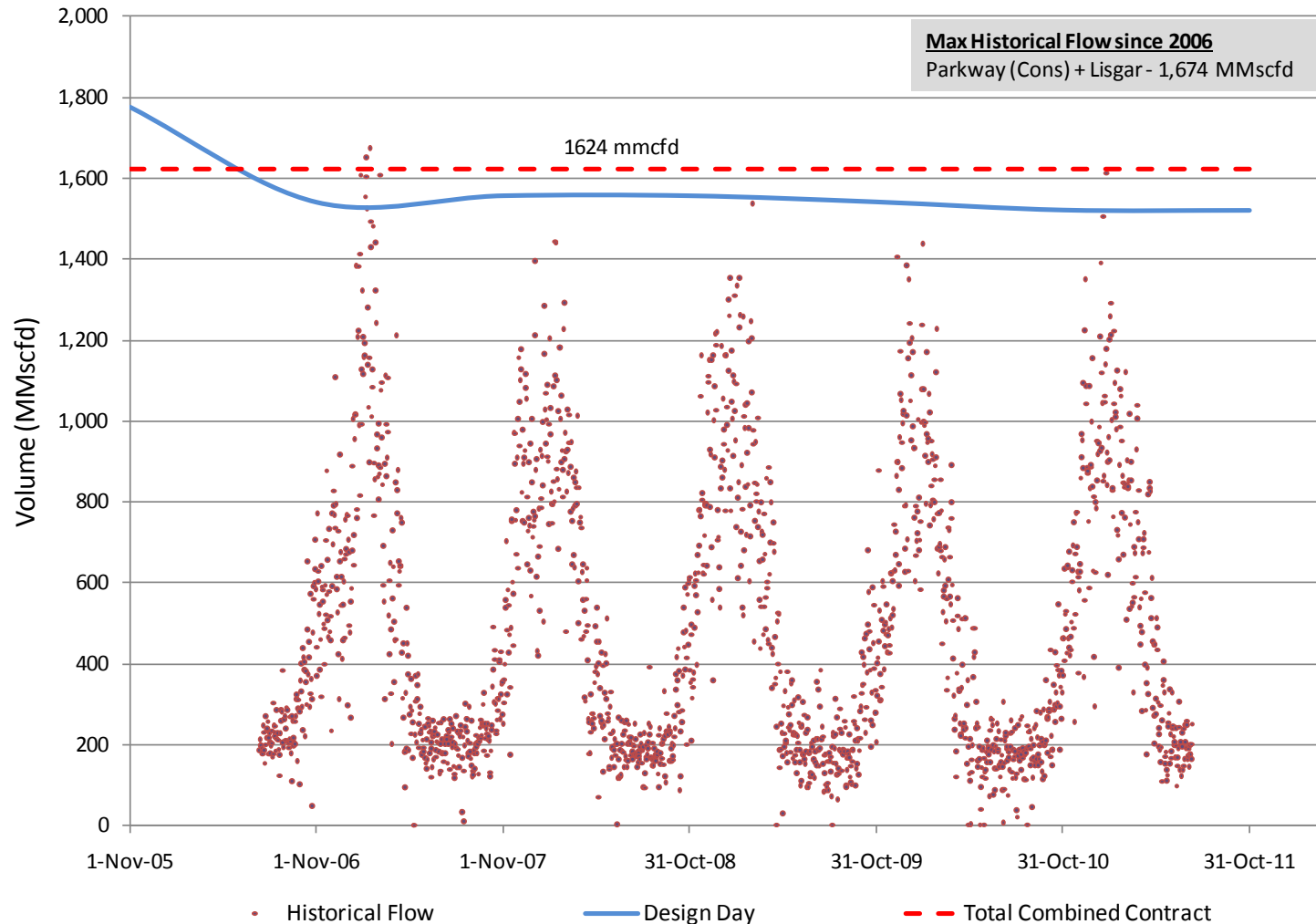
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Historical Lisgar Sendout Volume



EGD Utilization – Parkway (Cons) + Lisgar

Historical Parkway (Cons) + Lisgar Sendout Volume





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Union System Reliability

Dawn to Parkway Transmission System



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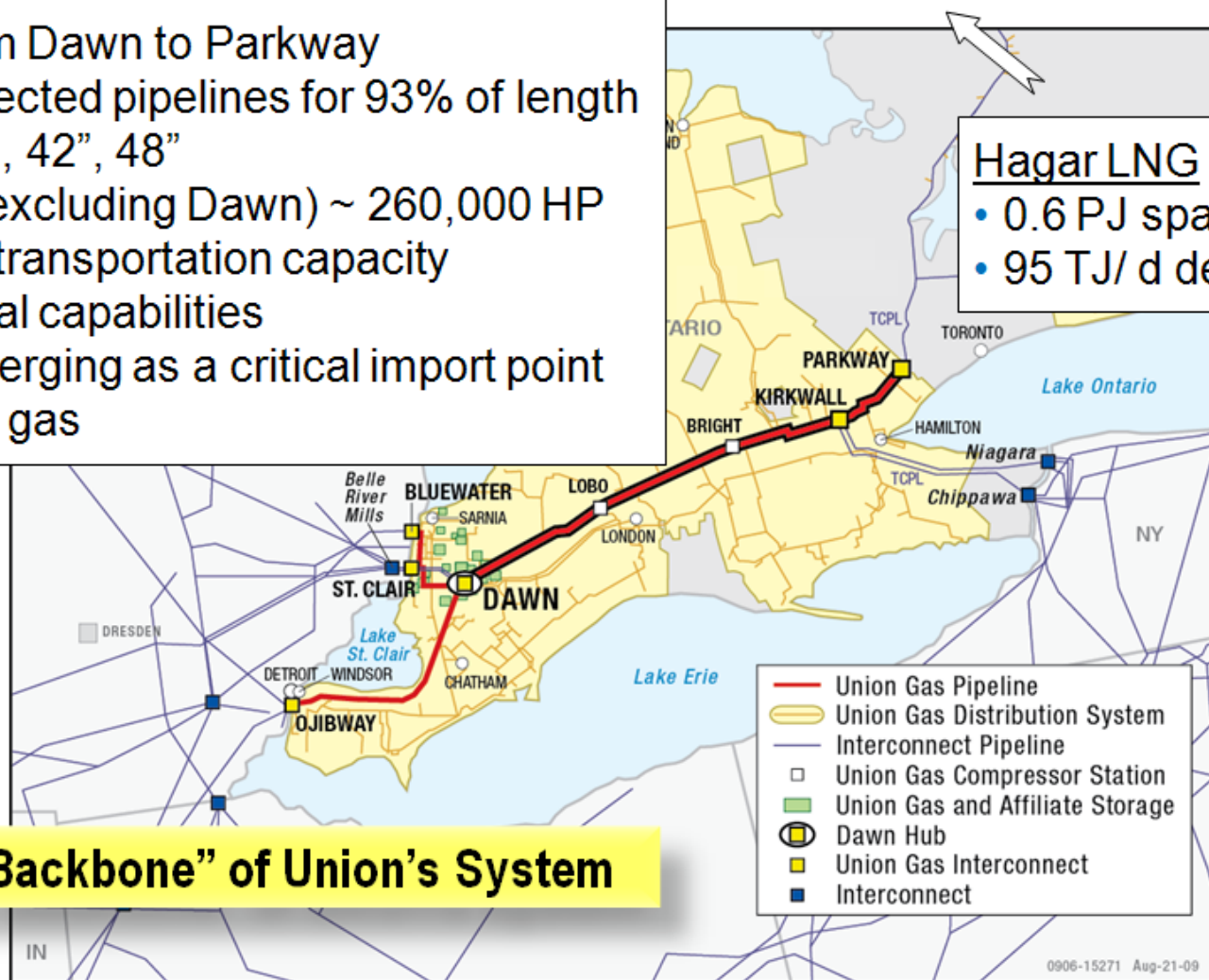
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- 225 km from Dawn to Parkway
- 4 interconnected pipelines for 93% of length
 - 26", 34", 42", 48"
- 11 Comp. (excluding Dawn) ~ 260,000 HP
- 6.8 PJ/d of transportation capacity
- Bi-directional capabilities
- Kirkwall emerging as a critical import point for Marcellus gas

Hagar LNG

- 0.6 PJ space
- 95 TJ/ d del.



The “Backbone” of Union’s System

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Design of Dawn to Parkway System



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- 225 km from Dawn to Parkway;
 - 200 km - Class 1 – rural / farmland
 - 15 km - Class 2 - low density residential
 - 10 km - Class 3 – high density urban
 - 0 km - Class 4 – metropolitan high rise buildings
- In Class 3 areas, Union has purchased all private land along the pipeline
- Union has secured easement for next 48" expansion through Milton to Parkway
- 100% piggable by 2011
- 100% at or below 72% Specified Minimum Yield Strength (SMYS)

The majority of our system is located in rural areas and we are well positioned for future expansion

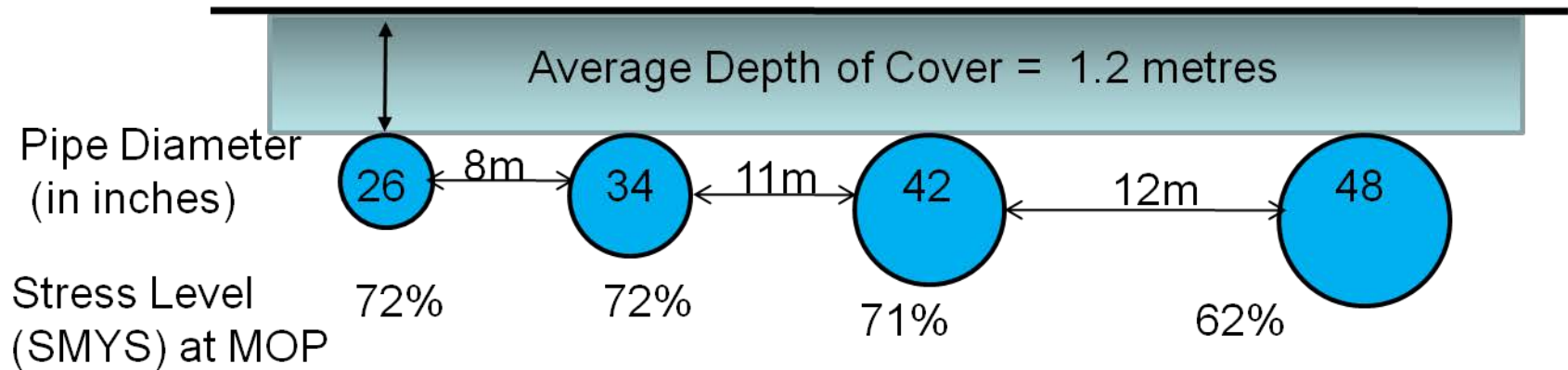
Typical Dawn to Parkway Pipeline Layout



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- Spacing specifically designed to minimize the risk of interaction between pipelines in the event of a rupture
- Pipes are interconnected at valve nests every 15-20 km
- 24x7 system monitoring
- All mainline valves can be exercised remotely to quickly isolate any section and flow around a problem

Although line spacing varies, minimum spacing is adequate to ensure no interaction

Loss of Critical Unit (LCU) Horsepower



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- Union has back up protection to account for unplanned compressor outages both at Dawn as well as for Lobo/Bright Transmission horsepower
 - Plant G (approx 39,000 HP) acts as a back-up for either Storage or Transmission at Dawn
 - Lobo and Bright
 - There are a total of 6 compressors between the 2 sites
 - Union only sells firm transport capacity based on the worst case of a compressor loss at one of these sites

**Except for Parkway to TCPL,
Union has Loss of Critical unit capability**

Compressor Reliability

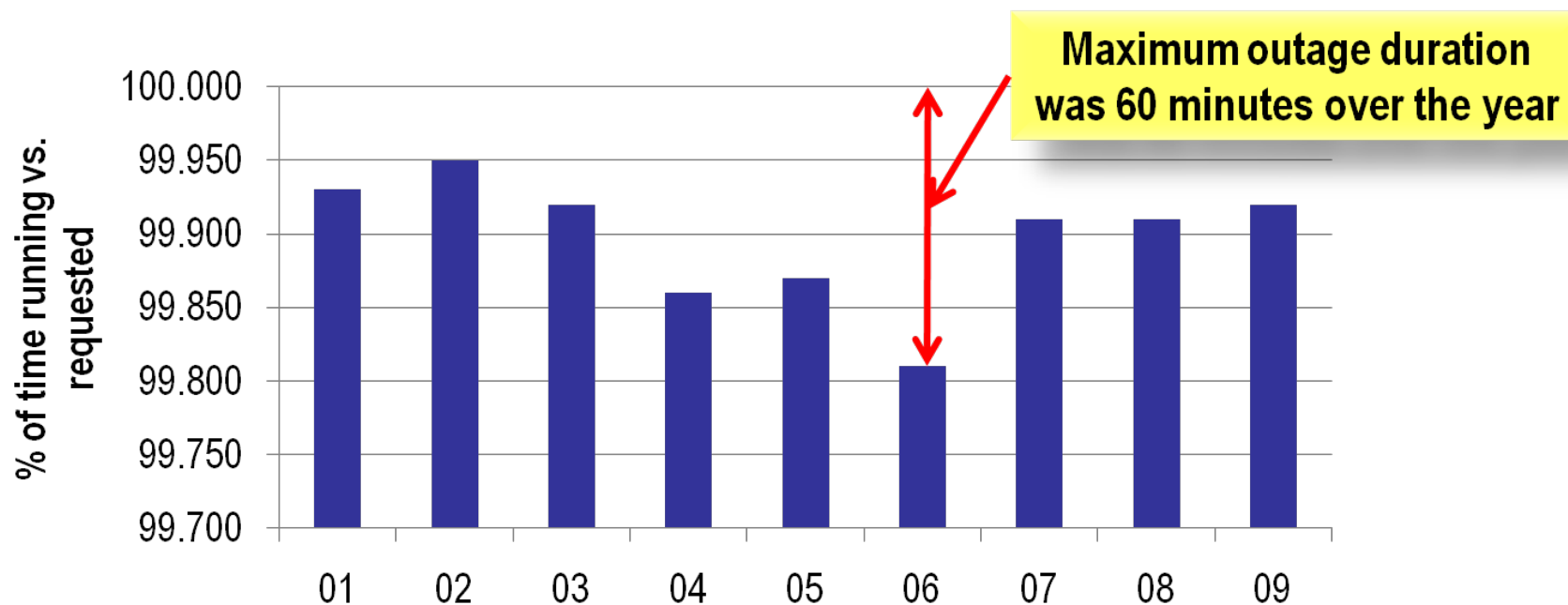


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Compressor reliability indicates the percentage of time the compression fleet is available for operation



Our year over year reliability is extremely high

Integrity Management Programs



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- Three formal Integrity Management Programs (IMP) at Union Gas
 - Transmission Pipeline IMP started in 2002
 - Storage Downhole IMP since 2006
 - Distribution System IMP since 2008
- Developed Operations Management System (OMS) framework in 2008
- Technical Standards and Safety Authority (TSSA) audit of Pipeline IMP and Distribution System IMP in 2009
- National Energy Board (NEB) screening audit of Pipeline IMP (for NEB pipe) in 2009
- Joint annual Union Gas senior management Integrity Management reviews

We understand our risks and take action to mitigate them



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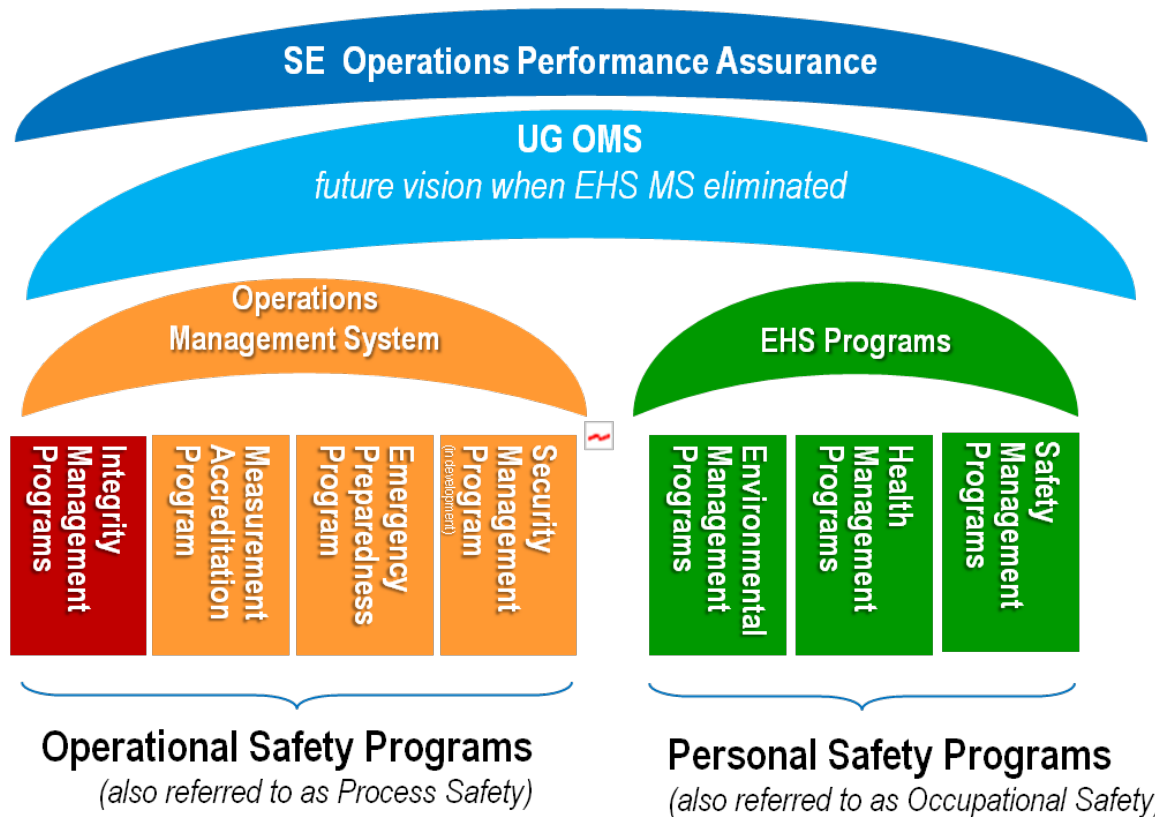
Operations Management System at SE / Union Gas



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This framework helps to ensure our systems are designed, built, operated, and maintained in a safe & reliable manner

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Transmission Pipeline Integrity Management Program



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Dawn to Parkway Profile

26" – 1957

34" – 1964 to 1971

42" – 1975 to 1990

48" – 1990 to Present

Integrity Management Program

- 2010 is year 9 of 12 year baseline assessment plan
- Have discovered & repaired 9 significant anomalies on Dawn Parkway system
- Make piggable – 100% of lines will be piggable by 2011
- Average spend per year - \$8MM capital and \$5MM O&M (over past 8 yrs)
- Depth of cover survey has revealed several shallow sections on NPS 26 which now have engineering controls in place. Remediation is underway.
- As urban sprawl encroaches the pipeline, Union performs upgrades to meet or exceed new Class requirements

The Integrity Management Program is robust and complete

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Safe Operation of Our Systems



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- Inspections, patrols and surveys to detect third party activity
 - Weekly flyovers during construction season
 - Annual leak survey (walk the line)
 - Annual Landowner Meetings & pipeline awareness handouts
- Corrosion protection monitoring
- Continuous remote monitoring of our system through the Supervisory Control and Data Acquisition (SCADA) system
- Comprehensive Geographic Information System (GIS) and other systems to manage asset records and data
- Annual Mock Emergency simulation
- Competent and well trained workforce
- Active participants in local emergency response organizations and other utility coordinating groups to prevent and respond to emergencies
- Provide maps and training to Emergency personnel – Emergency Planning Zones
- Public education to prevent damage and provide early warning of issues
- Immediate 24/7 response by highly trained personnel in the event of any emergency

There are a number of elements in place to help ensure our system operates safely

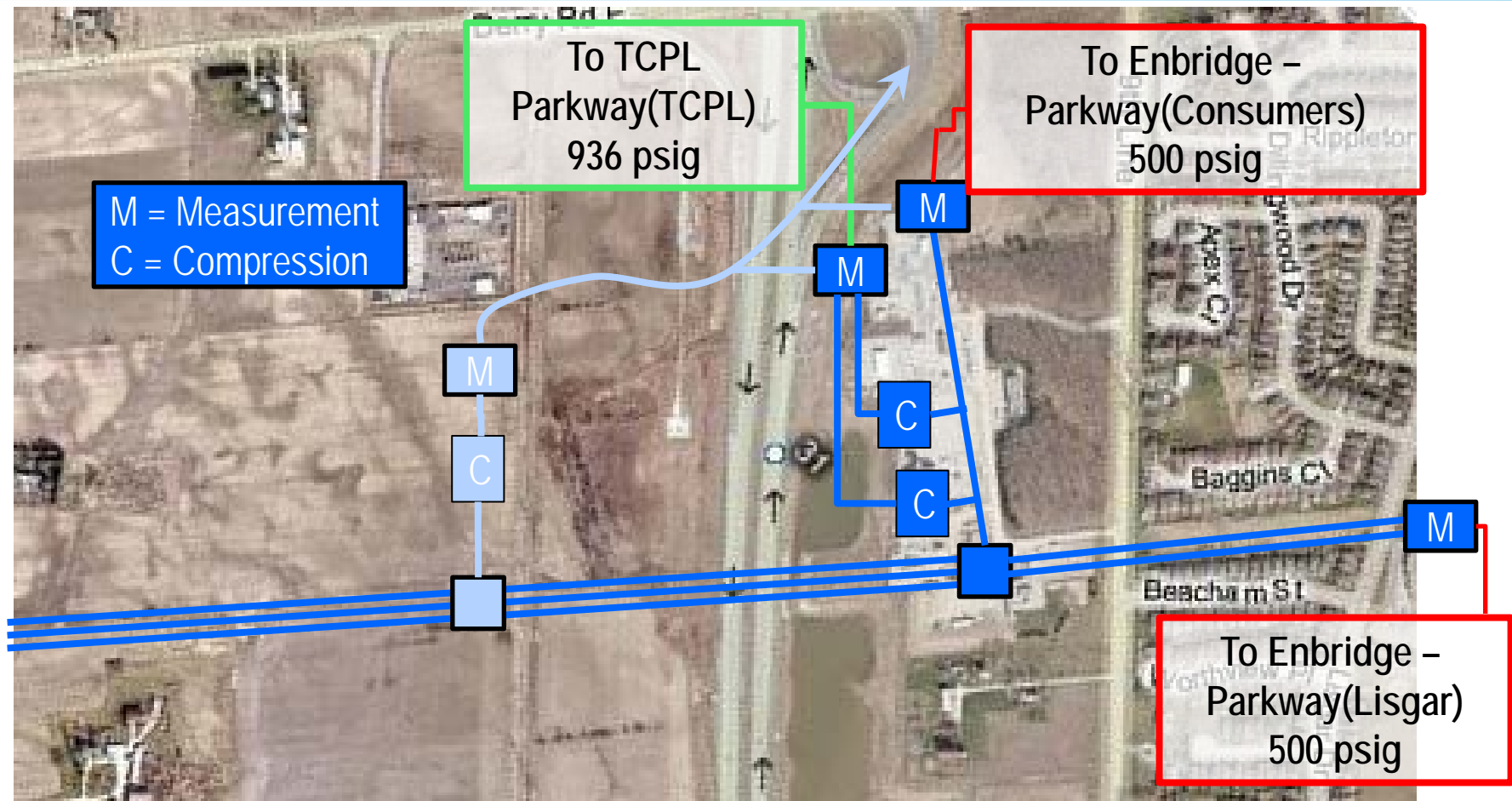
Parkway Interconnect to Enbridge and TCPL



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Expanding east of Parkway to TCPL would require a new compressor that would help provide backup to the existing units

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Union & Enbridge Operational Relationship



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Daily, weekly, and seasonal assistance, whether it be for large construction, integrity construction and daily operations between Union and Enbridge's Tecumseh Storage Operations to ensure integrity and reliability of our respective systems. Some recent notable events (on Enbridge interests):

Enbridge Facilities/Construction

- 2009 Distribution Integrity work (utilizing either Parkway or Lisgar interconnects)
- 2009 Tecumseh Station modifications

Vector Facilities/upsets

- 2005 & 2006 – 6,000 gallons Diesel

Union Facilities/Construction

- Owen Sound Integrity – Pigging (utilizing Grey County/Collingwood interconnect)
- Dawn Projects (most recent Fall 2010 modifications for Dawn-TCPL backhaul capability)
- New interconnect and Tecumseh Measurement mods (2008, 2009)

Union and Enbridge share a strong cooperative relationship

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Union & TCPL Operational Assistance



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Each independently continues to optimize their own system. The result is daily to weekly small shifts to “round out the peaks and valleys” of flows through mutual interconnects (Parkway, Dawn and Kirkwall) as well as assisting in larger construction projects and upsets on each respective system. Some notable events requiring assistance from the other include:

TCPL Facilities/Upsets

- 2002 TCPL Brookdale line break
- 2008 Parkway Meter Building gas leak
- 2009 Line breaks Sept & Oct – Englehart
- 2010 NEB Ordered sections out of service

Union Facilities/Backup

- Dec 2003 Lobo A2 impeller damage
- Jan 2005 Dawn E Plant repair
- Summer 2007 Parkway B build

Union and TCPL assist each other to ensure customers are served

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New Parkway West

Parkway West Target Area



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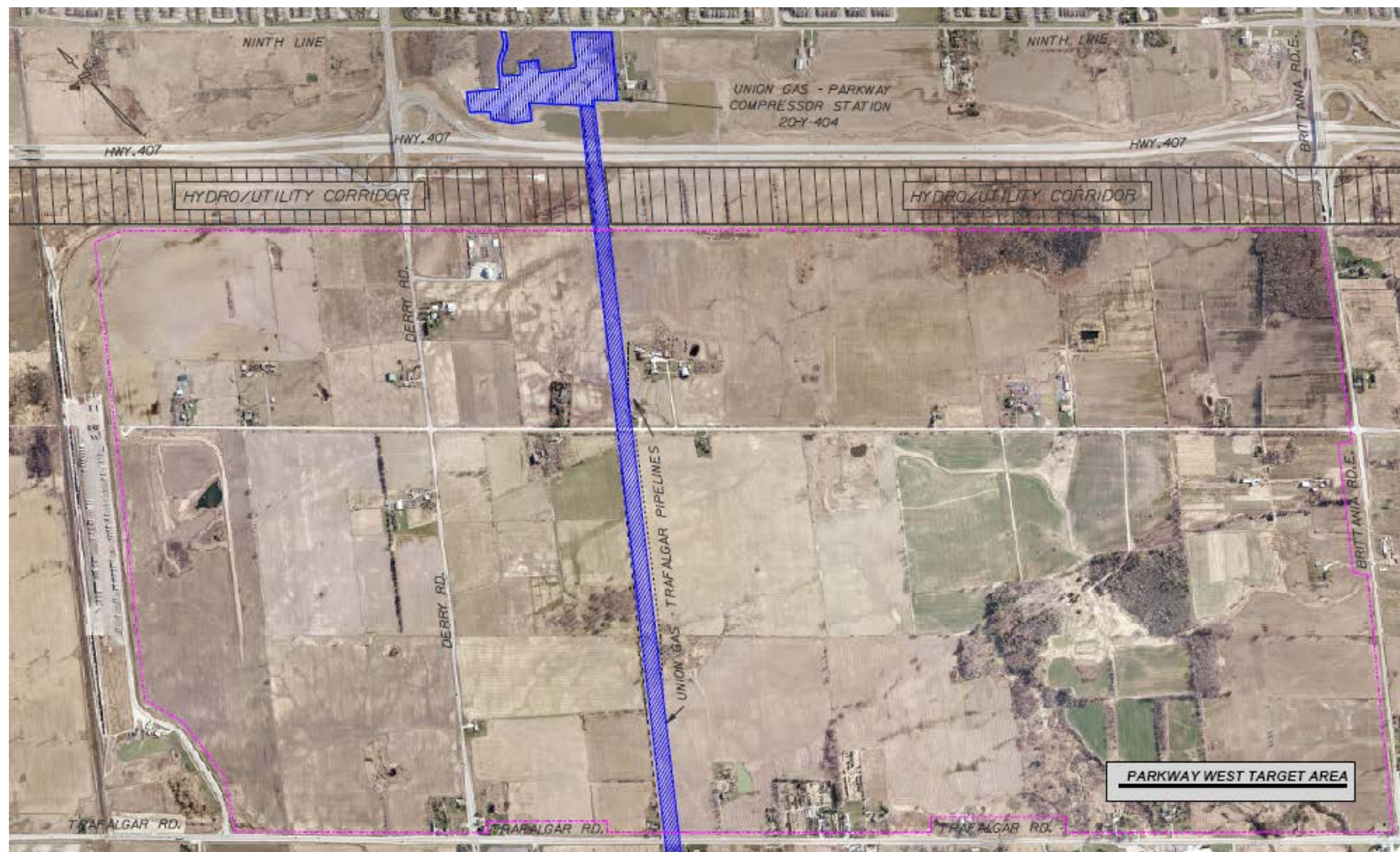
Parkway West Target Area



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- Develop a new Parkway West Station:
 - Redundant metering and supply feed(s) for Parkway(Cons) market
 - Install 2 new 20,000 HP compressors to complete LCU for Parkway(TCPL)
 - Full emergency bypass piping - would allow gas to be re-routed in the event of any single emergency
- \$220m of costs rolled into M12 rates
- Metering and bypass piping can be completed for 2013
- Loss of Critical unit can be completed for 2014

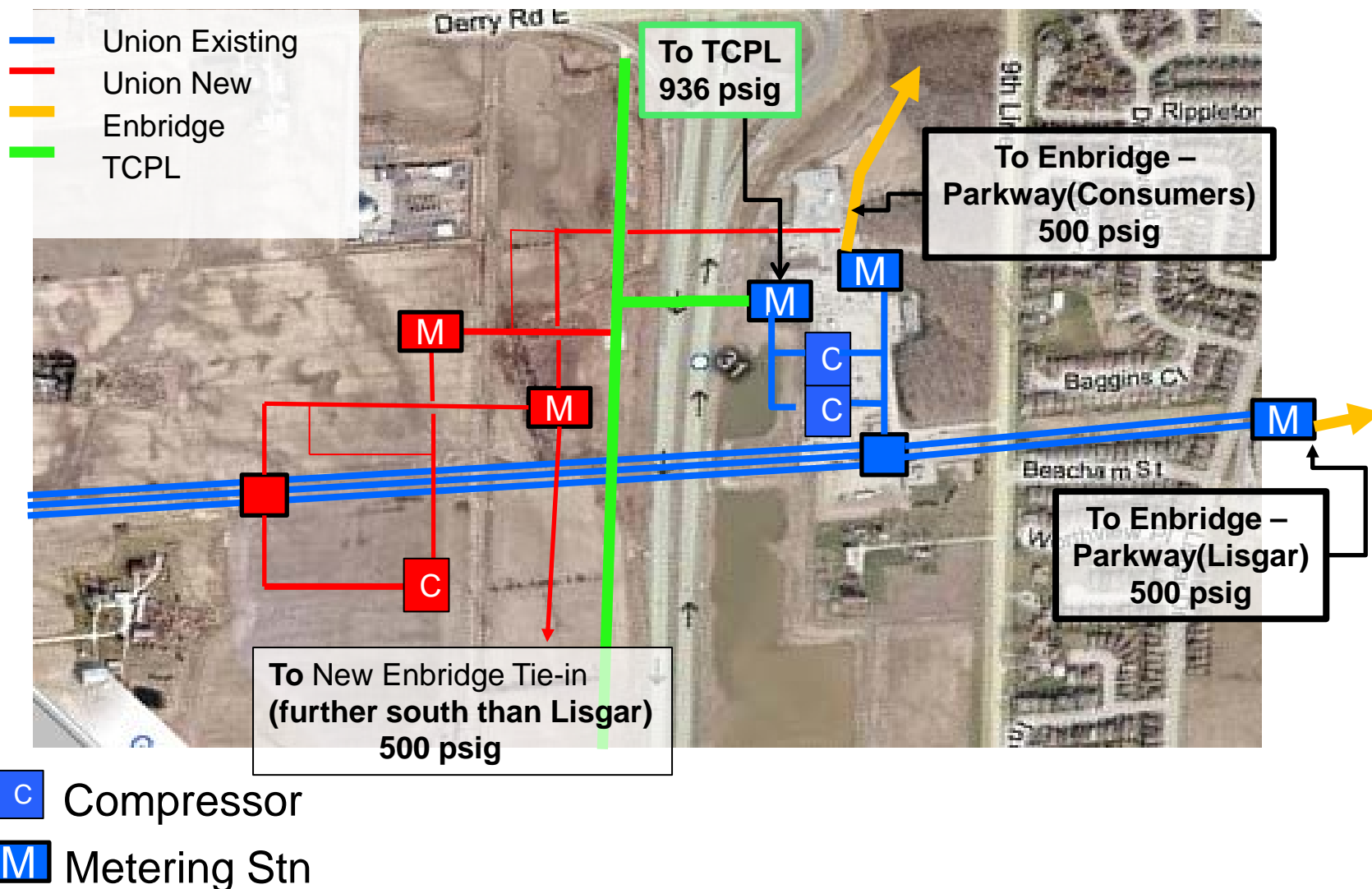
Parkway West Proposal



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Strategic Considerations of Parkway West



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- Provides complete redundancy in case of an outage or incident
- Proposal utilizes available upstream capacity on TCPL (Niagara to Kirkwall) and Union (Dawn to Kirkwall)
- Expandable / Scalable along existing rights of way
- Incremental gas supply available from Dawn or Marcellus (Kirkwall)
- Easy access to Dawn storage
- Integrates with current & future flexibility of Parkway
- Synergies with other Enbridge assets – Vector, Alliance, Tecumseh / Dawn storage



- Parkway West can provide a reliable 3rd new major feed to Enbridge
- Gas supply could come from Dawn and/or Kirkwall
 - Sized for between 0.4 bcf/d and 1 bcf/d (coverage for system reinforcement and possible backup for Parkway(Cons) or Lisgar capacity)
 - Enhances design redundancy at Parkway
 - Parkway (Cons) and Lisgar currently have excess interconnect capacity of 0.9 bcf/d
- Potential for a design that could have any two of the three Union feeds (including Lisgar, Parkway(Cons) and the new feed) meeting all Enbridge requirements

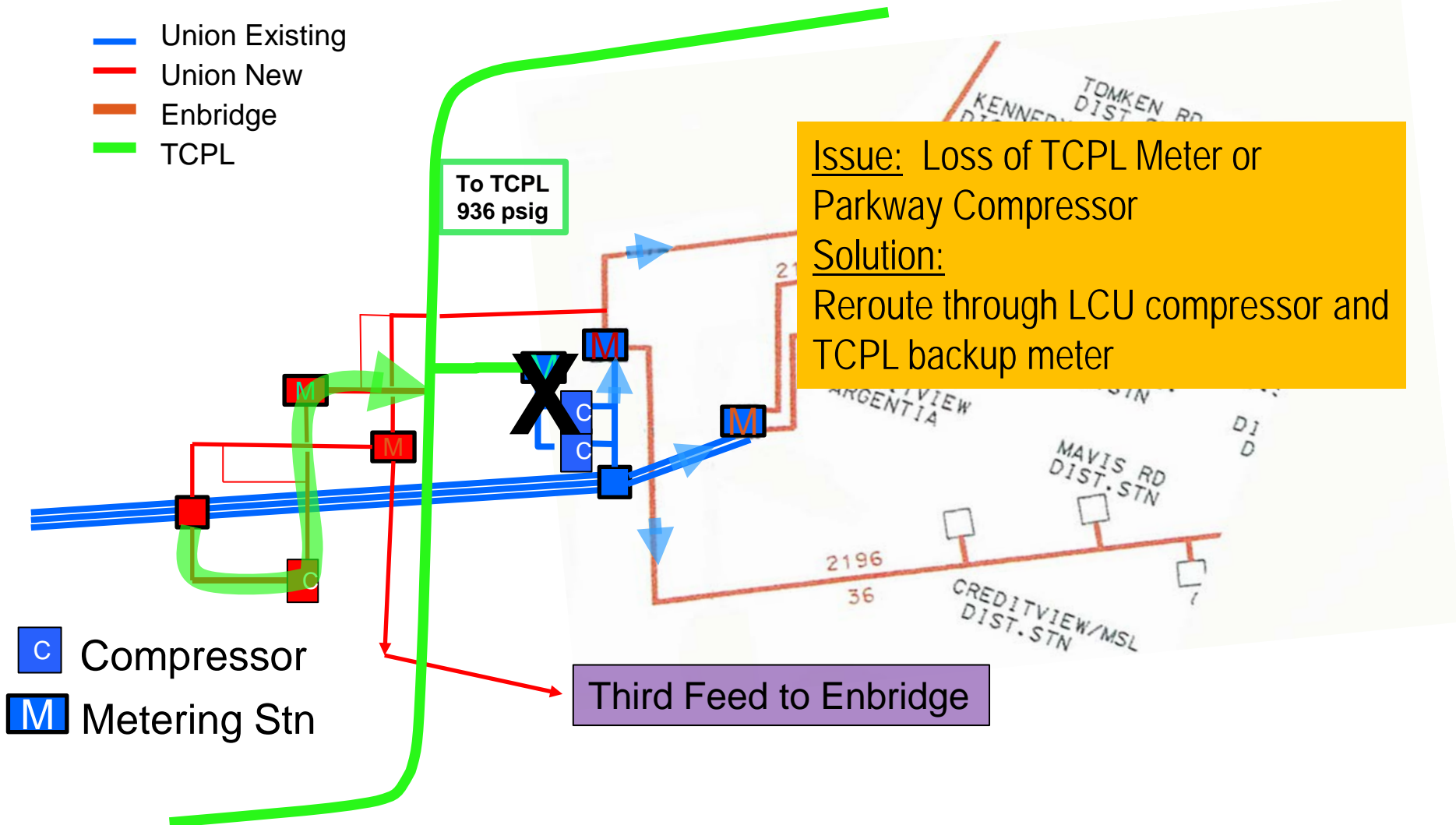
Parkway West Proposal



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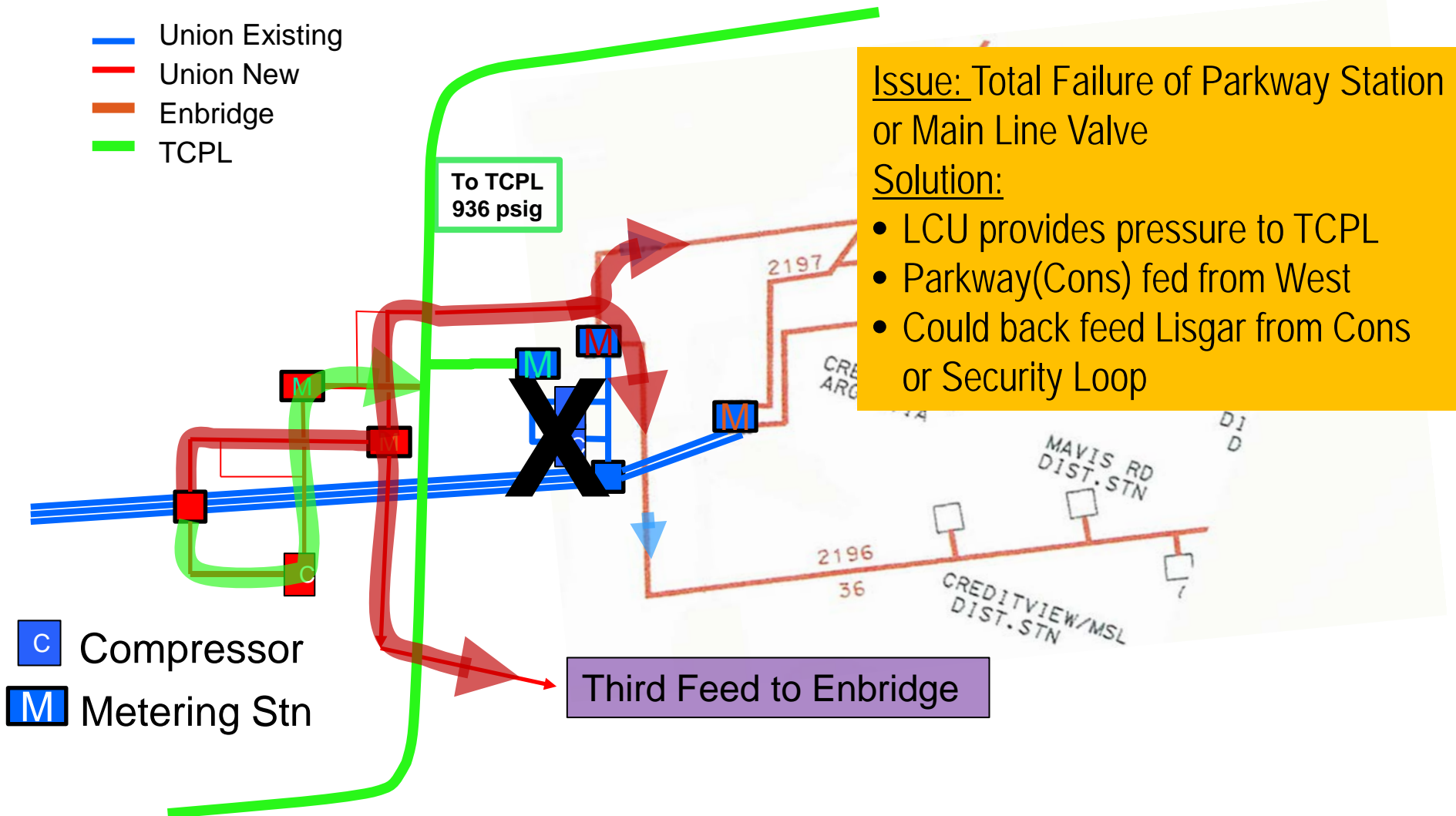
Parkway West Proposal



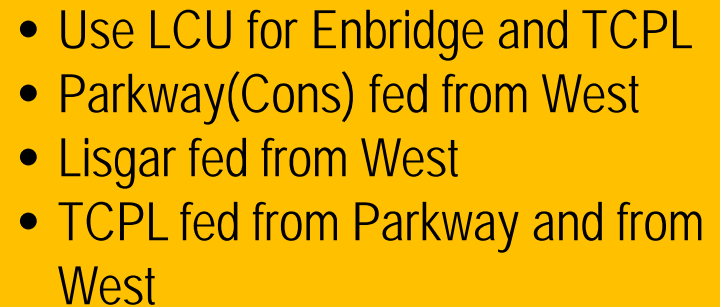
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Next Steps



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- Identify work specific SME groups can work together on
- Conference call set for August 9th
 - Opportunity to request follow up information in preparation for August 16th face-to-face meeting
 - Opportunity to identify specific items needing to be addressed at the August 16th face-to-face meeting
 - Can access which SME groups will be required at August 16th meeting?
- Face-to-face meeting set for August 16th
 - Address identified issues
 - Determine recommendations



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Third feed into Toronto

Presented to
Enbridge Gas Distribution

June 15th, 2011

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Filed: 2012-06-25
EB-2011-0210
J.B-1-7-8
Attachment 12



Agenda



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- Executive Summary
- Summary from last meeting
- Enbridge Concerns
- Options Considered
- Recommendation
- Next Steps

Executive Summary



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- Union evaluated two 3rd feed options – a redundant Parkway West plant and a Bullet line from Kirkwall to the West Mall
- Union recommends that Parkway West, with the design redundancy and interconnect to the downtown security loop, is the best option to meet the needs of a 3rd feed
- Either Option can be combined with Parkway to Enbridge Victoria Square expansion
- A new Parkway West facility will provide:
 - Secure, safe supply from Dawn or Kirkwall to Enbridge's Security loop
 - A design that ensures continuous flow of gas even with critical elements of Parkway unavailable
 - Includes a new feed south that would have enough operating capacity to support Lisgar plus 400-500 TJ/d of new load
 - Provides synergies with Enbridge upstream assets of Alliance, Vector and Tecumseh storage
- Expected M12 toll to remain in historic range of 7 to 10 cents (to Parkway)

Summary of Last meeting

- Nov 15, 2010

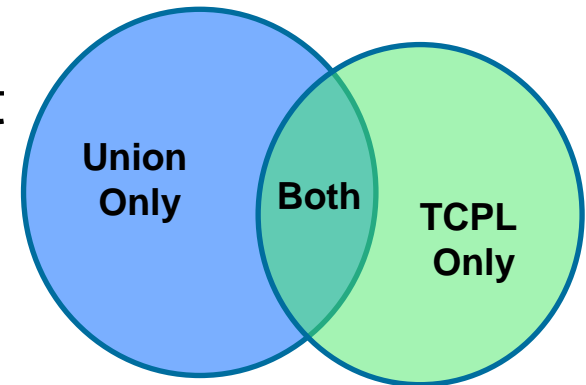


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- Reviewed Enbridge's Peak Day requirements
- LCU coverage at Dawn, Bright / Lobo, but not Parkway(TCPL)
- Reliability of Union – Pipe & compressors
- Union's Integrity Management Programs
- Safe and dependable Operational history
- New Parkway interconnect to Enbridge's Downtown reinforcement project
- Need to debottleneck Parkway to Maple



Union provides ~70% of
Enbridge's peak day

**Enbridge Peak Day Transport
~ 3,500 TJ/d**



- Dependence on Union at Parkway (Enbridge can have 70% of their peak day demands supplied through Parkway via 3 existing feeds)
- Concern about physical distance between major equipment at current Parkway station and potential impact during an incident
- No Loss of Critical Unit (LCU) coverage for compressed volumes to TCPL (Enbridge currently shipping 0.5 bcfd on this path)
- No redundant measurement
- Depending on incident, no bypass around Parkway

**Enbridge views the solution as a
3rd new feed into Toronto**

3rd feed options considered



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Since Nov meeting, Union has looked at a number of alternatives. Would like to present 2 potential options:

1. Parkway West:

- New plant would be west of the existing station and would include a new feed south to the downtown reinforcement project
- 100% redundancy on all equipment and pipe at Parkway station
- New plant becomes equivalent to a 3rd feed

2. Bullet Line from Kirkwall to West Mall area to connect with downtown reinforcement project

In addition, also look at synergy with a new Pipeline from Parkway to Victoria Square in combination with #1 or #2 to provide a 4th feed

Union has options that can meet the Enbridge need

Option #1: Parkway West Proposal



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- Upgrade existing metering to custody transfer level for TCPL
- Develop a new West Station, complete with:
 - redundant metering
 - Install 2 new 20,000 HP compressors to complete LCU
 - Full emergency bypass piping - would allow gas to be re-routed in the event of any single emergency
- \$220m of costs rolled into M12 rates
- Metering and bypass piping completed for 2013; Loss of Critical unit in 2014

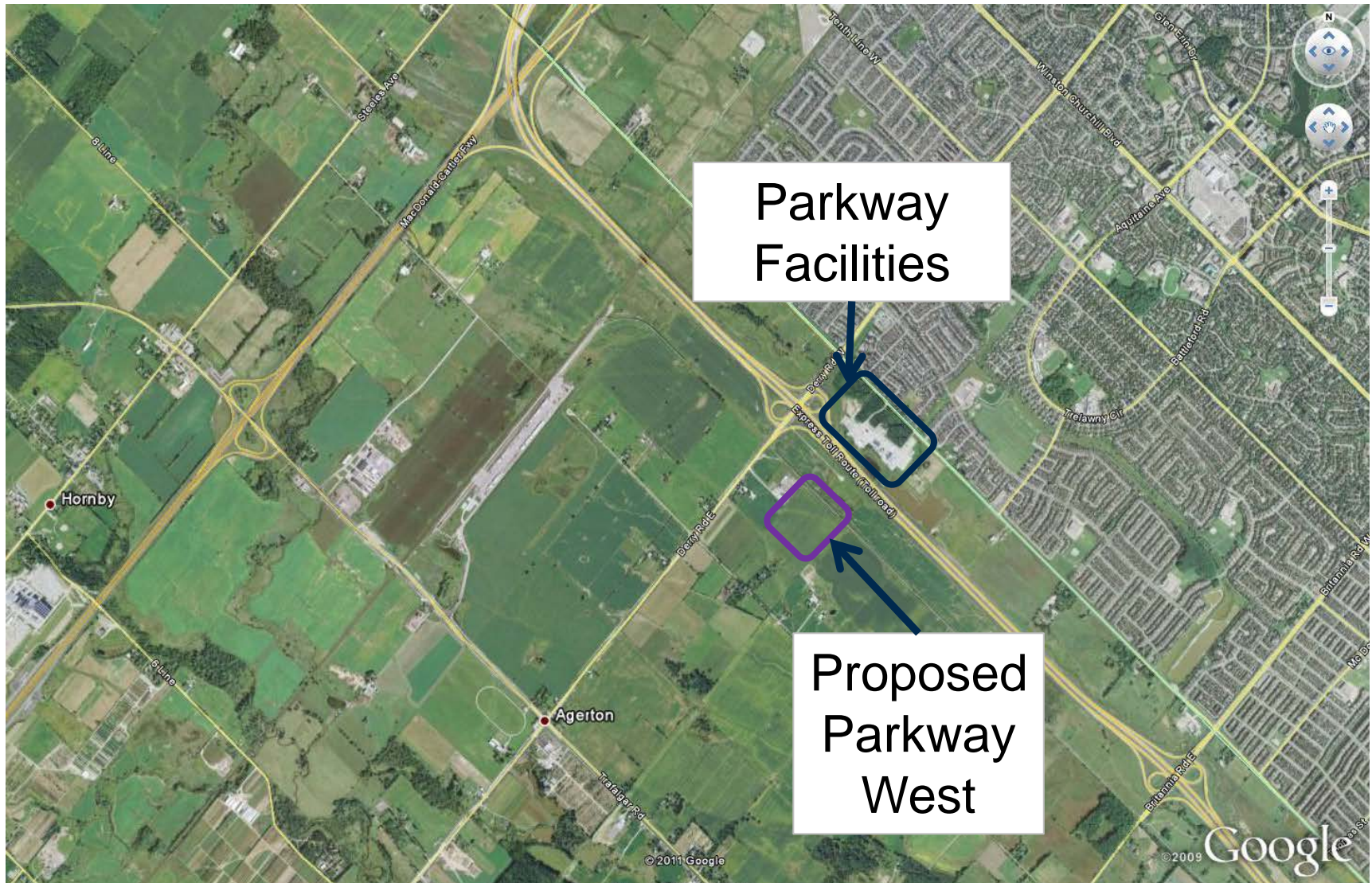
Location of Parkway West



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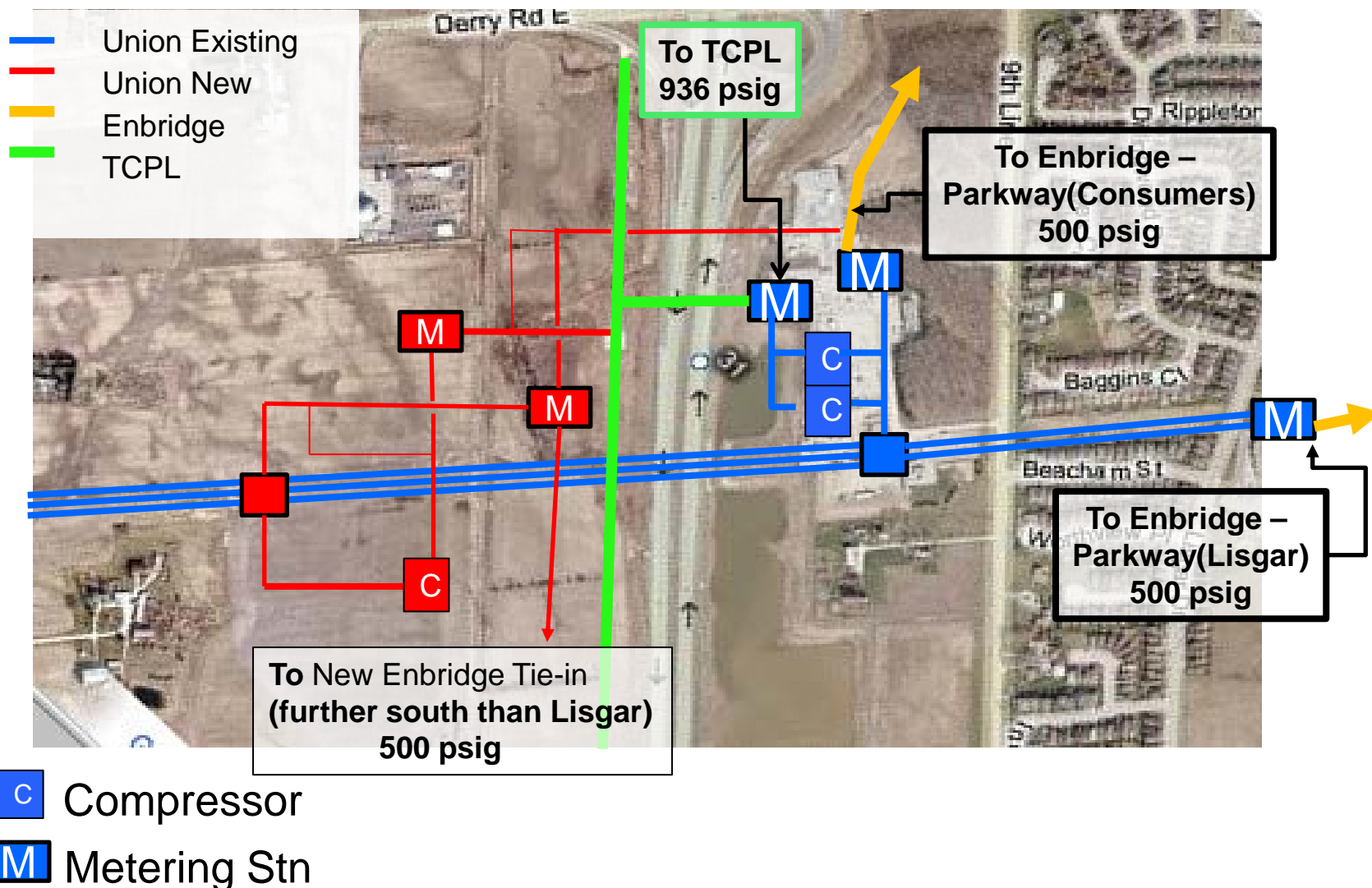
Parkway West Proposal



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New Interconnection to Enbridge



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- Union proposing a 3rd new major feed to Enbridge from Parkway West station to the Enbridge Security Loop
- Could be supplied from Dawn and/or Kirkwall
 - Sized for between 0.4 bcf/d and 1 bcf/d (coverage for Security Loop and possible backup for Parkway(Cons) or Lisgar capacity)
 - Enhances design redundancy at Parkway
 - Parkway (Cons) and Lisgar currently have excess interconnect capacity of 0.9 bcf/d
- Potential for a design that could have any two of the three Union feeds (including Lisgar, Parkway(Cons) and the new feed) meeting all Enbridge requirements

Parkway West Proposal

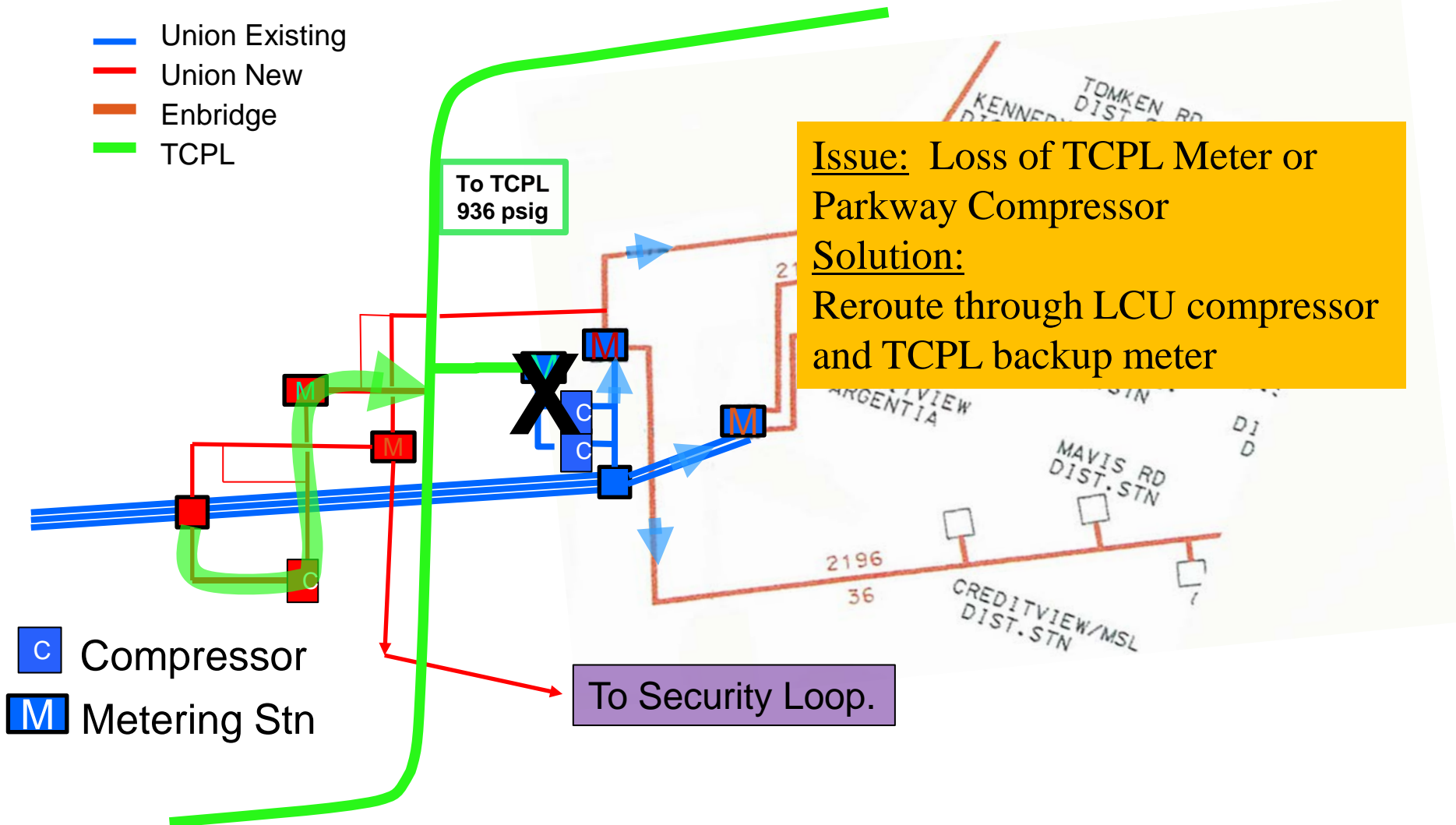


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- Union Existing
- Union New
- Enbridge
- TCPL



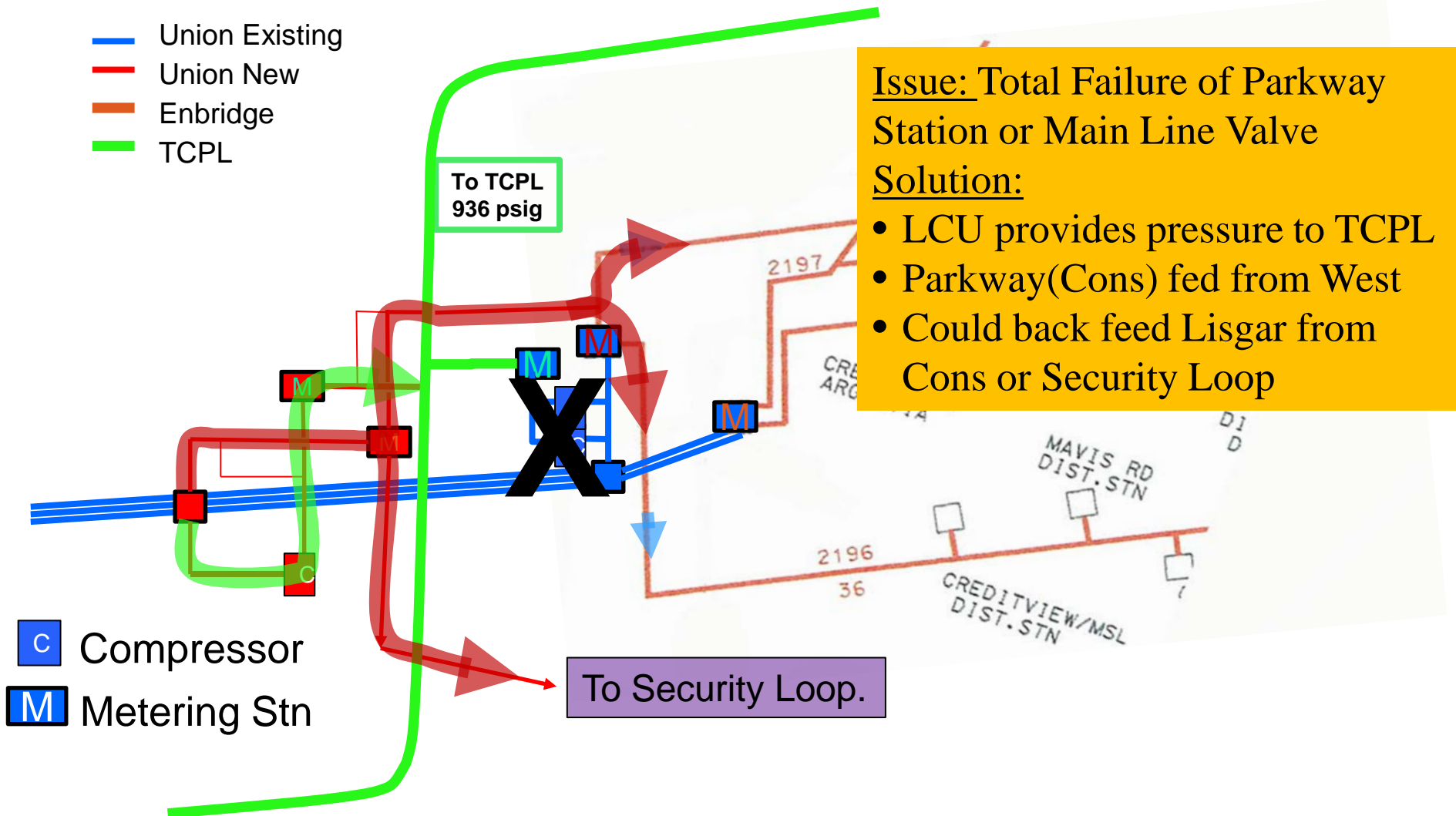
Parkway West Proposal



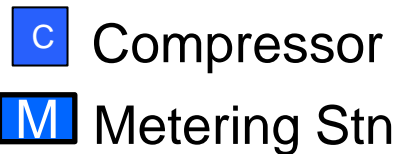
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Strategic Considerations of Parkway West



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- Provides complete redundancy in case of an outage or incident
- Proposal utilizes available upstream capacity on TCPL (Niagara to Kirkwall) and Union (Dawn to Kirkwall)
- Expandable / Scalable along existing rights of way
- Incremental gas supply available from Dawn or Marcellus (Kirkwall)
- Easy access to Dawn storage
- Integrates with current & future flexibility of Parkway
- Synergies with other Enbridge assets – Vector, Alliance, Tecumseh / Dawn storage

Option #2

Bullet Line from Kirkwall



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- New pipeline from Kirkwall to West Mall / Etobicoke (south of Parkway)
- 75 km of 36" pipeline with 36,500 HP compression for 1 bcf/d
- Route assumed to follow Union's ROW from Kirkwall towards Parkway and then south, but **not** interconnecting with Parkway
- Designed to feed Enbridge's downtown reinforcement project
- Allows for dedicated independent feed, avoiding Parkway
- Estimated cost - \$495 m (\$181 m just to Parkway)

Map of Kirkwall to West Mall



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Strategic Considerations of Bullet Line



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- Creates independent feed
- Utilizes excess TCPL Niagara/Chippawa to Kirkwall capacity
- Gas Supply from Dawn or Marcellus
- Access to Dawn storage
- Synergies with other Enbridge assets – Vector, Alliance, Tecumseh / Dawn storage
- Issues:
 - Economics and structure
 - Reliant on a single pipeline vs 3 existing pipes

A 4th feed – synergistic with Option #1 & 2



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Parkway to Victoria Square / TCPL

- 55 km of 24" to 30" pipe from Parkway to Victoria Square and 40-60,000 HP of compression at Parkway providing 1 Bcf/d of new capacity for \$581m
- Provides new dedicated feed into the heart of the Greater Toronto Area
- Roll into M12 rates (Dawn to Victoria Square)
- Option to tie in at several Enbridge delivery points and reinforce key areas within GTA
- If combined with Enbridge reinforcement projects may provide additional security of supply

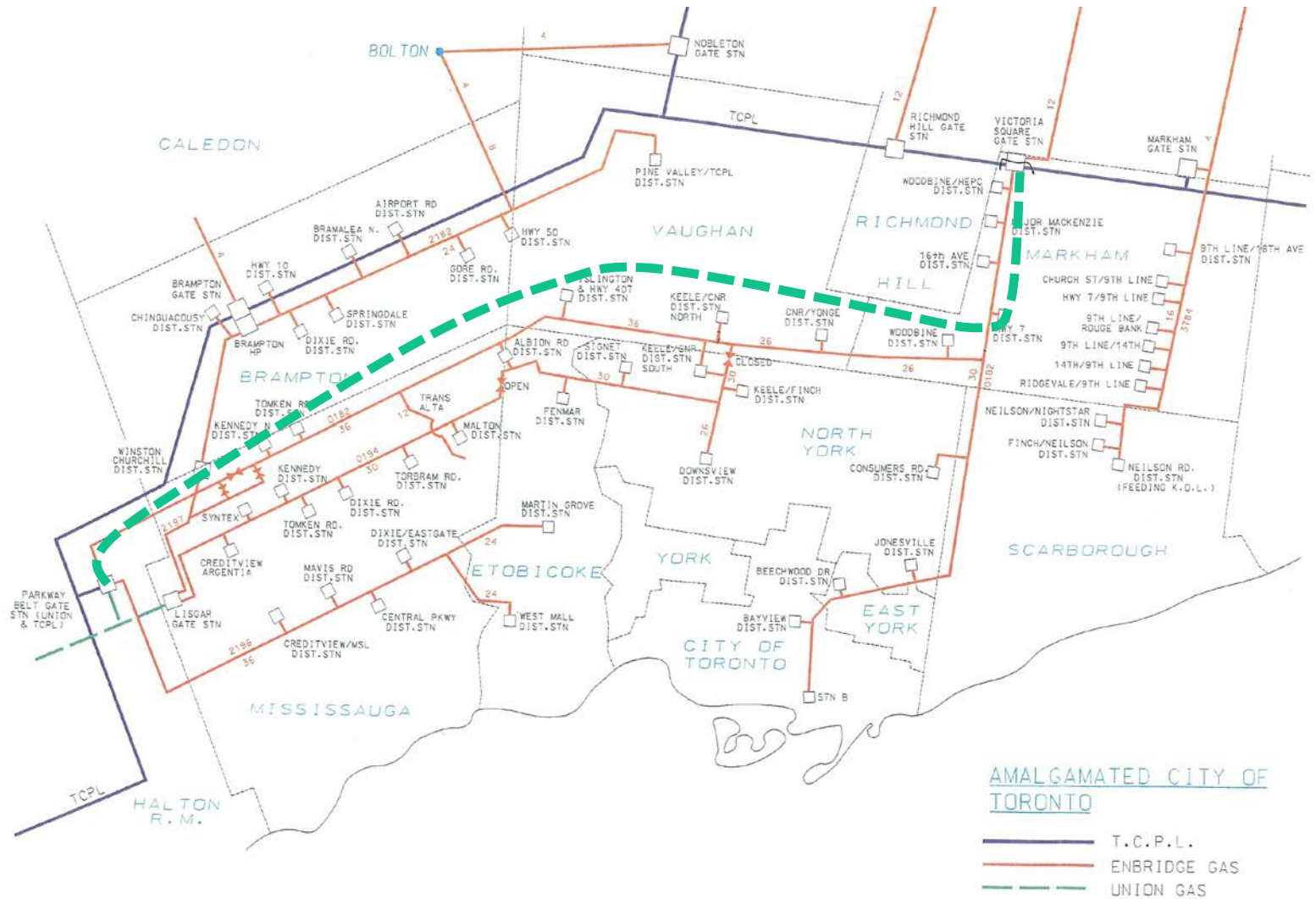
Parkway to Victoria Square



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Strategic Benefits of Parkway to Victoria Square/TCPL



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- Allows Dawn to Victoria Square or Kirkwall to Victoria Square without TCPL
- Creates a 4th feed into Greater Toronto Area
- Gas Supply from Dawn or Marcellus
- Access to Tecumseh / Dawn storage
- Integrate with current and future flexibility at Parkway
- Synergies with other Enbridge assets – Vector, Alliance, Dawn storage
- Provides synergies with either Option 1 or 2



- Union evaluated two 3rd feed options – a redundant Parkway West plant and a Bullet line from Kirkwall to the West Mall
- Union recommends that Parkway West, with the design redundancy and interconnect to the downtown security loop, is the best option to meet the needs of a 3rd feed
- Either Option can be combined with Parkway to Enbridge Victoria Square expansion
- A new Parkway West facility will provide:
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 - A design that ensures continuous flow of gas even with critical elements of Parkway unavailable
 - Includes a new feed south that would have enough operating capacity to support Lisgar plus 400-500 TJ/d of new load
 - Provides synergies with Enbridge upstream assets of Alliance, Vector and Tecumseh storage
- Expected M12 toll to remain in historic range of 7 to 10 cents (to Parkway)



- Enbridge and Union should engage in a dialogue on options to explore synergies and market impacts
- Recommend a joint team from Union & Enbridge to discuss:
 - Parkway West and other options – focus on flows, pressure, pipeline interconnections, capacities and strategic implications to both companies
 - Consider a joint sponsorship of a consultant study (ICF / Pira) to determine overall impacts / benefits of various alternatives
- Timing is critical
 - Both Union and Enbridge filing Phase II Incentive Regulation evidence
 - Path chosen will impact capital, costs and revenue for both companies
 - Competing market options

We want to work together to help implement an optimal solution

An Open Season for The Parkway Extension Project and the Dawn to Parkway System

Filed: 2012-06-25
EB-2011-0210
J.B-1-7-8
Attachment 13

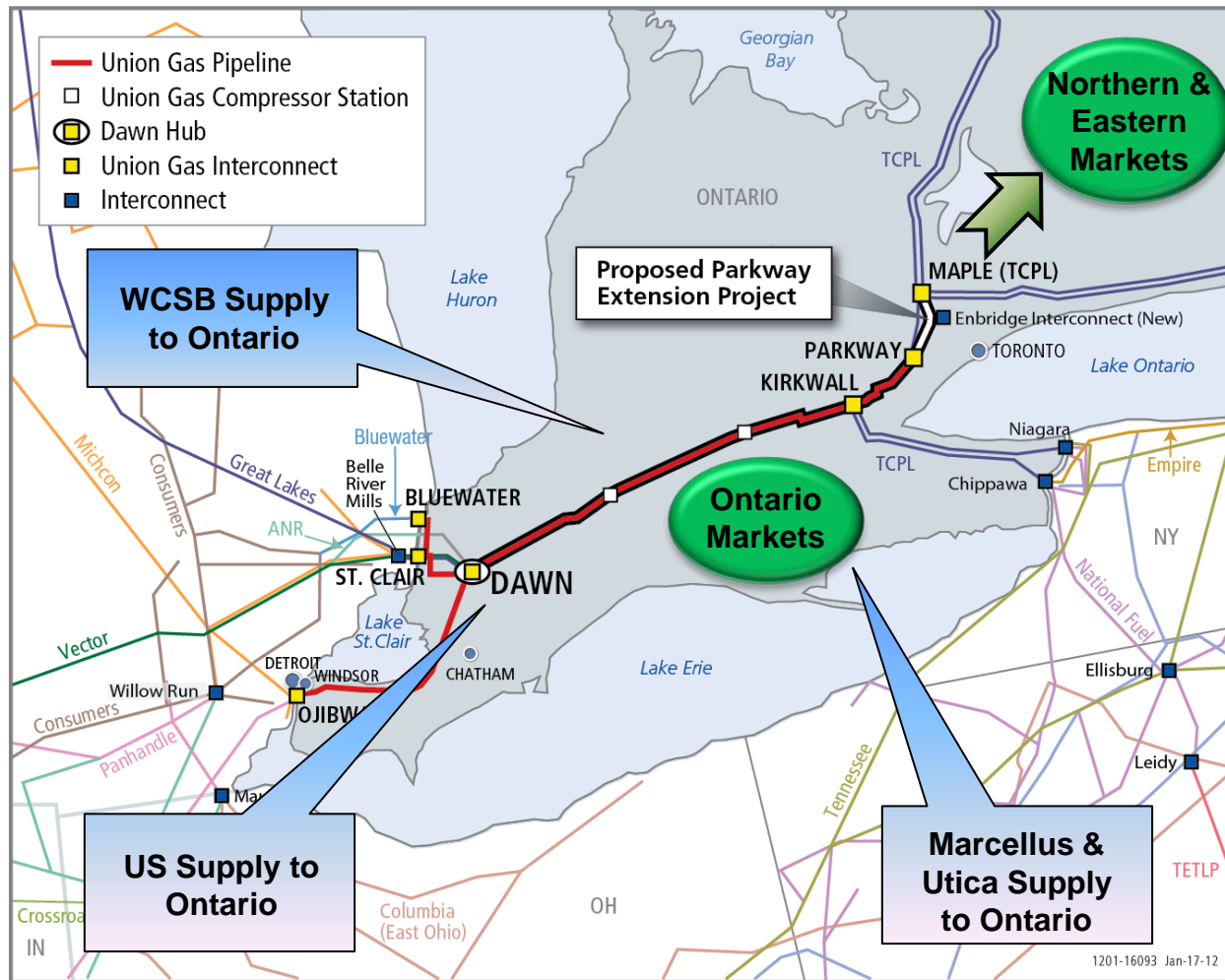
Providing Access to Reliable, Diverse and Competitive Supplies



March 2012

- Description of Project
- Why the Parkway Extension Project is needed
 - Project Drivers
- The Parkway Extension Project Open Season
 - Services offered
 - Timing and Next Steps

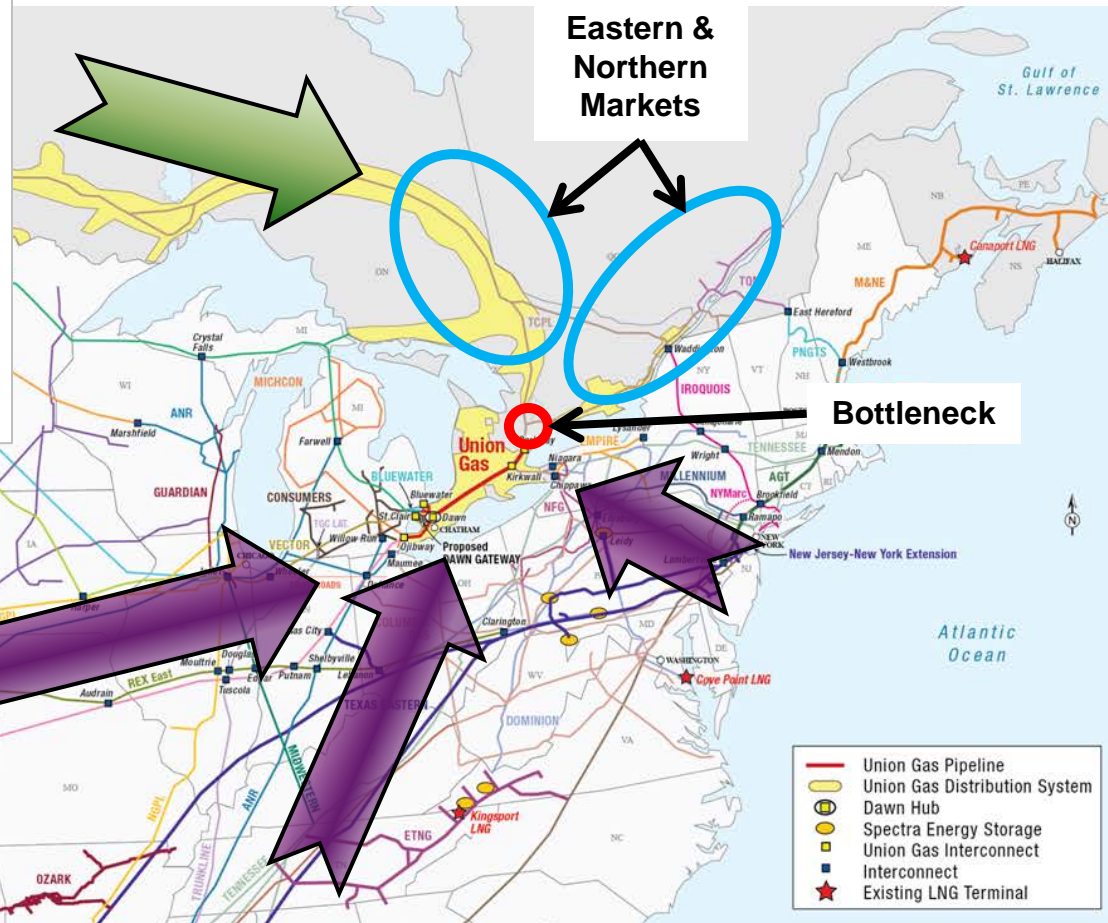
The Parkway Extension Project



- A new pipeline using a separate path linking Parkway to the TCPL system near Maple
- Capacity of up to 700 TJ/day by 2015 available to Shippers with demands north and east of Parkway
- Efficiencies gained through partnering with Enbridge will
 - Lower overall cost
 - Reduce environmental and social impact
- Expansion of the Dawn to Parkway system will provide Shippers with access to diverse supply to meet capacity needs on the Parkway Extension Project

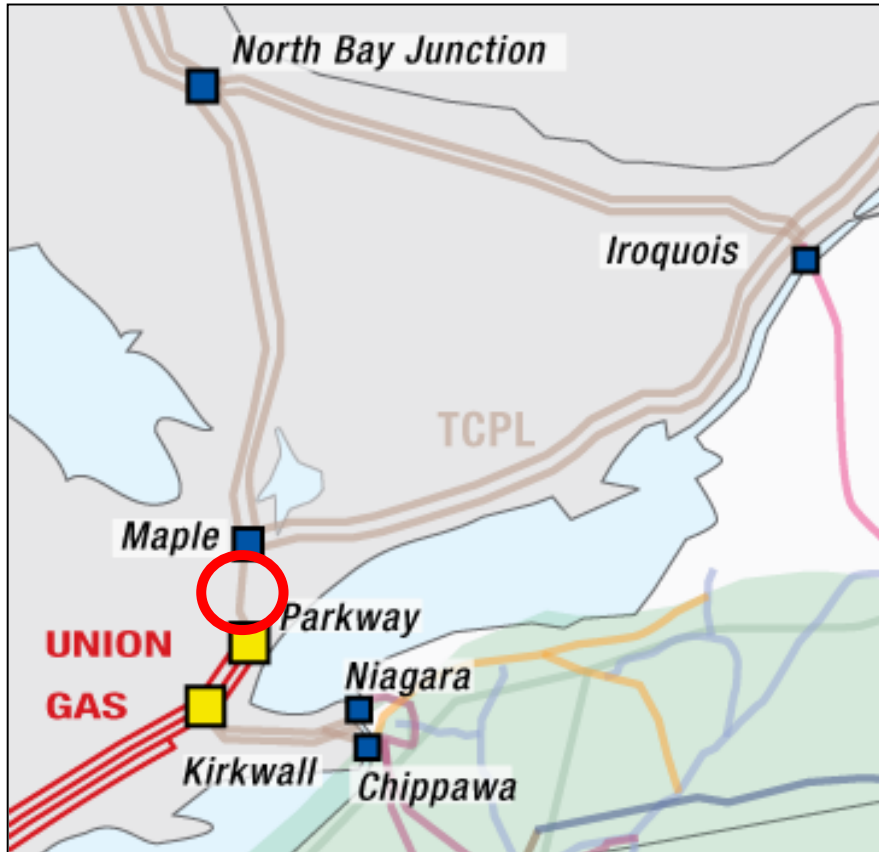
The Need for Parkway to Maple – Diversity

- The current bottleneck limits supply options for customers in northern, eastern, and central Ontario and Quebec
 - These customers are reliant on one supply basin: WCSB
- Access to other supply basins limited or unavailable



The Parkway Extension Project will provide much needed diversity to Ontario and Quebec

The Need for Parkway to Maple – Reliability and Security of Supply

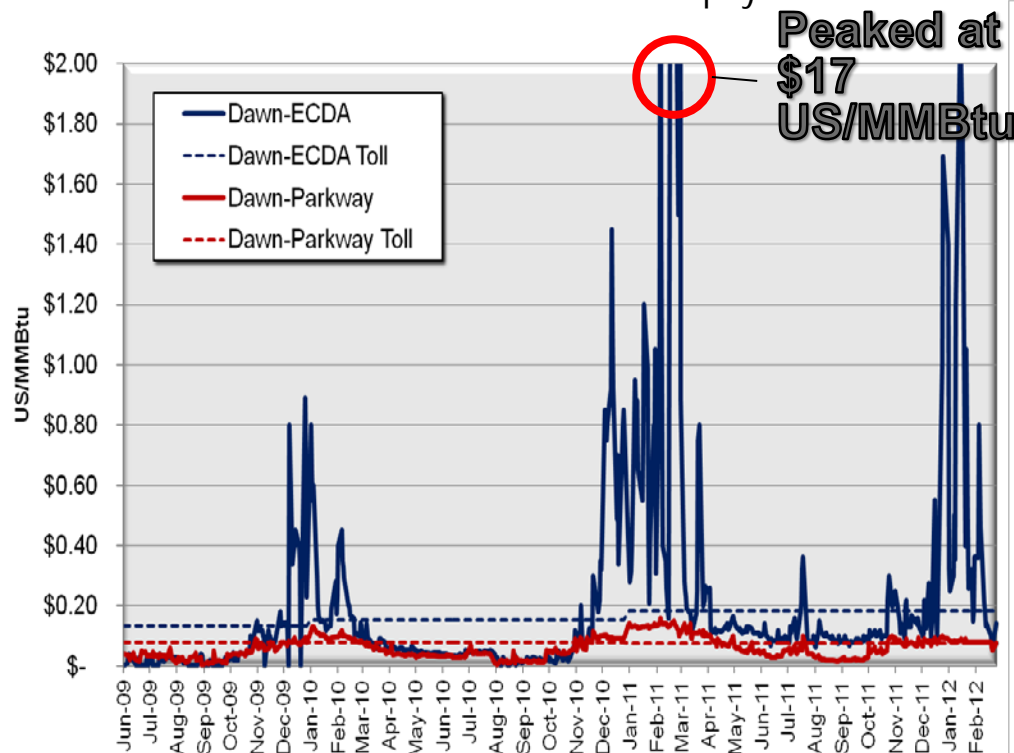


- Current pipe is mainly a 36" single line – a single pipeline does not provide security of supply
- New demand from power generation in the Greater Toronto Area drives increased dependence on single pipeline
- Incident in northern Ontario in Feb 2011 highlights how sensitive the system can be
- If a line break were to occur on this path without an alternative, the consequences for the natural gas industry would be devastating

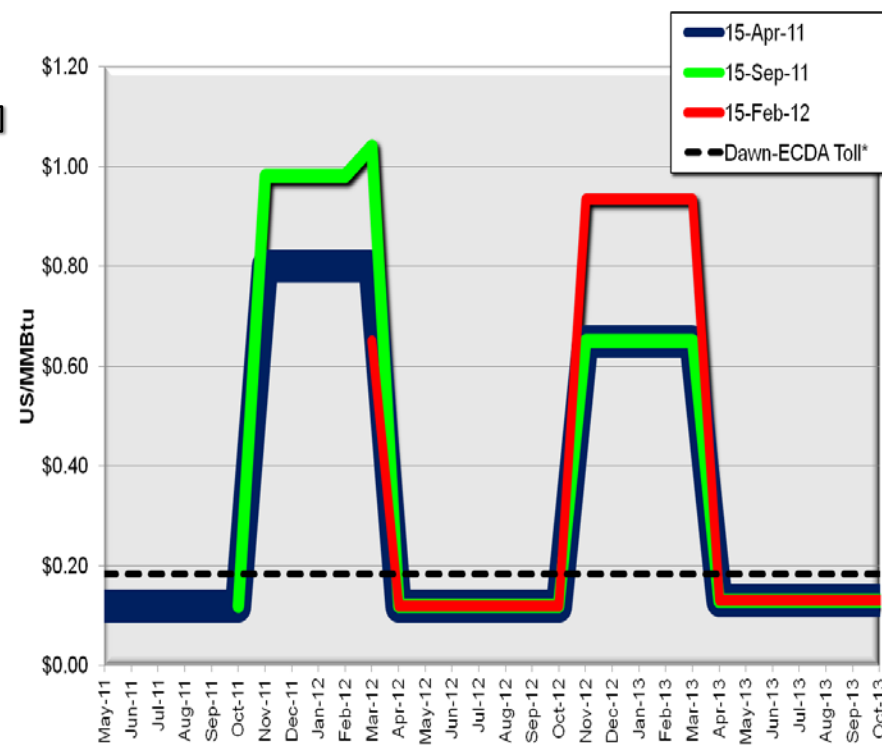
The Parkway Extension Project will significantly improve the reliability and security of supply for Ontario and Quebec

The Need for Parkway to Maple - Affordability

- The Cash and Forward markets reflect the current constraint between Parkway & Maple
 - The Project will help *reduce price spikes* and *volatility* at a *competitive long-term rate* and will reduce the overall delivered cost for ratepayers in Ontario and Quebec, as well as end-users in the US Northeast



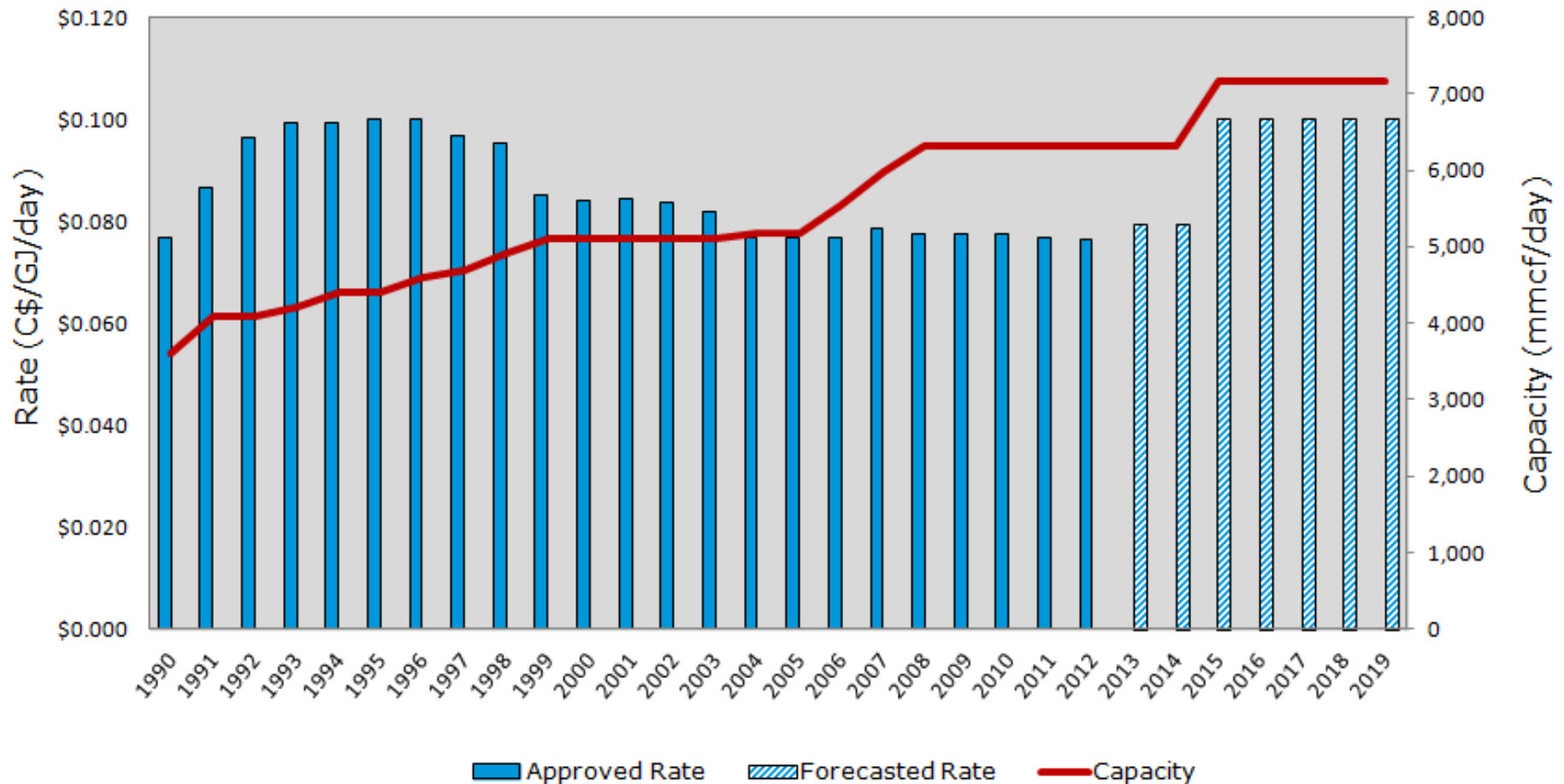
Source: NGX Trading Reports, FP Spread Instruments for Next Day Delivery (daily High price)
- flow date shown on the x-axis



Source: NGX Trading Reports, FP Spread Instruments for Next Day Delivery (daily High price)
- flow date shown on the x-axis

The Parkway Extension Project will help make gas more affordable in northern & eastern Ontario and Quebec

History of M12 Transportation Toll Stability



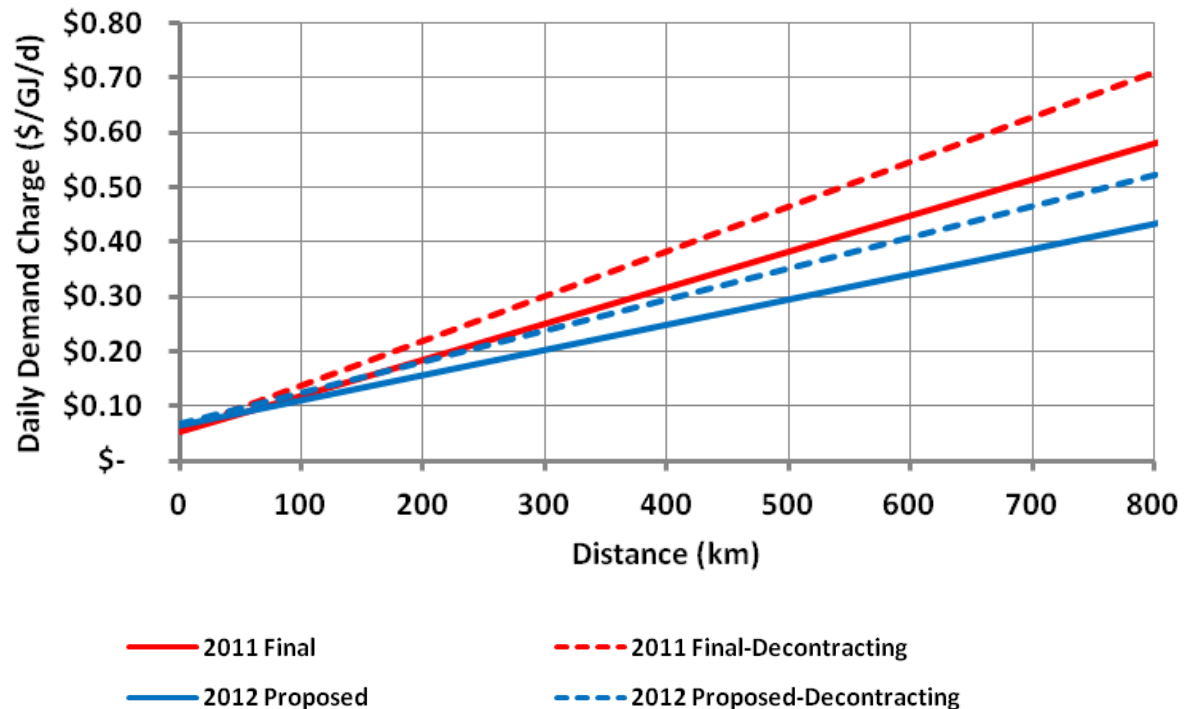
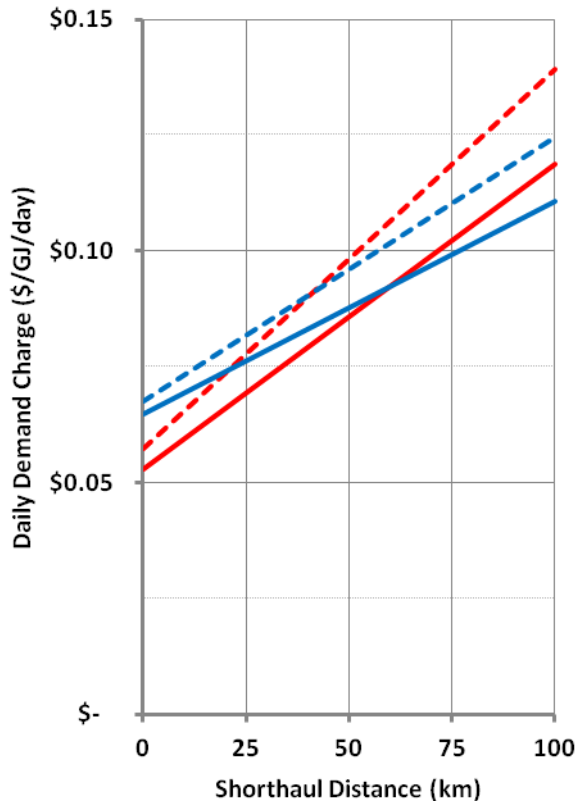
Union Gas has a track record of rate stability
The M12 Dawn to Parkway rate has been in the \$0.07
to \$0.10 range for over 20 years

Getting from Maple to Eastern Markets – TCPL Tolls

(C\$/GJ/day)	2011 Approved From Parkway	2011 Calculated From Maple	2012 Proposed From Parkway	2012 Calculated From Maple
To Enbridge-CDA	\$0.107	~\$0.074	\$0.100	~\$0.078
To Union-EDA	\$0.280	~\$0.247	\$0.216	~\$0.191
To Iroquois	\$0.354	~\$0.321	\$0.262	~\$0.240
To Gmi-EDA	\$0.498	~\$0.465	\$0.331	~\$0.309
To Cornwall	\$0.384	~\$0.351	\$0.281	~\$0.259
To Union-NDA	\$0.430	~\$0.397	\$0.317	~\$0.289
To KPUC	\$0.267	~\$0.234	\$0.205	~\$0.183
To Phillipsburg	\$0.505	~\$0.472	\$0.360	~\$0.338

- TCPL Toll for Maple calculated using implied distance from Maple compressor station to delivery points.

Potential TCPL Rate Impact – Using Current TCPL Tolling Methodology



TCPL Tolling uncertainties are larger than the expected impact of conversion from long-haul to short-haul

The Need for Parkway to Maple - Affordability

<i>\$C/GJ/day</i>	U-NDA	U-EDA	Enb-EDA	Enb-CDA	GMI-EDA	Iroquois
Empress Transport	\$1.74	\$2.24	\$2.24	\$2.24	\$2.24	\$2.18
Empress Supply	\$2.85	\$2.85	\$2.85	\$2.85	\$2.85	\$2.85
Empress Delivered	\$4.59	\$5.09	\$5.09	\$5.09	\$5.09	\$5.03
Dawn Transport	\$0.49	\$0.37	\$0.42	\$0.23	\$0.52	\$0.43
Dawn Supply	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75
Dawn Delivered	\$4.24	\$4.12	\$4.17	\$3.98	\$4.27	\$4.18
Savings @ Dawn	\$0.34	\$0.96	\$0.91	\$1.10	\$0.82	\$0.84

Notes:

- 100% Load Factor
- Empress Transport → 2012 Proposed Tolls
- Dawn Transport → 2012 Proposed Tolls (incl. De-contracting assumption) plus \$0.15/GJ/d Union Dawn to Maple toll
- Fuel excluded from analysis

The Parkway Extension Project will provide customers in northern & eastern Ontario and Quebec opportunities to lower their delivered gas cost

The Parkway Extension Project – Summary

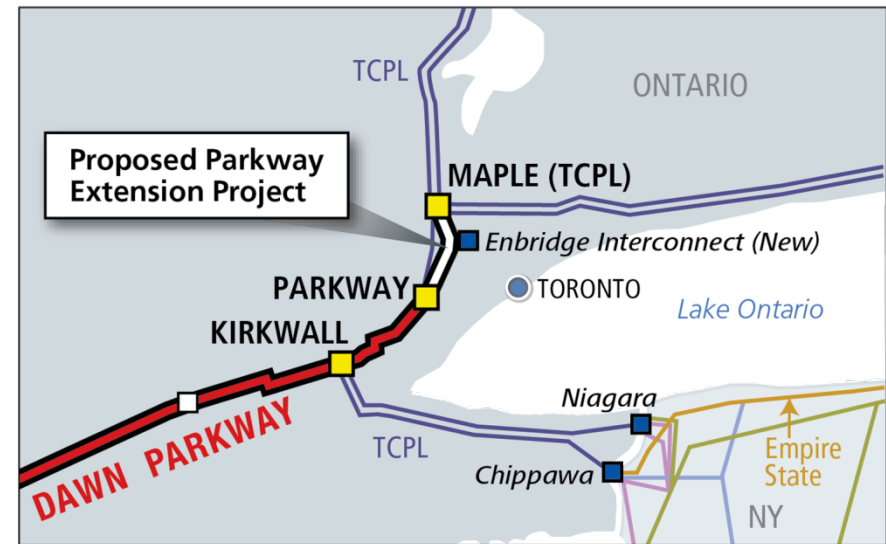
- **Diversity** – Provides diversity of natural gas supplies through access to multiple supply basins
- **Reliability** – Provides security of supply and reliability through the construction of a new pipeline between points in the Greater Toronto Area currently served by a single pipeline
- **Affordability** – Provides northern, eastern and central Ontario and Quebec consumers access to competitive natural gas supplies
- **Efficiency** - Joint ownership provides significant benefits
 - Economies of scale - reducing overall cost
 - Environmental and social benefits – one pipeline through an urban environment reduces environmental footprint and impact to local residents
- **Economic Growth** – Part of Union Gas plans that could see significant investment in natural gas infrastructure expansion in Ontario through 2016

The Parkway Extension Project provides the market with access to diverse, reliable, affordable clean energy

The Parkway Extension Project Open Season

Parkway Extension Project

- A new pipeline between a new interconnect near Union's Parkway Compressor station and the TCPL's transmission system near Maple, Ontario.
- 500 to 700 TJ/day of capacity offered under Union M12 Rate schedule – offering seamless transportation from Dawn, Kirkwall or Parkway to Maple
- Service to Maple start date of November 2015



- Pipeline will consist of two segments:
 - The first segment will be jointly owned by Union and Enbridge
 - The second segment will be wholly owned by Union

Providing Access to Reliable, Diverse and Competitive Supplies!

Transportation Service Details

- Minimum term of 15 years, with ongoing renewal rights
- Capacity Available from Dawn, Kirkwall, and/or Parkway
- M12 Easterly Firm Transportation Rate, subject to OEB approval forecasted to be:

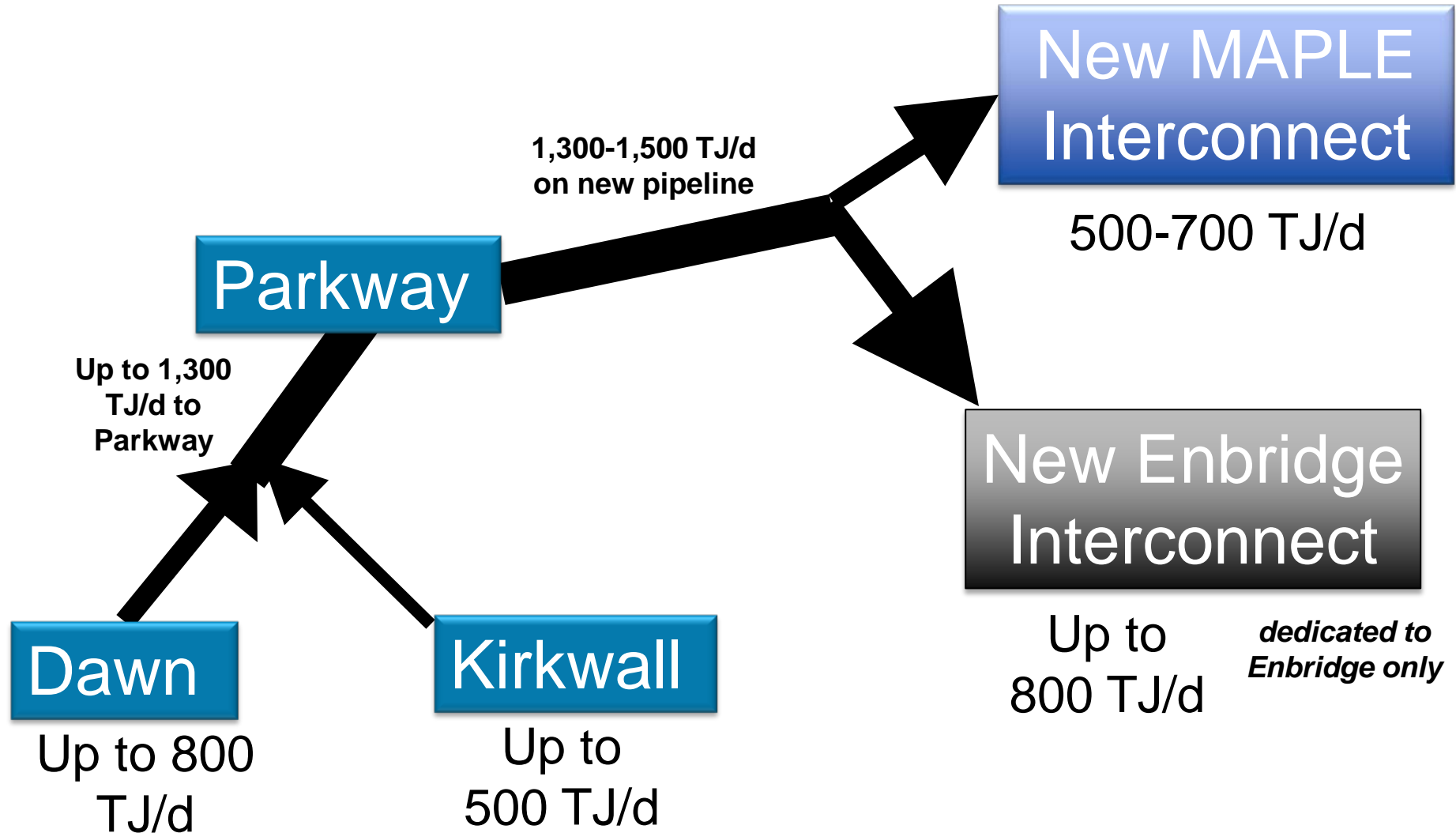
(C\$/GJ/day) Receipt	Delivery Point	
	MAPLE	PARKWAY
DAWN	\$0.10 - \$0.15	\$0.08-\$0.10
KIRK WALL	\$0.05 - \$0.10	\$0.01-\$0.02
PARKWAY	\$0.02 - \$0.07	N/A

- Union proposes the costs and capacities be rolled into existing M12 rates. This will enable Union to offer a seamless service from the Dawn Hub to Maple
- Fuel is expected to be approximately 0.2% to 0.4% higher than the Dawn to Parkway fuel rate, subject to OEB approval
- Bids are binding, subject to several standard conditions precedent
- Shippers may include additional conditions precedent as part of their bid.

Other Services Available during the Open Season

- To provide capacity to the new pipeline, Union is also offering M12 transportation capacity from Dawn and Kirkwall to Parkway (and on to Maple)
- Up to 800 TJ/d of capacity is available from Dawn with up to 400 TJ/d starting in 2014 and the remaining 400 TJ/d in 2015
- Up to 500 TJ/d of capacity is available from Kirkwall with up to 300 TJ/d starting in 2014 and the remaining 200 TJ/d in 2015
- Firm Westerly service from Maple of up to 300 TJ/d to either Parkway or Dawn is also available commencing November 2015.
 - The westerly service is forecasted to have a demand charge of 25% to 35% of the Easterly rate for each path, subject to OEB approval

Capacity Available during the Open Season



Other Services Available during the Open Season

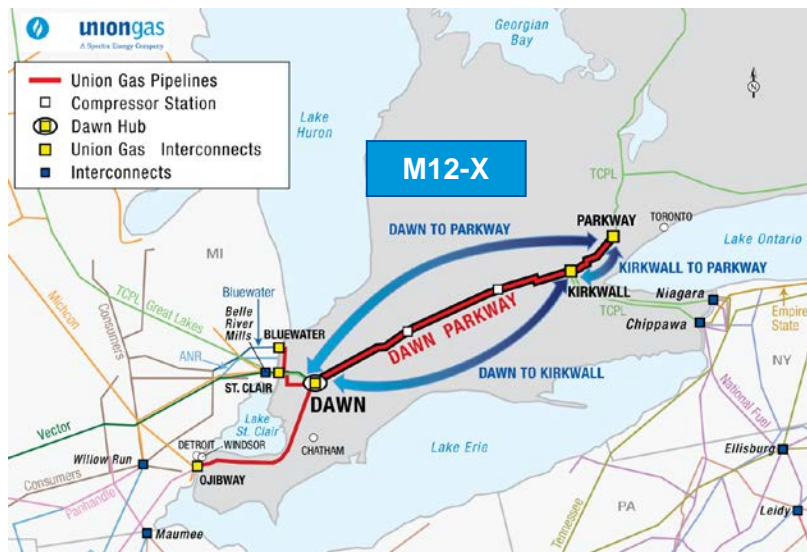
- Union is soliciting interest in a bi-directional, multi-Receipt and Delivery Point service modelled after Union's current M12-X service. If sufficient Shipper interest exists, Union will look to develop this new service.
- Union is also soliciting interest in firm all day F24-T service with additional nomination windows for the Parkway to Maple path. If sufficient Shipper interest exists, Union will look to develop this new service.
- Shippers may also express interest in a fixed price toll at a premium to the initial cost of service rate. There is a tick-box option on the bid form.

Union is soliciting interest in supplemental services in addition to traditional cost of service, point to point firm transportation service

M12-X Transportation Service

Flexible new service that provides significant enhancement to the existing M12 transportation service

- Firm, bi-directional, long-term transportation with renewal rights
- Service commencing November 1, 2012 (November 2015 earliest start date for a Maple service)
- Receipt and delivery at any M12 point (Dawn, Parkway and Kirkwall) (and eventually Maple)
- Regulated rate under C1 tariff
 - Demand charge rate = CDN \$2.877/GJ/month
 - Monthly fuel rate = see M12 Schedule 'C' with YCR true up
- Currently capacity is available starting November 2012



Six paths for the price of Two

- Dawn to Kirkwall
- Dawn to Parkway
- Kirkwall to Parkway
- Parkway to Dawn
- Kirkwall to Dawn
- Parkway to Kirkwall

Pay the easterly (Dawn to Parkway) +
westerly (Parkway to Dawn) rate

Fixed Rate Solicitation of Interest

- Union is soliciting interest from Shippers interested in a fixed price toll at a premium to the initial cost of service rate.
- If Shippers express sufficient interest in this type of service, Union will determine a unique fixed price proposal that will balance shareholder risk and reward and bring that proposal forward to interested Shippers.
- If sufficient interest still remains, Union may seek OEB approval for any tariff changes required to convert the pricing from traditional cost of service to a fixed price.
- Shippers need to bid on, and be comfortable with, a 15 year term at Cost of Service rates
- In order to develop a proposal Union, will need to determine what facilities are required to meet requested capacity demands.
- Even with sufficient interest Union is unlikely to have a definitive proposal for consideration before Q2 2013.

- Bids are binding subject to several standard Conditions Precedent (CPs)
- M12 standard General Terms & Conditions CPs are:
 - Union's benefit
 - a) governmental, regulatory and other third party approvals to provide the Transportation Services; and,
 - b) internal approvals to provide the transportation Services; and
 - c) Union shall have received from Shipper the requisite financial assurances reasonably necessary to ensure Shipper's ability to honour the provisions of this Contract (the **"Initial Financial Assurances"**). **The Initial Financial Assurances, if required, will be as determined solely by Union; and,**
 - d) Shipper and Union shall have entered into the Interruptible HUB Service Contract
 - Shipper's benefit
 - a) Shipper shall, as required, have entered into the necessary contracts with Union and/or others to facilitate the Transportation Services contemplated herein, including contracts for upstream and downstream transportation, and shall specifically have an executed and valid Facilitating Agreement; and shall, as required, have entered into the necessary contracts to purchase the gas quantities handled under the Contract; and,
 - b) Shipper shall have obtained, in form and substance satisfactory to Shipper, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders and authorizations, that are required from federal, state, or provincial authorities for the gas quantities handled under the Contract; and,
 - c) c. Shipper shall have obtained all internal approvals that are necessary or appropriate for the Shipper to execute the Contract.
- Date to meet or waive these conditions is May 25, 2012

- Shippers will also sign a Precedent Agreement (PA) with additional CPs
 - Union's benefit:
 1. Union shall have obtained, in form and substance satisfactory to Union, and all conditions shall have been satisfied under, all governmental, regulatory and other third party approvals, consents, orders, and authorizations that are required to:
 - construct and operate the Expansion Facilities; and
 - provide the Transportation Services,under a regulatory framework satisfactory to Union, in its sole discretion;
 1. Union shall have obtained all internal approvals that are necessary or appropriate to construct and operate the Expansion Facilities and provide the Transportation Services;
 2. Union shall have completed and placed into service the Expansion Facilities;
 3. Union, where applicable, shall have received from Shipper an executed Financial Backstopping Agreement, in form and substance reasonably acceptable to the Parties; and
 4. Shipper shall have executed the Transportation Agreement.
 - Shipper's benefit
 - Any stipulated by Shipper as part of their bid and are acceptable to Union
- Dates for waiving CPs in the PA and the specific wording of CPs for Shipper's benefit will be negotiated and may impact Shipper's exposure to potential costs under the Financial Backstopping Agreement.
- Proforma PA is posted online as part of the Open Season package

- Shippers are required to financially backstop the specific expansion facilities their transportation service requires.
 - Only until Conditions Precedent are satisfied or waived
 - These facilities will be defined in each Precedent Agreement
- Once the Shipper and Union have satisfied the Conditions Precedent (with the exception of Union's Condition to place the facilities in service) the Financial Backstopping Agreement will Terminate
- If either the Shipper or Union fail to satisfy their Conditions Precedent, the Shipper will pay for their pro-rated share of the costs associated with the specific facilities identified in the Precedent Agreement.
- If Union cancels the project after all CPs have been met or waived by both Union and Shipper (except those relating to having the facilities in service), Union will pay the cancellation costs.

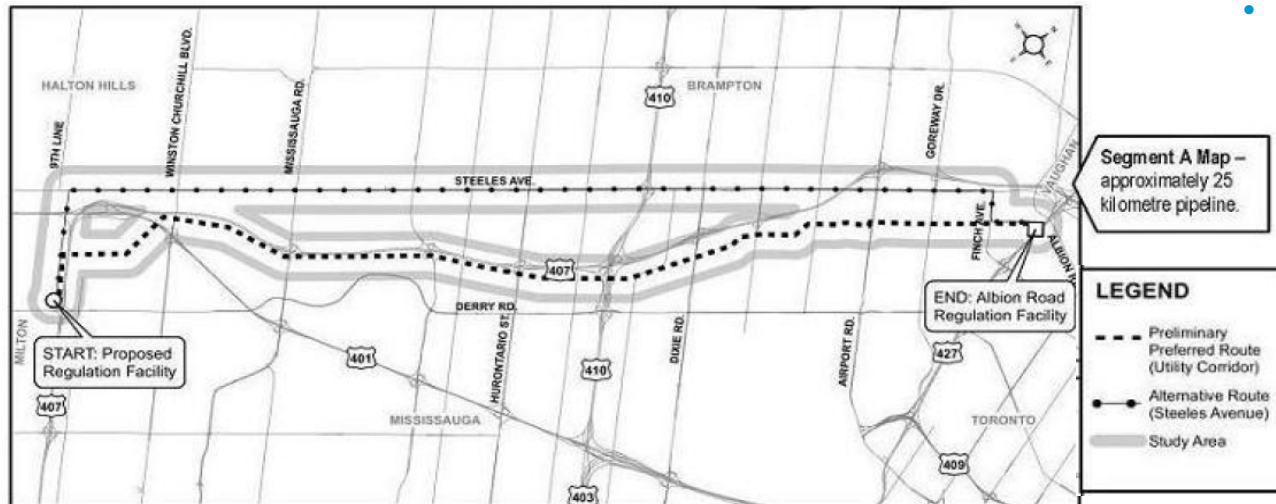
- Union has received positive preliminary expressions of interest from a number of parties
- Enbridge and Union have signed a non-binding Memorandum of Understanding outlining the framework for joint ownership in the new pipeline and additional capacity on the Union system
- Gaz Métro and Union have signed a non-binding Memorandum of Understanding outlining additional capacity on the Dawn to Maple path
- Union will be examining potential opportunities to diversify the gas supply portfolio for Northern and Eastern Ontario utility customers

There is significant preliminary market interest in the
Parkway Extension Project

Synergies with Enbridge GTA Project

Enbridge GTA Project

- Enbridge project aims to “meet the demands of growth in the GTA and continue the safe and reliable delivery of natural gas to current and future customers.”
- Enbridge is investigating options to upgrade the backbone of its existing distribution system
- Enbridge is in the process of undertaking an environmental assessment and route selection for a proposed 36" high pressure pipeline running from the Union Parkway compressor facility to a proposed regulation facility near Albion Road.



- More information available at:

enbridgegas.com/about/pipeline-and-construction-projects/gtaproject.aspx

- We anticipate Enbridge and their stakeholders will re-examine the system reliability issue given the new “material” infrastructure proposed
- Excerpt from Settlement Agreement

IV. MATERIAL CHANGE IN CIRCUMSTANCES

In the event of a change in circumstances that affects security of supply to Enbridge’s franchise area and/or the Long Term Resolution in any material way (“Material Change”), Enbridge will review the implications of the change and, within a reasonable period of time after the change has become known, will report to the parties to this Settlement Agreement regarding the implications of the change on system reliability and/or the Long Term Resolution. For this purpose, a Material Change will include, but not be limited to, the following:

- construction of new facilities that increase the availability of short haul firm transportation service to Enbridge's franchise area
- a material change in the availability of TCPL discretionary services
- the conclusion from any future Board process that addresses matters relevant to Enbridge's system reliability.

Source:
EB-2010-0231
Exhibit C, Tab 1 Schedule 1
Page 15 of 16

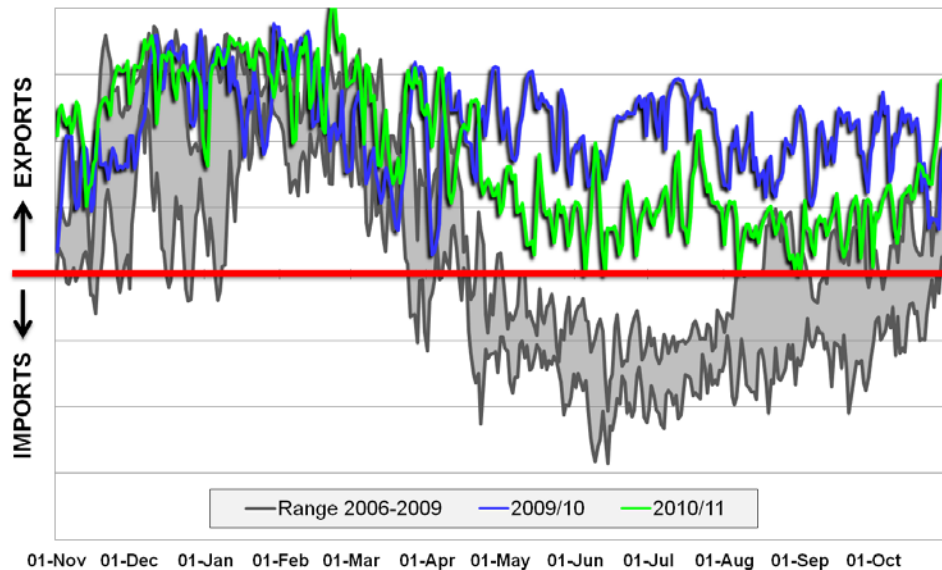
Parkway West

The need for Loss of Critical Unit protection at Parkway

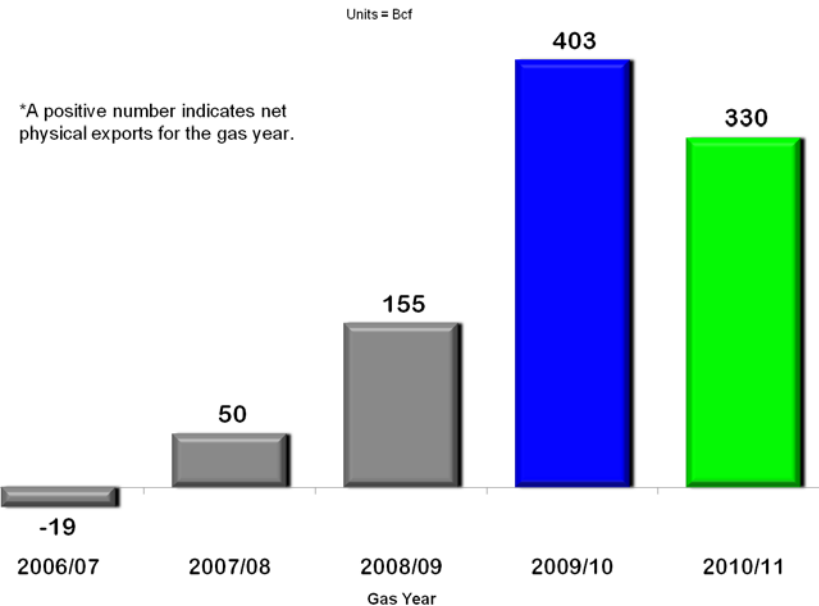
Changing Operations at Parkway

Driving the need for increased reliability

Net Physical Activity Through Parkway Compression



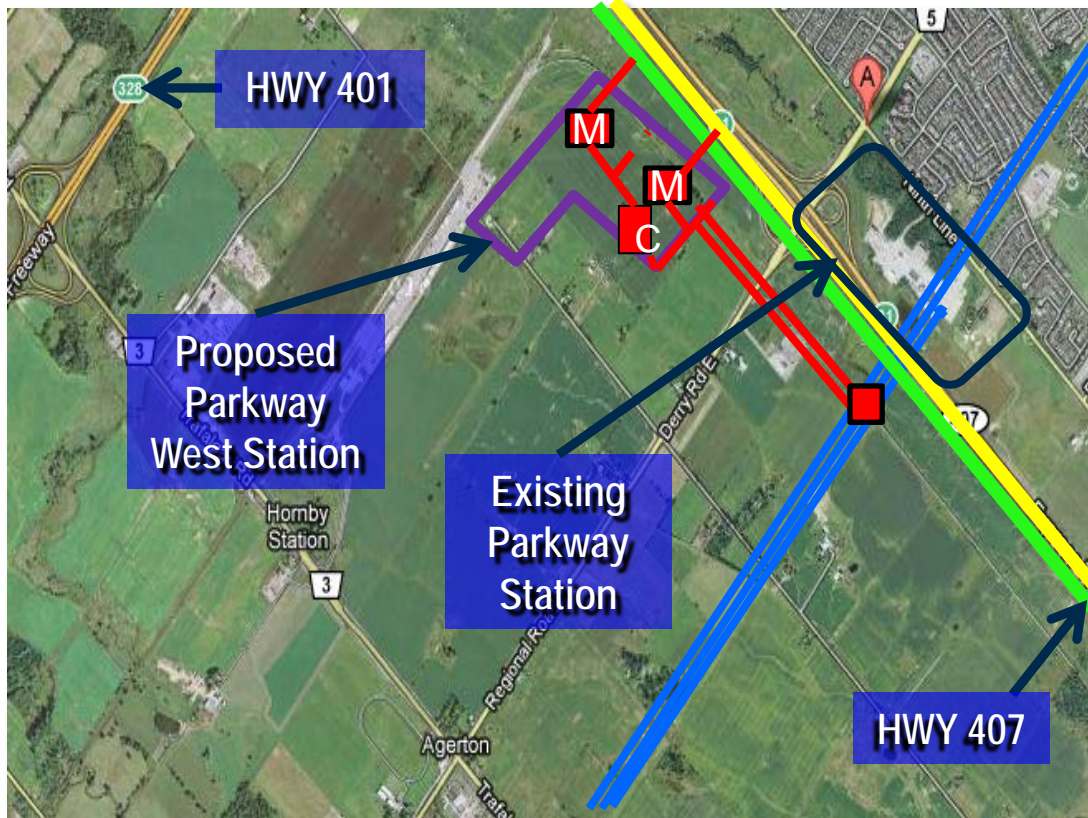
Net Physical Activity Through Parkway (TCPL)



Activity through Union's interconnect with TCPL at Parkway has transitioned from a seasonal import-export point to a year-round export point, making compressor reliability at Parkway critical

- Parkway Compression utilization has increased significantly since 2009 and shifted to year-round exports
 - Peak day exports increased from <0.5 Bcf/d in 2005 to 1.9 Bcf/d in 2011
 - Parkway is the only compressor station on the Dawn-Parkway system without full Loss of Critical Unit (LCU) protection
- Significant amount of peak day Greater Toronto Area (GTA) supplies flow through Parkway or are delivered at Parkway
 - 1.6 Bcf/d peak day delivered to Enbridge on suction side of Parkway
- Reliability project at Parkway that will provide:
 - Security of supply for markets east of Parkway, including the GTA
 - Operation and maintenance flexibility
 - Backup compressor at a new site

Parkway West



Proposed Parkway West Facilities:

- Valve site connection to the Dawn-Parkway system
- Header system to connect valve site to Parkway West station
- LCU compressor unit (47,000 HP), metering and TCPL interconnect
- Metering and Enbridge interconnection
- \$220 million estimated capital cost
- Included in 2013 rate filing
- November 1, 2014 in-service

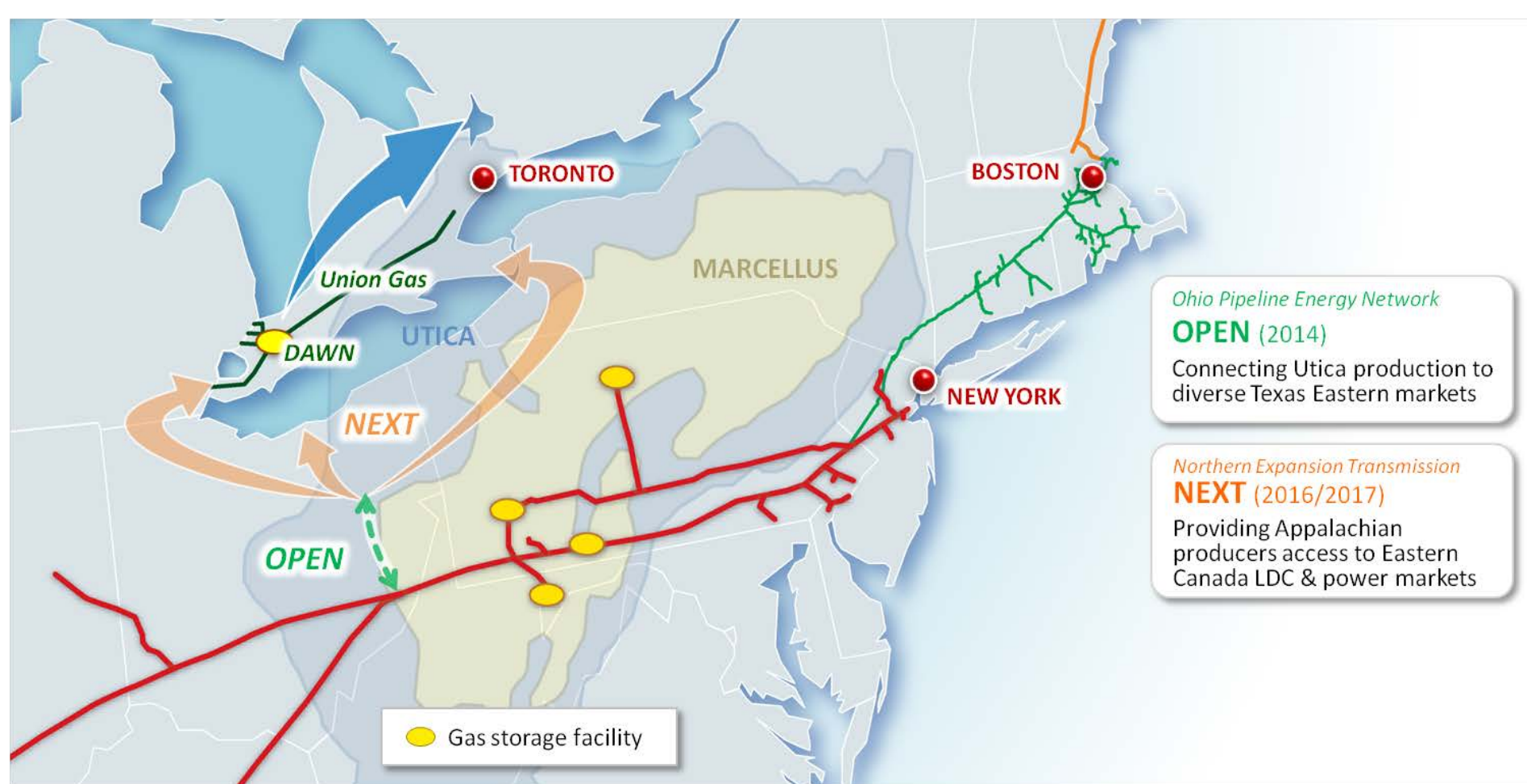
Parkway West enhances the reliability of deliveries for markets east of Parkway

- Union (Existing)
- Union (New)
- Enbridge
- TCPL

Northern Expansion Transmission (NEXT)

A Spectra Energy Project
Bringing new supplies to Dawn

Northern Expansion Transmission (NEXT) Connecting Appalachian Gas to Ontario



NEXT Project – A Spectra Energy Project



- Pipeline connecting Utica and Marcellus production (plus other potential supply) directly to the Dawn Hub
- Significant natural gas production potential in close proximity to the Dawn Hub
- New supply that will support the liquidity and health of the Dawn Hub
- Will serve the growing markets of eastern Canada – local distribution companies and power generators
- Opportunity for Marcellus and Utica production to be part of supply portfolio restructuring as a result of changing WCSB supply and transportation dynamics
 - Increases diversity and security of supply
 - Access to economic, competitive supply
- Supports the development of new infrastructure to serve growing natural gas demand in Ontario
- Targeting 2016 in-service

For more information regarding the NEXT project please contact:

Richard Terrazas (713) 627-4604 RJTerrazas@spectraenergy.com

- Book follow-up meeting
- Draft Definitive Agreements with indicative bids for next meeting
- Binding bids are due 2:00pm Eastern Time April 25, 2012
- All bids will be acknowledged by 4:00pm ET on April 25, 2012
- Allocate capacity by April 30, 2012
- Successful bidders are expected to execute Contracts, Precedent Agreements and, if required, Financial Backstopping Agreements before May 25, 2012
- Full package available at: uniongas.com/openseason

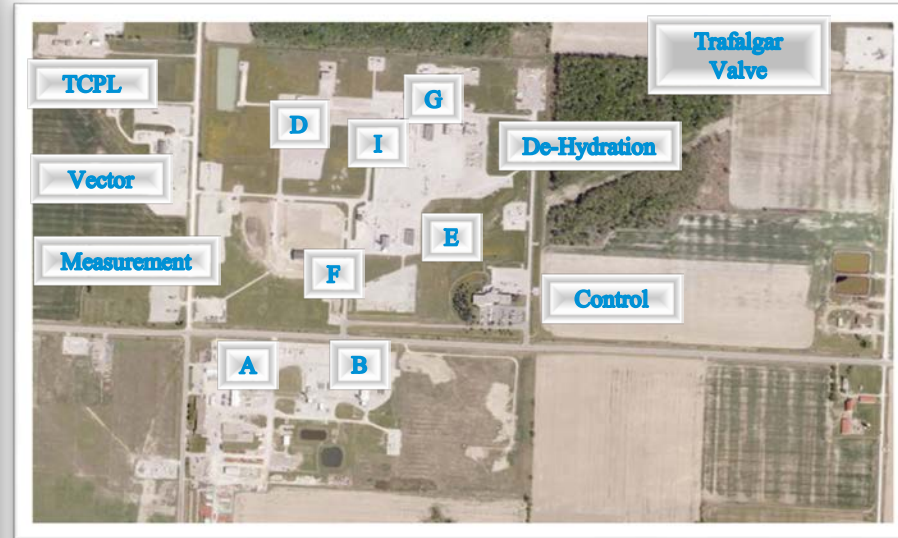
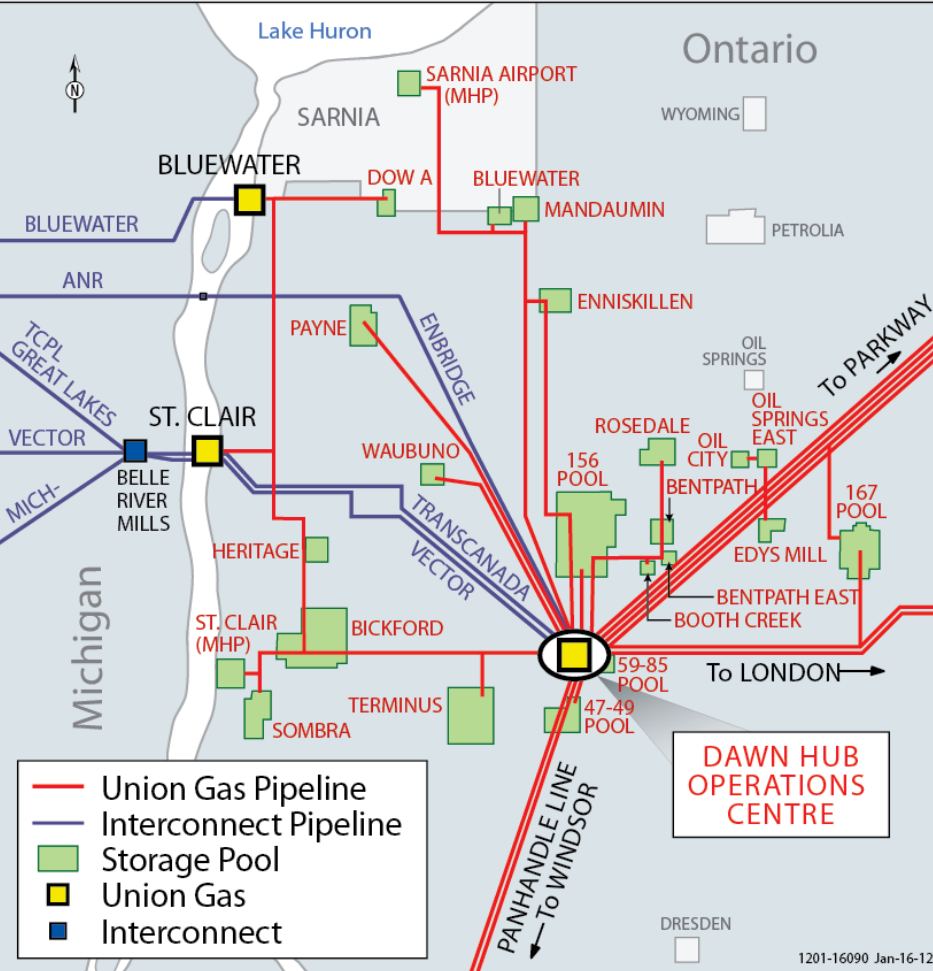
APPENDIX

The Dawn Hub

Linking Diverse Supply Basins to Premium Markets

The Dawn Hub

Dawn Operations Centre Storage Pools and Pipelines



One of North America's most liquid natural gas trading Hubs is located in Ontario

- 470 Acre Site
- 23 Union Gas Storage Pools
- 166 PJs of Storage Capacity
- ~500,000 HP of Compression
- >6.4 PJ Maximum Daily Output
- >100 Companies Contracted at Dawn
- ~11 PJ/d of Trading Activity per Day

- Access to multiple supply basins from a full service Hub
- No need to pick a basin and live with it for years; buying at Dawn provides the benefit of pricing based on the lowest marginal cost basin.
- Liquidity, Transparency, availability of innovative services
 - One of the most liquid physical day markets in North America
 - Multiple options for price discovery – Exchange traded (NGX) and deep over the counter markets
 - Union has a suite of innovative, world class, customizable storage and balancing services available to meet each customers' needs
- Flexible Term Options
 - Dawn is a Top-5 market for next day activity
 - Dawn is a Top-10 market for next month activity
 - Seasonal and yearly terms traded
- Multiple Pricing Mechanisms
 - Fixed Price (next day, monthly, seasonal, yearly)
 - NYMEX based
 - Daily Index (power generators)
 - Monthly Index (growing)

Customized Storage and Balancing Services

- Union's no cost HUB contract provides the foundation for all other contracts
 - Zero cost, zero obligation, zero hassles
 - Provides access to short term, interruptible balancing and transport services – pay as you go at posted pricing
- Customized storage services are available
 - Firm injections and withdrawals in all months or just a select few
 - Interruptible injections and withdrawals in all months
 - Flexible term
 - Long-term and short-term
 - Annual, seasonal and month-to-month
 - Cycling charges or Fuel in Kind
 - No limit on interruptible daily withdrawal or injections
- Options are available for alternate delivery or receipt points (other than Dawn)
- Balancing services are available with the ability to loan as well as park

Easy to get started - Easy to customize

Examples of Storage Product Comparison

LST vs. LTP vs. HDS



Market Price & Value to You Increases

LST – Long Term Storage

- Seasonal Storage
 - 90 Day Storage
 - IT available
- Ratchets
- Firm Injections/Withdrawals
 - 10 Months per year
- Interruptible
 - Injections – Oct, Nov
 - Withdrawals – April, May
- Demand Charge, Commodity and Fuel

LTP – Long Term Peak

- Seasonal / Peak Storage
 - 90 Day Storage Service
 - IT available – higher reliability
- No Ratchets
- Firm Withdrawals
 - 10 Months per year
- Interruptible
- Withdrawals – April May
- Injections – year round
- Demand Charge, No commodity & fuel, Cycling Fee after 1st cycle

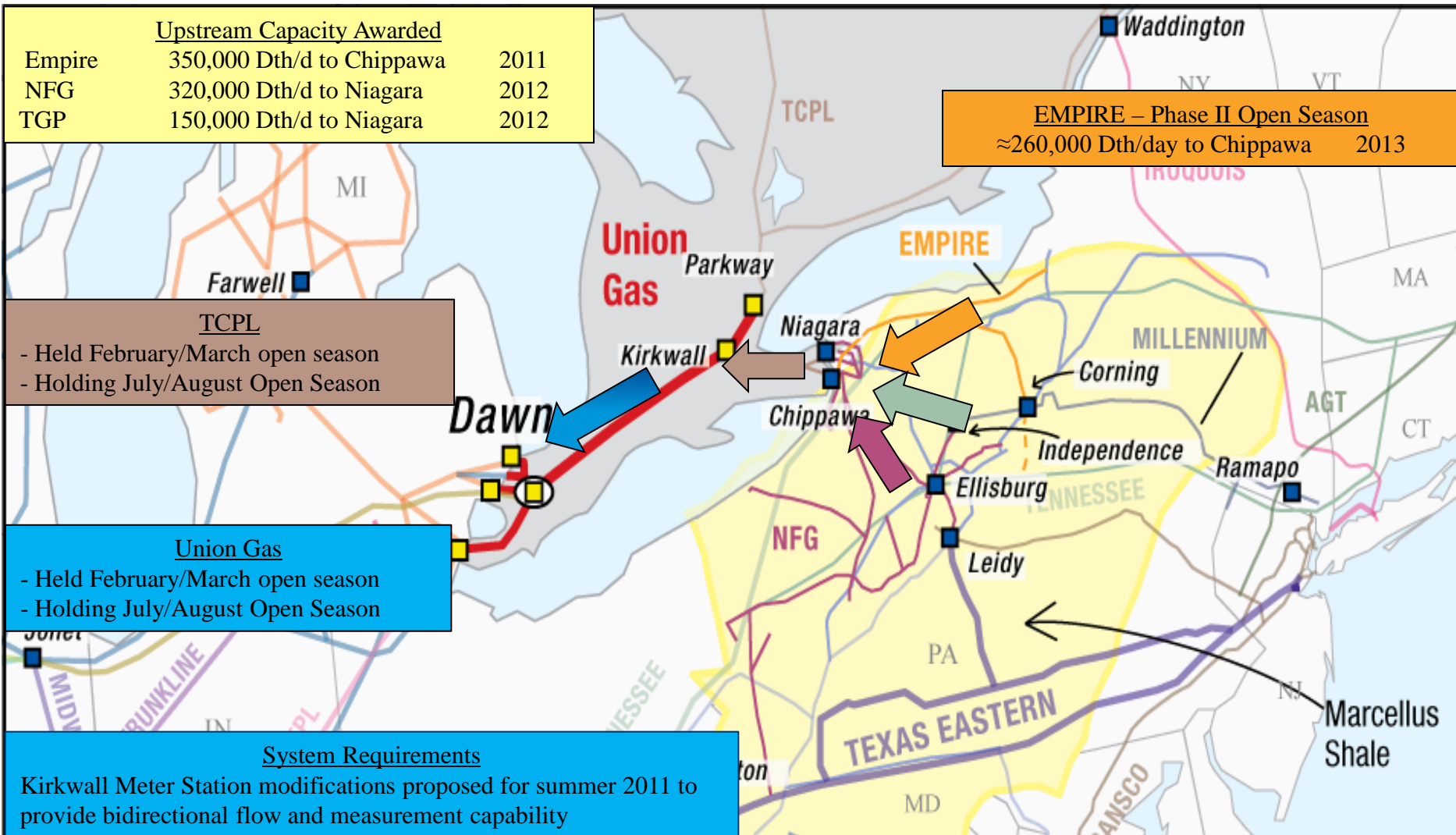
HDS – High

Deliverability

- Peak Storage
 - 5 day to 20 day Storage
 - IT available
- No Ratchets
- Firm Year Round – Injections and Withdrawals
- Demand Charge, Commodity and Fuel

IS THERE A PRODUCT YOU WOULD LIKE TO SEE?

Getting Gas to Ontario & the Dawn Hub



The Benefits of Contracting with Union Gas

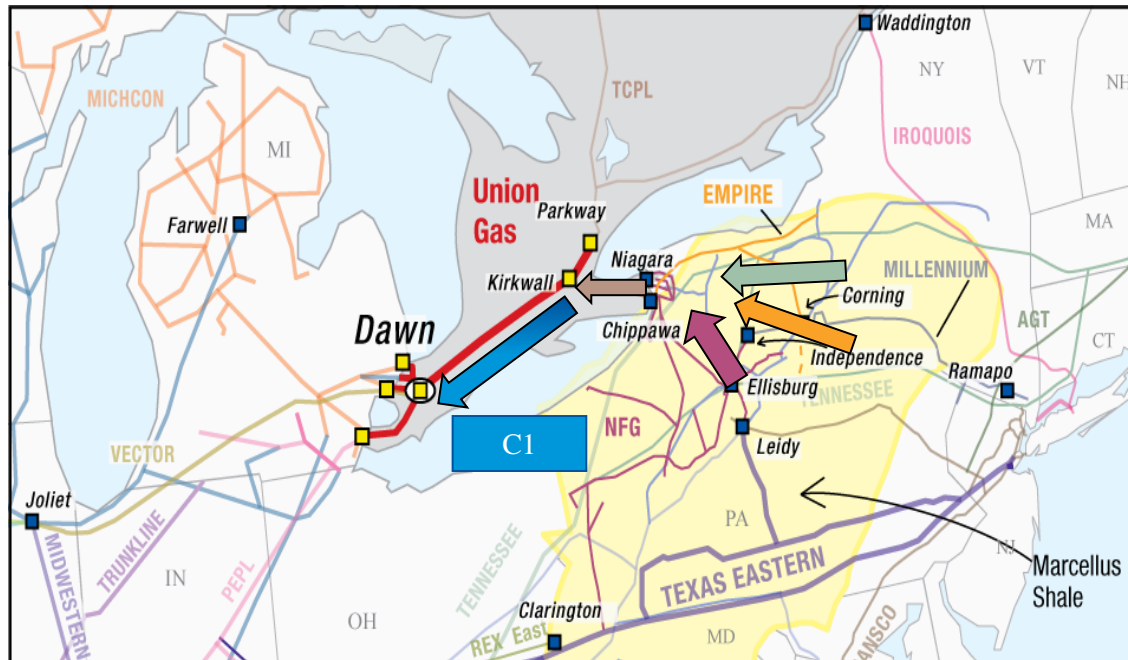
- Union offers:
 - Long-Term toll stability at competitive rates
 - The M12 Dawn to Parkway rate has ranged between \$0.07 and \$0.10 per GJ over the past 10 years and has not experienced the same volatility as rates on many other pipelines
 - Reliability
 - Investment in pipeline integrity and history of safe operations
 - Loss of Critical Unit coverage on Dawn to Parkway system (Parkway West proposal will add further LCU coverage to eastern end of system)
 - Flexibility and Optionality
 - Union has track record of responding to customer needs – examples include M12-X multi-directional transport service, Upstream and Downstream Pipeline Balancing services, and firm-all day F-24 transportation and storage services.
 - Access to the Dawn Hub, North America's largest integrated underground natural gas storage facility, and Union's suite of fully customizable storage and transmission services

Union Gas is actively working to attract new gas supply to Dawn

C1 Transportation- Kirkwall to Dawn

➤ Point-to-point service between Kirkwall and Dawn

- Firm transportation
- Service commencing November 1, 2012
- Regulated Rate: M12 Dawn to Parkway + M12 Parkway to Dawn
 - Demand charge rate = CDN \$1.176/GJ/month
 - Seasonal fuel rate = see C1 Rate Schedule 'C'
- Currently capacity is available starting November 2012



- Indices for both storage and transportation customer data are posted online
- Daily operational available transportation capacity posted for all paths
- A Traffic Light provides indicative to customers about the likelihood of interruptible transportation cuts on a given day
 - An subscription service is available to notify Shippers of any changes to the traffic light
- Semi-annual Storage Report outlining storage contract pricing
- Storage design capacity and monthly storage inventory
- Standard contracts and other agreements all available online

Capacity Releases (Assignment of Capacity)

- Union Gas provides Shippers the flexibility to transfer transportation and/or storage capacity to a third party
- Union Gas uses a standard Assignment Agreement signed by all three parties (Shipper, 3rd party taking the capacity or “release”, Union)
 - Available online at uniongas.com
- Assignments can be temporary or permanent
- Length of assignment determined by Shipper – can be as short as one month
- Flexible options regarding who pays the Union invoice during the term of the assignment for both demand and variable charges
- Assignments handled “Over the Counter” – no electronic bulletin board

Union Gas at a Glance

Distribution

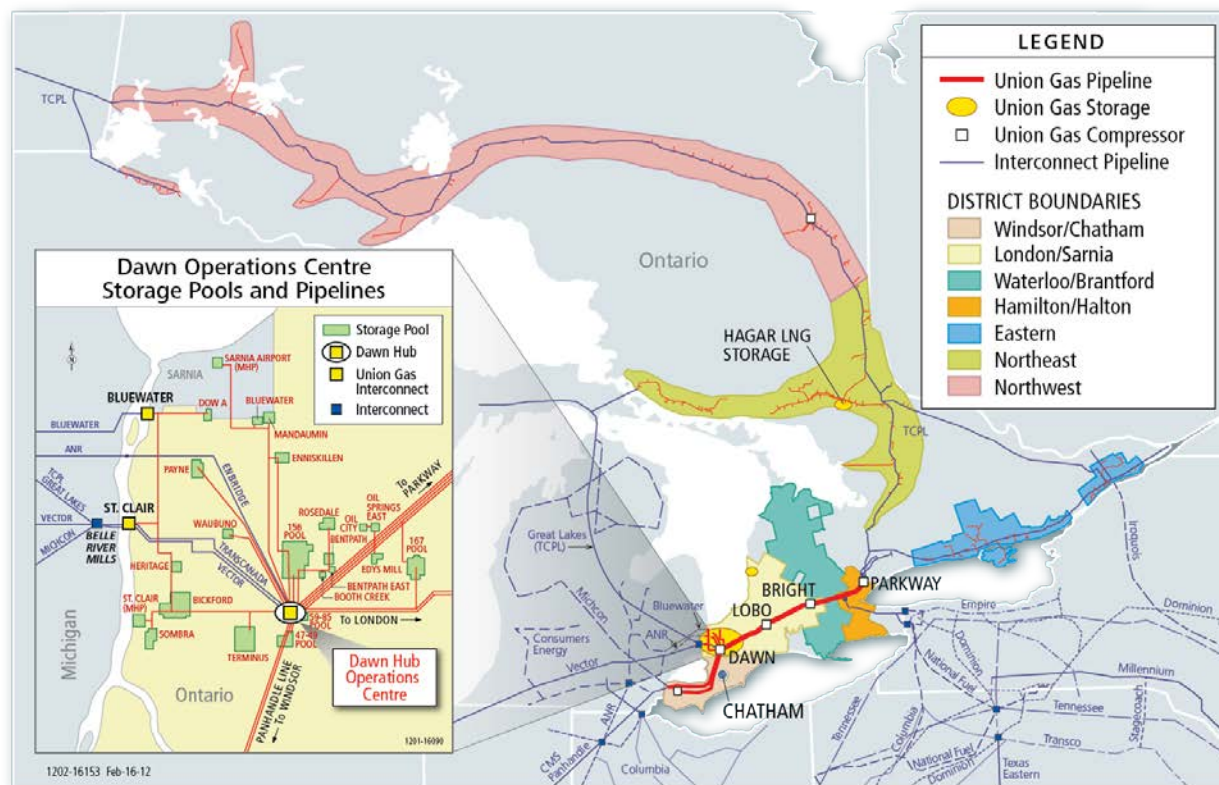
Retail Customers:	1.4 million
Annual Throughput:	526 PJ
Distribution Pipe:	62,711 km

Transmission

Annual Throughput:	880 PJ
Transmission Pipe:	4,743 km
Markets Served:	Ontario, Quebec, US Northeast

Dawn Storage

Storage:	166 PJ
Underground Facilities:	23
Markets Served:	Ontario, Quebec, Marketers



What does the Parkway to Maple Expansion do for me?

Local Distribution Companies	End-Users	Producers
<ul style="list-style-type: none">• Access to diversity of supply through the Dawn Hub and Kirkwall• Increased security of supply• Lower overall cost of landed of gas for end-use consumption	<ul style="list-style-type: none">• Lower overall cost of landed of gas for end-use consumption• Growth in Natural Gas fired power generation is good for Ontarians through a lower overall generation cost and reduced SO₂ & NOx emissions (cleaner burning fuel)• Reliability• Security of supply• Affordability to sustain your business operations	<ul style="list-style-type: none">• Growth in Natural Gas fired power generation is expected to keep Ontario demand growing• Access to one of the most liquid natural gas trading hubs in North America• Access to Premium Market• Spectra's Marcellus to Dawn project will provide direct access to the Dawn hub and storage as well as a robust downstream demand center (GTA)• Diversity in Portfolio

For Your Business Needs - Contact Us



Paolo Mastronardi Account Manager (519) 436-5265 pmastronardi@spectraenergy.com	Jacquie Montgomery Account Manager (519) 436- 5452 jmontgomery@spectraenergy.com	Michael Cadotte Account Manager (519) 436-5311 MCadotte@spectraenergy.com.
Wayne Passmore Manager, Strategic Accounts (519) 436-5356 wpassmore@uniongas.com	Leah Moss GM Producer Marketer Services 713 627-5054 lamoss@spectraenergy.com	Libby Passmore Manager, Strategic Sales (519) 436-5436 lpassmore@uniongas.com
Warren Reinisch Strategic Account Specialist (519) 436-4663 wreinisch@uniongas.com	Dale VanDerMeersch Project Manager, Business Development (519) 436-5276 dvandermeersch@uniongas.com	Adam Stiers Coordinator, Strategic Sales (519) 436-4558 astiers@uniongas.com
Jason Rolfe Market Specialist, Strategic Sales (519) 436-4607 jrolfe@uniongas.com	<u>uniongas.com/ storage/transportation</u>	Matt Ciupka Coordinator, Strategic Sales (519) 436-4597 mciupka@uniongas.com

Represents Design Day Winter Conditions and Drawing D266-01 (12.05.07)

Location	Meter	Capacity (units)
Union Lisgar	TM # 1	251.4 ALL
	TM # 2	251.4 AAT230's
	TM # 3	251.4
	TM # 4	251.4 @ 550 psi
	TM # 5	251.4
	TM # 6	251.4
	TM # 7	251.4
	Roots Meter	Nil equalizing

Union Parkway Cons	TM # 1	251.4
	TM # 2	251.4 ALL
	TM # 3	251.4 AAT230's
	TM # 4	251.4
	TM # 5	251.4 @550 psi
	TM # 6	251.4
	TM # 7	251.4
	TM # 8	251.4
	TM # 9	251.4
	TM # 10	251.4
	TM # 11	251.4
	TM # 12	251.4

Union TCPL	UM # 1
	UM # 2
	UM # 3
	UM # 4

Pipeline MOP

Pipeline	Mop (kPag)	
NPS 26 Trafalgar Line	6157	
NPS 34 Trafalgar Line	6157	
NPS 48 Trafalgar Line	6157	
Parkway Compressor Station	6895 Yard piping	Limited to 6447 kPa due to the MAOP of TCPL piping.
Lisgar Metering Station	6157	'B' header is 6157 kpa MAOP
Parkway Cons Metering Station	6157	

Valve Number	Nominal Size	MOP	Position (o/c)	Regulator (y/n)	Remote Operation from Dawn Gas Control (yes/no)	
1	12	6157	O	N	N	N
2	12	6157	O	N	N	N
3	12	6157	O	N	N	N
4	12	6157	O	N	N	N
5	12	6157	O	N	N	N
6	12	6157	O	N	N	N
7	12	6157	O	N	N	N
8	12	6157	O	N	N	N
9	12	6157	O	N	N	N
10	12	6157	O	N	N	N
11	12	6157	O	N	N	N
12	12	6157	O	N	N	N
13	12	6157	O	N	N	N
14	12	6157	O	N	N	N
15	12	6157	O	N	N	N
16	12	6157	O	N	N	N
17	12	6157	O	N	N	N
18	12	6157	O	N	N	N
19	12	6157	O	N	N	N
20	12	6157	O	N	N	N
21	12	6157	O	N	N	N
22	12	6157	O	N	N	N
22	12	6157	O	N	Y	Y
23	12	6157	O	N	N	N
23	12	6157	O	N	N	Y
24	12	6157	C	N	N	N

24	12	6157	O	N	Y
25	12	6157	O	N	Y
26	12	6157	O	N	Y
27	12	6157	O	N	Y
28	12	6157	O	N	Y
29	12	6157	O	N	Y
32	12	6157	O	N	Y
33	12	6157	O	N	Y
34	12	6157	O	N	Y
35	12	6157	O	N	Y
36	12	6157	O	N	Y
37	12	6157	O	N	Y
38	12	6157	O	N	Y
39	12	6157	O	N	Y
57	2	6157	C	N	N
58	2	6157	C	N	N
70	2	6157	C	N	N
220	20	6895	O	N	N
221	20	6895	O	N	N
222	20	6895	O	N	N
223	20	6895	O	N	N
224	20	6895	O	N	N
225	20	6895	O	N	N
230	42	6895	O	N	N
233	30	6895	C	N	N
234	4	6895	C	N	N
235	4	6895	C	N	N
236	4	6895	C	N	N
237	42	6895	O	N	N
500	42	6895	O	N	N
501	42	6895	O	N	N
502	42	6895	O	N	N
512	24	6895	O	Y	N
513	30	6895	O	N	N
514	24	6895	O	Y	N
520	8	6895	C	N	N
540	42	6895	O	N	N
544	36	6895	C	N	N
547	36	6895	O	N	N
550	42	6895	C	N	N
554	36	6895	O	N	N
601	30	6895	O	N	N
602	30	6895	C	N	N
604	36	6895	O	N	N
605	36	6895	C	N	N
606	36	6895	C	N	N
607	16	6895	O	Y	N
608	3	6895	O	Y	N
609	30	6895	O	N	N
610	30	6895	O	N	N
611	6	6895	O	N	N
612	36	6895	C	N	N
613	36	6895	C	N	N
614	36	6895	C	N	N
615	42	6895	O	N	N
616	36	6895	O	N	N
618	36	6895	O	N	Y
619	36	6895	O	N	Y
622	8	6895	C	Y	Y
623	30	6895	O	N	N
624	36	6895	O	N	N
629	42	6895	C	N	N
630	42	6895	O	N	N
631	42	6895	O	N	N
632	12	6895	O	Y	N
633	16	6895	O	N	N
636	16	6895	C	N	N
637	20	6895	O	N	N
640	42	6895	O	N	N
641	42	6895	O	N	Y
642	30	6895	O	N	Y
643	26	6895	O	N	Y
644	6	6895	C	N	N
645	42	6895	C	N	N
646	42	6895	C	N	N
649	6	6895	C	N	N
650	6	6895	C	N	N
651	2	6895	C	N	N

652	12	6895	C	N	N
652	2	6895	C	N	N
660	16	6895	C	N	Y
671	12	6895	O	N	N
672	12	6895	C	N	N
673	12	6895	O	N	N
674	36	6895	O	N	N
675	36	6895	O	N	N
677	4	6895	C	N	N
678	36	6157	O	N	N
680	12	6895	C	N	N
681	6	6895	C	N	N
52-01-115	26	6157	O	N	Y
52-01-115A	12	6157	C	N	N
52-01-115B	12	6157	C	N	N
52-01-116	36	6157	O	N	Y
52-01-122	24	6157	O	N	N
52-01-122A	6	6157	O	N	N
52-01-150	26	6157	C	N	N
52-01-150A	10	6157	C	N	N
52-01-151	26	6157	O	N	N
52-01-151B	6	6157	C	N	Y
52-01-152	8	6157	C	N	N
52-02-150	34	6157	C	N	N
52-02-150A	10	6157	C	N	N
52-02-151	34	6157	O	N	Y
52-02-151B	6	6157	C	N	N
52-02-152	10	6157	C	N	N
52-02-76	30	6157	O	N	Y
52-02-76B	6	6157	O	N	N
52-02-81	34	6157	O	N	Y
52-02-81A	12	6157	C	N	N
52-02-81B	12	6157	C	N	N
52-02-82	30	6157	O	N	Y
52-02-83	36	6157	O	N	Y
52-02-83A	12	6157	C	N	N
52-04-150	48	6157	C	N	N
52-04-150A	12	6157	C	N	N
52-04-151	48	6157	O	N	Y
52-04-152	16	6157	C	N	N
617A	16	6895	O	Y	N
617B	16	6895	O	N	N
630A	12	6895	O	N	N
630B	12	6895	O	N	N
638A	16	6895	O	Y	N
638B	16	6895	O	N	N
653A	4	6895	C	N	N
653B	4	6895	C	N	N
670A	16	6895	O	N	N
670B	16	6895	O	N	N
L-2011	20	6157	O	N	Y

J.B-1-7-21

Date	Firm	Deliveries		Receipts		Reported in response (a)	Difference
		Interruptible	Total	Total	Net activity		
01/11/2009	784,855	134,131	918,986	424,026	494,960	374,305	120,655
02/11/2009	879,848	195,308	1,075,156	404,766	670,390	560,582	109,808
03/11/2009	967,881	135,744	1,103,625	250,767	852,858	867,256	(14,398)
04/11/2009	1,017,639	173,441	1,191,080	296,411	894,669	1,044,374	(149,705)
05/11/2009	1,259,170	139,197	1,398,367	226,681	1,171,686	1,034,040	137,646
06/11/2009	1,236,161	166,097	1,402,258	228,608	1,173,650	1,040,416	133,234
07/11/2009	845,605	106,153	951,758	419,294	532,464	606,962	(74,498)
08/11/2009	848,370	106,153	954,523	407,283	547,240	496,167	51,073
09/11/2009	883,991	106,153	990,144	390,248	599,896	512,440	87,456
10/11/2009	1,026,372	147,958	1,174,330	258,196	916,134	849,000	67,134
11/11/2009	1,251,429	106,058	1,357,487	266,721	1,090,766	976,205	114,561
12/11/2009	1,086,565	112,930	1,199,495	222,524	976,971	940,820	36,151
13/11/2009	1,039,512	130,472	1,169,984	331,511	838,473	770,349	68,124
14/11/2009	808,780	111,712	920,492	418,841	501,651	472,929	28,722
15/11/2009	818,129	111,712	929,841	421,630	508,211	529,728	(21,517)
16/11/2009	1,138,451	130,712	1,269,163	332,879	936,284	941,215	(4,931)
17/11/2009	1,349,758	106,085	1,455,843	246,685	1,209,158	1,097,288	111,870
18/11/2009	962,516	106,062	1,068,578	261,185	807,393	830,969	(23,576)
19/11/2009	1,032,466	121,547	1,154,013	345,449	808,564	825,775	(17,211)
20/11/2009	1,044,245	106,109	1,150,354	268,225	882,129	842,162	39,967
21/11/2009	932,515	106,059	1,038,574	295,087	743,487	715,911	27,576
22/11/2009	1,071,129	106,059	1,177,188	264,837	912,351	832,570	79,781
23/11/2009	1,156,869	122,057	1,278,926	241,474	1,037,452	952,915	84,537
24/11/2009	1,059,908	111,887	1,171,795	303,624	868,171	894,213	(26,042)
25/11/2009	965,663	143,232	1,108,895	294,001	814,894	790,984	23,910
26/11/2009	1,013,343	106,058	1,119,401	285,462	833,939	816,945	16,994
27/11/2009	1,019,437	126,397	1,145,834	283,635	862,199	796,346	65,853
28/11/2009	1,010,465	106,058	1,116,523	286,699	829,824	828,065	1,759
29/11/2009	1,012,888	106,058	1,118,946	268,172	850,774	807,843	42,931
30/11/2009	1,334,830	106,058	1,440,888	237,800	1,203,088	1,041,168	161,920

To determine the utilization of a facility there must be measurement associated with the segment. The following data represents the percentage utilization for the past four complete years based on data gathered by Union's SCADA telemetry system for segments with measurement.

		2008	2009	2010	2011
Central Delivery Area	Bass Lake	< 40%	< 60%	< 40%	< 40%
	Bracebridge	< 40%	< 40%	< 40%	< 20%
	Burks Falls	< 60%	< 60%	< 60%	< 60%
	Cumberland	< 40%	< 40%	< 60%	< 60%
	Edgar	< 60%	< 60%	< 60%	< 60%
	Gravenhurst	< 40%	< 40%	< 40%	< 40%
	Huntsville	< 60%	< 40%	< 40%	< 60%
	Madill	< 60%	< 40%	< 40%	< 40%
	Muskoka	< 40%	< 40%	< 40%	< 40%
	Orillia	< 40%	< 40%	< 40%	< 40%
	Parry Sound	< 40%	< 40%	< 40%	< 40%
	Powassan	< 60%	< 60%	< 60%	< 60%
	Pt Sydney	< 40%	< 40%	< 40%	< 40%
	South River	< 60%	< 60%	< 60%	< 60%
Eastern Delivery Area	Augusta	< 80%	< 60%	< 60%	< 60%
	Baltimore	< 40%	< 60%	< 40%	< 40%
	Belleville	< 40%	< 40%	< 40%	< 40%
	Brighton	< 40%	< 40%	< 40%	< 40%
	Cardinal	> 80%	> 80%	> 80%	> 80%
	Cobourg	< 40%	< 40%	< 40%	< 40%
	Colborn	< 60%	< 60%	< 60%	< 60%
	Cornwall East	< 20%	< 20%	< 20%	< 20%
	Cornwall West	< 40%	< 40%	< 40%	< 40%
	Gananoque	< 40%	< 40%	< 40%	< 40%
	Grafton	< 40%	< 40%	< 60%	< 60%
	Iroquois	< 20%	< 20%	< 20%	< 20%
	Lennox	< 20%	< 20%	< 20%	< 20%
	Long Soo	< 40%	< 40%	< 20%	< 40%
	Marysville	< 20%	< 20%	< 20%	< 20%
	Mattawa	< 60%	< 60%	< 60%	< 60%
	Maynard	< 40%	< 40%	< 40%	< 40%
	McKendry	< 40%	< 40%	< 40%	< 40%

	Milhaven	< 60%	< 60%	< 80%	< 80%
	Morewood	< 40%	< 60%	< 60%	< 60%
	Morrisburg	< 60%	< 60%	< 60%	< 60%
	Napanee	< 40%	< 40%	< 40%	< 40%
	Osnabrouck	< 60%	< 60%	< 60%	< 60%
	Pittsburg	< 60%	< 60%	< 40%	< 40%
	Prescott	< 20%	< 80%	< 80%	< 80%
	Port Hope	< 60%	< 40%	< 40%	< 60%
	Rutherglen	< 40%	< 40%	< 20%	< 20%
	Strathcona	< 80%	< 80%	< 80%	< 80%
	Sydenham	< 20%	< 20%	< 20%	< 20%
	Thurlow	< 60%	< 60%	< 60%	< 40%
	Trenton	< 60%	< 60%	< 60%	< 60%
	Westbrook	< 40%	< 40%	< 40%	< 60%
	Winchester	< 60%	< 60%	< 40%	< 40%
	Williamsburg	< 40%	< 40%	< 40%	< 60%
	Wooler	< 40%	< 40%	< 40%	< 40%
Northern Delivery Area	Boston Cr	< 20%	< 20%	< 20%	< 20%
	Calendar	< 40%	< 60%	< 60%	< 60%
	Calstock	< 60%	< 40%	< 20%	< 40%
	Cargill	< 60%	< 80%	< 80%	< 80%
	Cedar Heights	< 60%	< 40%	< 40%	< 40%
	Coleman	< 60%	< 60%	< 40%	< 40%
	Earlton	< 40%	< 40%	< 40%	< 40%
	Englhart	< 40%	< 40%	< 20%	< 40%
	Fauquir	< 60%	< 60%	< 40%	< 60%
	Haileybury	< 40%	< 40%	< 40%	< 40%
	Harty	< 60%	< 60%	< 60%	< 40%
	Hearst	< 60%	< 40%	< 40%	< 40%
	Iroquois Falls	< 80%	< 80%	< 80%	< 80%
	Kapuskasing	< 40%	< 40%	< 40%	< 40%
	Kirkland Lake	< 60%	< 80%	< 80%	< 80%
	Marten River	< 40%	< 40%	< 40%	< 60%
	Matheson	< 60%	< 40%	< 40%	< 60%
	Mattice	< 60%	< 60%	< 40%	< 60%
	Monteith	< 60%	< 60%	< 40%	< 40%
	Moonbeam	< 60%	< 60%	< 40%	< 60%
	Northland Iroquois Falls	< 80%	< 80%	< 80%	< 80%

	New Liskeard	< 40%	< 40%	< 40%	< 40%
	Opastika	< 40%	< 40%	< 40%	< 40%
	Ramore	< 80%	< 60%	< 60%	< 60%
	Smooth Rock Falls	< 40%	< 40%	< 40%	< 40%
	TCPL Kapuskasing	< 20%	< 40%	< 40%	< 40%
	TCPL North Bay	< 60%	< 80%	< 80%	< 80%
	Temagami North	< 20%	< 20%	< 20%	< 20%
	Temagami South	< 60%	< 60%	< 60%	< 60%
	Thorne	< 40%	< 60%	< 40%	< 40%
	Trout Lake	< 60%	< 40%	< 40%	< 40%
	Val Gagne	< 40%	< 60%	< 60%	< 60%
	Val Rita	< 40%	< 40%	< 40%	< 60%
	West Ferris	< 40%	< 20%	< 20%	< 40%
	Widdlefield	< 60%	< 60%	< 40%	< 40%
	Zucks	< 60%	< 80%	< 80%	< 80%
Sault Ste. Marie Delivery Area	SSM	< 60%	< 60%	< 80%	< 80%
Western Delivery Area	Atikokan	< 40%	< 20%	< 20%	< 20%
	Barclay	< 60%	< 60%	< 60%	< 60%
	Beardmore	< 60%	< 60%	< 60%	< 60%
	Dryden	< 40%	< 20%	< 20%	< 20%
	Geraldton	< 40%	< 40%	< 40%	< 40%
	Hurkett	< 40%	< 40%	< 40%	< 60%
	Keewatin	< 40%	< 40%	< 40%	< 40%
	Kenora	< 40%	< 40%	< 40%	< 40%
	Kenora Airport	< 40%	< 40%	< 40%	< 20%
	Long Lac	< 40%	< 20%	< 20%	< 20%
	Nipigon	< 60%	< 40%	< 40%	< 40%
	Red Rock	< 60%	< 20%	< 20%	< 20%
	Thunder Bay	< 40%	< 40%	< 40%	< 40%
	Vermillion Bay	< 40%	< 40%	< 40%	< 40%
Trafalgar	Beachville	< 60%	< 40%	< 40%	< 40%
	Brantford	< 60%	< 60%	< 60%	< 80%
	London West	< 40%	< 40%	< 40%	< 40%
	Galt	< 40%	< 40%	< 40%	< 40%
	Halton	> 80%	> 80%	< 20%	< 40%

	Hamilton	< 60%	< 60%	< 40%	< 60%
	Hensall	< 40%	< 40%	< 40%	< 40%
	Kerwood	< 40%	< 40%	< 40%	< 40%
	London North	< 60%	< 60%	< 60%	< 60%
	Milton East	< 20%	< 20%	< 20%	< 80%
	Milton	< 40%	< 40%	< 20%	< 20%
	Owen Sound	< 40%	< 40%	< 40%	< 40%
	Oxford	< 40%	< 40%	< 40%	< 40%
	Parkway Trans	< 60%	> 80%	< 40%	< 80%
	Puslinch	< 40%	< 40%	< 40%	< 40%
	St Marys	< 60%	< 40%	< 40%	< 40%
	Strathroy	< 40%	< 20%	< 20%	< 20%
Sarnia	Sarnia	< 60%	< 60%	< 80%	< 80%
Panhandle	Panhandle	< 40%	< 40%	< 40%	< 40%
Low Pressure Market	Low Pressure	< 40%	< 40%	< 40%	< 60%
Union CDA	Bronte	< 60%	< 40%	< 60%	< 40%
	Burlington	< 20%	< 20%	< 20%	< 20%
	Hamilton #3	< 20%	< 20%	< 80%	< 20%
	Kirkwall Dominion	< 40%	< 20%	< 40%	< 40%

Capacity awarded for each open season in 2006, 2007, 2008

Open Season 2006 - Dawn Trafalgar

Party	Receipt	Delivery	Contracted Quantity	Units	Term	Start Date	End Date
Enbridge Gas Distribution Inc.	Dawn	Parkway	106,000	GJ	12	Nov 1/06	Oct 31/18
TransAlta Cogeneration LP	Dawn	Parkway	11,809	GJ	10	Nov 1/06	Oct 31/16
Connecticut Natural Gas Corp	Dawn	Parkway	18,077	GJ	11	Nov 1/06	Oct 31/17
Southern Connecticut Natural Gas Corp	Dawn	Parkway	34,950	GJ	11	Nov 1/06	Oct 31/17
Brooklyn Union Gas Company	Dawn	Parkway	12,953	GJ	11	Nov 1/06	Oct 31/17
Keyspan Gas East Corporation	Dawn	Parkway	17,160	GJ	11	Nov 1/06	Oct 31/17
Boston Gas Company	Dawn	Parkway	9,282	GJ	11	Nov 1/06	Oct 31/17
Colonial Gas Company	Dawn	Parkway	6,475	GJ	11	Nov 1/06	Oct 31/17
Essex Gas Company	Dawn	Parkway	2,158	GJ	11	Nov 1/06	Oct 31/17
EnergyNorth Natural Gas	Dawn	Parkway	4,317	GJ	11	Nov 1/06	Oct 31/17
Bay State Gas Company	Dawn	Parkway	27,803	GJ	11	Nov 1/06	Oct 31/17
Northern Utilities Inc	Dawn	Parkway	6,333	GJ	11	Nov 1/06	Oct 31/17
Yankee Gas Services Co	Dawn	Parkway	43,116	GJ	11	Nov 1/06	Oct 31/17
Central Hudson Gas & Electric	Dawn	Parkway	10,792	GJ	11	Nov 1/06	Oct 31/17
National Fuel Gas Distribution	Dawn	Kirkwall	10,791	GJ	11	Nov 1/06	Oct 31/17
Energy Source Canada Inc.	Dawn	Parkway	2,500	GJ	10	Nov 1/06	Oct 31/16
Energy Source Canada Inc.	Dawn	Parkway	2,500	GJ	15	Nov 1/06	Oct 31/21
UBS Energy Canada Inc.	Dawn	Parkway	10,000	GJ	10	Nov 1/06	Oct 31/16
Stelco Inc.	Dawn	Parkway	17,351	GJ	12	Nov 1/06	Oct 31/18
TransCanada Pipelines Limited	Dawn	Parkway	248,103	GJ	10	Nov 1/06	Oct 31/16
BP Canada Energy Company	Dawn	Parkway	20,000	GJ	16	Nov 1/06	Oct 31/22
City of Kitchener	Dawn	Parkway	4,000	GJ	10	Nov 1/06	Oct 31/16
Gaz Metro	Dawn	Parkway	35,000	GJ	10	Nov 1/06	Oct 31/16
Total 2006			661,472				

Open Season 2007 - Dawn Trafalgar

Keyspan Utility Services LLC, as agent for	Dawn	Kirkwall	138,600	GJ	11	Nov 1/07	Oct 31/18
Southern Connecticut	Dawn	Parkway	8,903	GJ	11	Nov 1/07	Oct 31/18
Connecticut Natural	Dawn	Parkway	13,490	GJ	11	Nov 1/07	Oct 31/18
Keyspan Gas East	Dawn	Parkway	22,772	GJ	11	Nov 1/07	Oct 31/18
Keyspan Gas West	Dawn	Parkway	30,217	GJ	11	Nov 1/07	Oct 31/18
Yankee Gas	Dawn	Parkway	20,560	GJ	11	Nov 1/07	Oct 31/18
Enbridge Gas Distribution	Dawn	Parkway	57,100	GJ	12	Nov 1/07	Oct 31/19
Gaz Metro LP	Dawn	Parkway	65,000	GJ	20	Nov 1/07	Oct 31/27
GTAA	Dawn	Parkway	7,500	GJ	11	Nov 1/07	Oct 31/18
Vermont Gas System	Dawn	Parkway	20,000	GJ	10	Nov 1/07	Oct 31/17

Open Season 2006 - Dawn Trafalgar

Party	Receipt	Delivery	Contracted Quantity	Units	Term	Start Date	End Date
Sithe Goreway	Dawn	Parkway	125,000	GJ	10	Nov 1/07	Oct 31/17
Total 2007			<u>509,142</u>				

Open Season 2008 - Dawn Trafalgar

Thorold Cogen LP	Dawn	Parkway	49,500	GJ	10	Nov 1/08	Oct 31/18
Portlands Energy Centre	Dawn	Parkway	100,000	GJ	20	Nov 1/08	Oct 31/28
TransCanada Energy	Dawn	Parkway	132,000	GJ	20	Nov 1/09	Oct 31/28
Total 2008			<u>281,500</u>				

Benchmarking Survey Participants

AGA Survey Participants (Distribution)

AGL Resources
Alabama Gas Corporation
AltaGas Utilities, Inc.
Ameren Corporation
ATCO Gas
Atmos Energy Corporation
Avista Utilities
Baltimore Gas & Electric Company
BG Group Subsidiary: Comgas
BG Group Subsidiary: Mahanagar Gas Limited
CenterPoint Energy - Arkansas/Oklahoma
CenterPoint Energy - Louisiana/Mississippi
CenterPoint Energy - Minnesota Gas Co.
CenterPoint Energy - Texas
Central Hudson Gas and Electric Corp.
Citizens Gas Company
Colorado Springs Utilities
Consolidated Edison Co. of NY
Consumers Energy Company
Delmarva Power & Light
Delta Natural Gas Company
DTE Energy - MichCon
Duke Energy
Enbridge Gas Distribution Inc.
Enbridge Subsidiary: St Lawrence Gas Company
Entergy Gas Services, Inc
Equitable Gas Company
Gaz Metro
Integrys Energy Group
Integrys Energy Group: Michigan Gas Utilities Company
Integrys Energy Group: Minnesota Energy Resources
Integrys Energy Group: North Shore Gas
Integrys Energy Group: Peoples Gas
Integrys Energy Group: Wisconsin Public Service Corporation
Laclede Gas Company
LGE & KU Energy
MDU Utility Group: Intermountain Gas Company
MDU Utility Group: Montana Dakota Utilities
National Fuel Gas Distribution Corporation
National Grid
New Jersey Natural Gas Company

Nicor Gas
NiSource: Columbia Gas of Kentucky
NiSource: Columbia Gas of Maryland
NiSource: Columbia Gas of Massachusetts (formerly Bay State Gas Company)
NiSource: Columbia Gas of Ohio
NiSource: Columbia Gas of Pennsylvania
NiSource: Columbia Gas of Virginia
NiSource: Kokomo Gas and Fuel Company
NiSource: NIPSCO (Northern Indiana Fuel and Light)
NiSource: NIPSCO (Northern Indiana Public Service Co)
NW Natural
ONEOK Subsidiary: Kansas Gas Service
ONEOK Subsidiary: Oklahoma Natural Gas Co.
ONEOK Subsidiary: Texas Gas Service
Pacific Gas and Electric Co.
PECO Energy
Peoples Natural Gas
Philadelphia Gas Works
Piedmont Natural Gas Company
Public Service Electric & Gas Company
Puget Sound Energy
Questar Gas Company
SEMCO Energy, Inc.
Sempra Energy Utilities Subsidiary: San Diego Gas & Electric
Sempra Energy Utilities Subsidiary: Southern California Gas
Source Gas, LLC
South Jersey Gas Company
Southwest Gas Corporation
TECO Peoples Gas
UGI Utilities, Inc.
UIL Holdings Corporation: Connecticut Natural Gas Company
UIL Holdings Corporation: Southern Connecticut Gas Company
Union Gas Limited
Valley Energy, Inc.
Vectren Corporation
Vermont Gas Systems, Inc.
Washington Gas Light Company
We Energies
Westfield Gas & Electric Light Company
Xcel Energy: Northern States Power - Minnesota
Xcel Energy: Northern States Power - Wisconsin
Xcel Energy: Public Service Company of CO
Yankee Gas Services Company

AGA Survey Participants (Transmission)

Consolidated Edison of New York

Consumers Energy
Dominion East Ohio
DOW Pipeline
DTE Energy - MichCon
Eastern Shore Natural Gas
El Paso Pipeline Group
Kansas Gas Service
LGE and KU Energy
Michigan Gas Utilities
National Fuel
Nicor Gas
NorthWestern Energy
NW Natural
Oklahoma Natrual Gas Company
Peoples Natural Gas
Piedmont Natural Gas
Questar Pipeline
SourceGas
Southwest Gas Corporation
TransCanada Pipelines Ltd.
Union Gas Limited
Washington Gas Company
Wisconsin Public Service Corporation

CGA Survey Participants

AltaGas Utilities
ATCO Gas
Enbridge Gas Distribution
Enbridge Gas New Brunswick
Fortis BC
Gaz Metro
Gazifere
Heritage Gas
Manitoba Hydro
PNG
SaskEnergy
TransCanada
Union Gas

PSE&G Survey Participants

AGL Resources
Bay State Gas
Baltimore Gas & Electric
Citizens Gas
Columbia Gas - Kentucky
Columbia Gas - Maryland

Columbia Gas - Ohio
Columbia Gas - PA
Columbia Gas - Virginia
Con Edison
CPS Energy
Delmarva Power & Light
DTE Energy
Enbridge Gas
Kansas Gas Service
New Jersey Natural
NSTAR
Oklahoma Natural Gas
ONEOK
Pacific Gas & Electric
PECO Energy
Peoples Gas
PSE&G
Puget Sound
South Jersey Gas
Southwest Gas
Texas Gas Service
UGI Utilities
Union Gas
Yankee Gas
Xcel PSCO