ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO ENVIRONMENTAL DEFENCE INTERROGATORY #30

INTERROGATORY

Issue A3: “Are the costs of the facilities and rate impacts to customers appropriate?”

Reference: Ex. A, Tab 3, Schedule 5, pages 13, 18 & 20

Please state the quantities (TJ) of natural gas from the Marcellus and Utica shale basins that were consumed in: a) the GTA Project Influence Area; and b) Enbridge’s total Ontario franchise areas in 2012.

RESPONSE

a) At this point in time Ontario can access gas from shale basins in the US Northeast through delivery of these supplies at Niagara Falls. However, when natural gas is produced and transported it is intermixed with gas from other producers and producing regions, in other words it is comingled. It is impossible to “colour code” natural gas molecules to determine exactly where the gas consumed in the GTA Project Influence Area or Enbridge’s total Ontario franchise area was produced.

Based on the May 1, 2013 Contract Demand Energy (“CDE”) report from the TransCanada website there are five contracts which take receipt of gas at Niagara Falls for delivery into Ontario. Of these four contracts only one has a delivery point of the Enbridge franchise area, specifically the Enbridge CDA. The other four contracts deliver gas to Kirkwall. These contracts are listed in the table below:

Service Requester	Contract Start Date	Contract End Date	Service Type	Primary Receipt	Primary Delivery	Contract Demand (GJ/d)
J.P. Morgan Commodities Canada Corporation	2012-Nov-01	2022-Oct-31	FT	Niagara Falls	Enbridge CDA	211,011
DTE Energy Trading, Inc.	2012-Nov-01	2023-Mar-31	FT	Niagara Falls	Kirkwall	25,585
Emera Energy Incorporated	2012-Nov-01	2023-Oct-31	FT	Niagara Falls	Kirkwall	26,376
J.P. Morgan Commodities Canada Corporation	2012-Nov-01	2023-Oct-31	FT	Niagara Falls	Kirkwall	126,607
Union Gas Limited	2012-Nov-09	2022-Oct-31	FT	Niagara Falls	Kirkwall	21,101

Assuming that all of the gas received at Niagara Falls for delivery to the Enbridge CDA could be traced back to the Marcellus or Utica shale basins and that this contract was utilized fully each and every day since inception a total of 12,872 TJs

Witness: J. Denomy

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO
ENVIRONMENTAL DEFENCE INTERROGATORY #31

INTERROGATORY

Issue A3: “Are the costs of the facilities and rate impacts to customers appropriate?”

Reference: Ex. A, Tab 3, Schedule 5, pages 13, 18 & 20

Please forecast the quantities (TJ) of natural gas from the Marcellus and Utica shale basins that will be consumed each year in: i) the GTA Project Influence Area; and ii) Enbridge’s total Ontario franchise areas from 2015 to 2025 inclusive assuming: a) the GTA pipeline is approved; and b) the GTA pipeline is not approved.

RESPONSE

As indicated at Exhibit A, Tab 3, Schedule 5, Page 22, Enbridge will contract for 200,000 GJ/d of capacity on the TransCanada Mainline from Niagara Falls to the newly created Parkway Enbridge CDA distributor delivery area when the GTA Project facilities are in service. Current Niagara Falls to Enbridge CDA contracts of 211,011 GJ/d, contracted by a third party marketer are identified in the response to Environmental Defence Interrogatory #30 found at Exhibit I.A3.EGD.ED.30. Third party marketers do not necessarily deliver all of their volumes into the contracted delivery area.

If it is assumed no further contracting for the Niagara Falls to Enbridge CDA path occurs over the 2015 to 2025 timeframe then approximately 411,011 GJ/d could flow into the Enbridge CDA from Niagara Falls. The table below provides a forecast of the amount of natural gas from the Marcellus and Utica shale basins that would be consumed in the GTA Project Influence Area and the Enbridge Franchise area assuming the maximum volume flows into the Enbridge CDA. The forecast in the table assumes these contracts are fully utilized throughout each year, deliveries are made to the contracted delivery point and that the supplies sourced at Niagara Falls can be directly tied back to supplies from the Marcellus and Utica shale basins. The table also assumes that approximately 71% of demand in the Enbridge CDA can be attributed to the GTA Project Influence Area.

Contract:	**Niagara Falls to EGD CDA**		**Niagara Falls to Enbridge Parkway CDA**	
Contract Demand (GJ/d):	**211,011**		**200,000**	
Year	**Flow (TJ/yr)**	**Of Which GTA Project Influence Area**	**Flow (TJ/yr)**	**Total Flows to GTA Project Influence Area**
2015	77,019	54,621	12,200	66,821
2016	77,230	54,771	73,200	127,971
2017	77,019	54,621	73,000	127,621
2018	77,019	54,621	73,000	127,621
2019	77,019	54,621	73,000	127,621
2020	77,230	54,771	73,200	127,971
2021	77,019	54,621	73,000	127,621
2022	77,019	54,621	73,000	127,621
2023	77,019	54,621	73,000	127,621
2024	77,230	54,771	73,200	127,971
2025	77,019	54,621	73,000	127,621

would have been delivered to the Enbridge franchise area in 2012. If it is assumed that demand in the GTA Project Influence Area accounted for approximately 71% of Enbridge CDA demand during the period in which this contract was in place in 2012 and that supplies received at Niagara Falls for delivery to the Enbridge CDA could be traced back to the Marcellus or Utica shale basins approximately 9,128 TJs were consumed in the GTA Project influence area.

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO ENVIRONMENTAL DEFENCE INTERROGATORY #32

INTERROGATORY

Issue A3: “Are the costs of the facilities and rate impacts to customers appropriate?”

Reference: Ex. C, Tab 2, Schedule 1

Please state the time period during which Enbridge is proposing to amortize the capital cost of the GTA pipeline for ratemaking purposes.

RESPONSE

The associated capital to support the GTA Project will remain in Rate Base until such time as it is fully depreciated. The applicable 2013 depreciation rates vary by asset category, ranging from 1.18% for Land Rights to 3.46% for Reinforcement Mains.

Witness: S. Murray