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VIA COURIER, EMAIL and RESS

Ms. Kirsten Walli
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

**Re: Enbridge Gas Distribution Inc. ("Enbridge")
EB-2012-0451 - Greater Toronto Area ("GTA") LTC Project
Updated Interrogatory Response**

Attached please find the second updated interrogatory response from Enbridge to Environmental Defence's Interrogatory #46, Exhibit I.A3.EGD (Updated).ED.46. The second amendment is in response to additional requests for further calculations by Environmental Defence

This evidence is being filed through the Ontario Energy Board's Regulatory Electronic Submission System and all of the GTA evidence can be found on Enbridge's website at www.enbridgegas.com/gtaproject.

Please contact me if you have any questions.

Yours truly,

[original signed]

Shari Lynn Spratt
Supervisor Regulatory Proceedings

cc: EB-2012-0451, EB-2012-0433, and EB-2013-0074 Interested Parties

**ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO
ENVIRONMENTAL DEFENCE INTERROGATORY #46**

INTERROGATORY

Issue A.3 “Are the costs of the facilities and rate impacts to customers appropriate?”

Reference: Ex. A, Tab 3, Schedule 9, Attachment 3

Please reproduce this exhibit with the following new assumptions:

- a) The addition of in-franchise customer additions (146,337) in the GTA Project Influence Area between 2015 and 2024 is accompanied by no net growth in total annual throughput volumes or peak demand in the GTA Project Influence Area. That is, Enbridge’s net incremental “Total Distribution Revenues” is equal to the incremental fixed monthly customer charge revenues associated with the incremental customers; and
- b) The time horizon for calculating the “Total Transportation Savings” and “Total Transportation Services Charge” revenues is limited to the 2015 to 2024 time period.

RESPONSE

The following is a second amendment to Exhibit I.A3.EGD (Update).ED.46 in response to Environmental Defence’s second additional request for further calculations.

As requested by Environmental Defence, economic feasibility was run with the following assumptions:

- Transportation Savings limited to the 2015-2024 period (eliminating the 2025 year)
- Transportation Services Charge limited to the 2015-2024 period (as opposed to the full 40 year horizon)
- GTA Project customer additions as stated in the evidence at Exhibit A, Tab 3, Schedule 4
- Inclusion of all customer related costs (capital listed as “Services” in the table below)

Witness: S. Murray

- No incremental gas volumes (zero incremental gas costs/zero variable distribution revenue)
- Incremental “distribution revenues” associated with customer additions derived using monthly fixed charges only
- No future reinforcement capital
- Remaining input assumptions as stated in the evidence at Exhibit E, Tab 1, Schedule 1

Enbridge will note that the following scenarios have been provided on an “as requested” basis and the Company does not endorse the input assumptions nor the results. The input assumptions and results are not consistent or comparable to the other scenarios included in the LTC application. The input assumptions and results are not consistent with rate making principles, particularly the inclusion of capital and O&M costs for the customer additions without allowance for recovery of costs.

Please see the table below for a summary of results. The scenarios were run in relation to the original submission in Exhibit A, Tab 3, Schedule 9, Attachment 3 with the above noted changes to key input variables as requested by Environmental Defence.

Based on Ex.A, Tab 3, Sch.9, Attachment 3
assuming for the Base Case:

(a) No volumetric revenues / no gas volumes / no future reinforcement
(b) time horizon for "Total Transportation Savings" and "Total Transportation Services Charge" revenues limited to 2015 - 2024 period

Column #	1	2	3	4	5	6
Document Type:	IR	IR	IR	IR	IR	IR
Scenario Description:	ED-46 Resulting Base Case	ED46 Base Case with 75% Transportation Savings	ED46 Base Case with 50% Transportation Savings	ED46 Base Case with 0% Transportation Services Charges	ED46 Base Case with No Customer Additions	ED46 Base Case with 10% Increase in Capital Cost
Filed Date:	42"	42"	42"	42"	42"	42"
Reference:	9/4/2013	9/4/2013	9/4/2013	9/4/2013	9/4/2013	9/4/2013
	ED-46	ED-46	ED-46	ED-46	ED-46	ED-46

Capital Investment

Total Upfront Capital	\$652,144,124	\$652,144,124	\$652,144,124	\$652,144,124	\$652,144,124	\$717,358,537
Future Reinforcement Projects						
2017	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$0	\$0	\$0
2019	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0
Capital Maintenance Costs¹	\$5,230,240	\$5,230,240	\$5,230,240	\$5,230,240	\$5,230,240	\$5,753,264
Services²	\$379,533,696	\$379,533,696	\$379,533,696	\$379,533,696	\$0	\$417,487,066
Total Capital	\$1,036,908,060	\$1,036,908,060	\$1,036,908,060	\$1,036,908,060	\$657,374,364	\$1,140,598,866
Total Transportation Savings³ (2015-2024)	\$1,561,635,909	\$1,171,226,931	\$780,817,954	\$1,561,635,909	\$1,561,635,909	\$1,561,635,909
Total Transportation Services Charge⁴ (2015 - 2024)	\$175,104,348	\$175,104,348	\$175,104,348	\$0	\$175,104,348	\$192,392,044
Total Distribution Revenues^{4,5}	\$1,507,917,540	\$1,507,917,540	\$1,507,917,540	\$1,507,917,540	\$0	\$1,507,917,540
Total Customer Additions (2015 - 2024)	146,337	146,337	146,337	146,337	-	146,337
Total Volumes (10³ m³)	-	-	-	-	-	-
SUMMARY OF RESULTS						
Net Present Value (40 years)	\$324,417,653	\$126,689,356	(\$71,038,941)	\$235,347,689	\$316,735,228	\$254,487,876
Variance to ED.46 Base Case NPV (40 years)		(\$197,728,297)	(\$395,456,594)	(\$89,069,964)	(\$7,682,424)	(\$69,929,777)
Profitability Index (40 years)	1.37	1.15	0.92	1.27	1.52	1.27

NOTES:

¹Total for the 40 year horizon of analysis.

²Services include the costs for distribution mains, services and meters based on the 2013 capital budget.

³Total transportation savings are equal to expected gas supply benefits and incorporate the total cost of landing gas in the Enbridge franchise area including costs associated with tolls, fuel and commodity procurement (i.e. basis differentials) Prepared with TransCanada tolls based on the NEB's Toll Order TG-006-2013 (issued June 11, 2013) which made TransCanada's Compliance Filing tolls final and effective July 1, 2013

⁴Transportation Services Charges to be received from contracted shippers for transportation from Parkway West to to Albion. (Current Base Case)

⁵Includes only monthly customer fixed charges

Witness: S. Murray