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August 30, 2013

**VIA RESS EMAIL and COURIER**

Ms Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Suite 2700  
Toronto, Ontario, M4P 1E4

Dear Ms Walli:

**Re: Enbridge Gas Distribution Inc. ("Enbridge")  
EB-2012-0459 – System Reliability – Correction**

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Further to Enbridge's letter filed yesterday, August 29, 2013, please note there was a typo-graphical error on page 2.

In the first paragraph on the second page it reads "the FT option will result in utilized capacity ...". Please note this should read "the FT option will result in **unutilized** capacity ..."

The contents of yesterday's letter follows for your reference.

The purpose of this letter is to notify the Board and interested parties of a change to the long term resolution of the Settlement Agreement pertaining to the System Reliability issue (EB-2010-0231). On July 12, 2013 the Company sent a similar letter notifying the Board and interested parties of its intention to acquire one year of TCPL Firm Transportation ("FT") capacity effective November 1, 2013 instead of acquiring five months of TCPL Short Term Firm Transportation ("STFT") as per the terms of the Settlement Agreement in EB-2010-0231. The acquisition of one year FT at NEB approved tolls delivered savings of \$4.5 million relative to five months of STFT at the tolls offered by TransCanada at that time (290% of the FT toll), as a result of greater pricing flexibility allowed by the National Energy Board in its RH-001-2013 decision.

Enbridge has determined that it will require an incremental 170,000 GJ/day during the January/14 to March/14 period to assist in meeting its peak day demand under design conditions. The options available to Enbridge:

1. wait until monthly blocks of STFT are made available by TCPL and hope that there is sufficient capacity available,
2. acquire winter STFT (November to March),
3. acquire 7 months of STFT (September/13 to March/14), or
4. acquire 1 year FT effective November 1, 2013.

All options will result in a level of unutilized capacity from January 1, 2014 to March 31, 2014. In addition, the FT option will result in unutilized capacity and associated demand charges of \$55M throughout the summer of 2014.

The table below shows the gas cost impacts of the four options.

		FT Toll	Toll Premium	Effective Toll	Daily Volume Required	# of days of Service	Transportation Cost Incurred
		\$/GJ		\$/GJ	GJ		\$millions
Option 1	Monthly STFT	1.5659	1200.00%	18.7908	170,000	90	287.50
Option 2	Winter STFT	1.5659	260.00%	4.0713	170,000	151	104.51
Option 3	7 Months of STFT	1.5659	166.80%	2.6119	170,000	212	94.13
Option 4	1 Year of FT	1.5659	0.00%	1.5659	170,000	365	97.16

- The toll premium for Winter STFT and 7 months of STFT were based upon minimum floor bid prices posted by TCPL on August 26/13.

The lowest cost options shown above are options 3 and 4. Despite the fact that Option 3 is cheaper by \$3.0 million the Company proposes to contract for 1 year of FT capacity.

The Company believes that the service attributes associated with FT offset the cost differential between the seven month STFT option and the 1 year FT option.

Enbridge intends to pursue bidding for 1 year Empress to CDA FT capacity and incorporating the cost consequences in an updated 2014 Gas Cost budget to be filed with the Board.

Please do not hesitate to contact me with any questions.

Ms Kirsten Walli  
August 30, 2013  
Page 3

Yours Truly,

[original signed]

Norm Ryckman  
Director, Regulatory Affairs

cc: EB-2010-0231 and EB-2012-0459 Interested Parties