

Chart 2 - Executive Summary: Historic &amp; Forecast Capital Spend (Excluding Major Reinforcements)

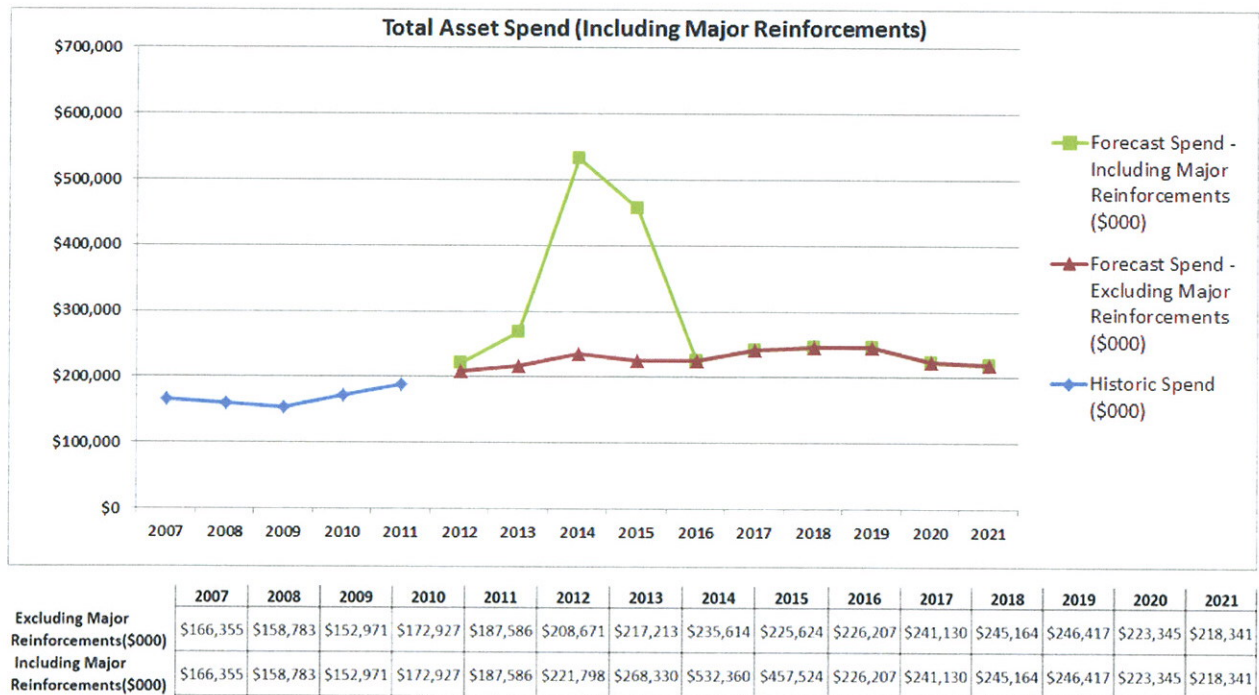


Chart 3 - Executive Summary: Historic &amp; Forecast Capital Spend (Including Major Reinforcements)

## 5.2 Customer Additions

### Requirements

EGD has experienced significant customer growth in its franchise area. This growth is expected to continue in the future.

The customer additions forecast at EGD is developed using a number of information sources:

1. Projections of potential customer growth resulting from current projects in different geographical areas of operation based on information from builders, developers and municipalities
2. Projections for customer growth based on housing start forecasts and other economic factors such as GDP growth, employment, and mortgage rates
3. Projections developed by external consultants specializing in population growth forecasting, as well as municipality long term plans

The following chart depicts the historic customer additions and the forecast for the term of the Asset Plan.

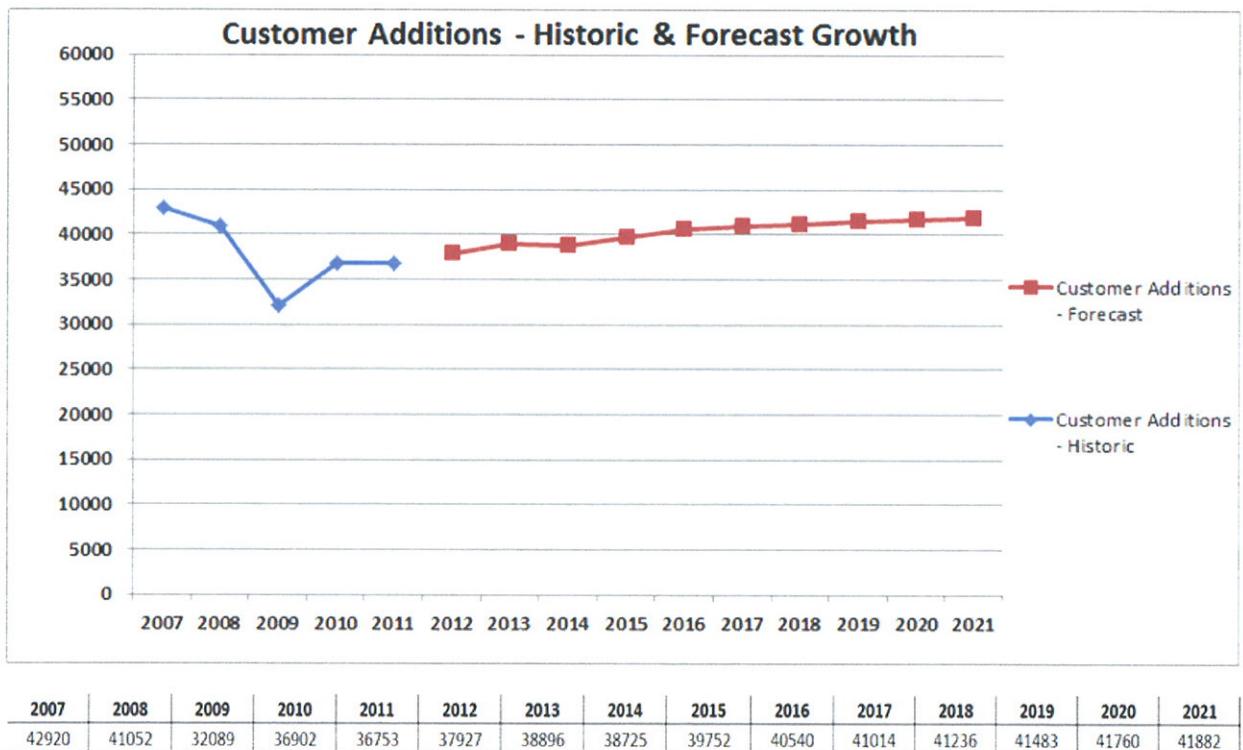


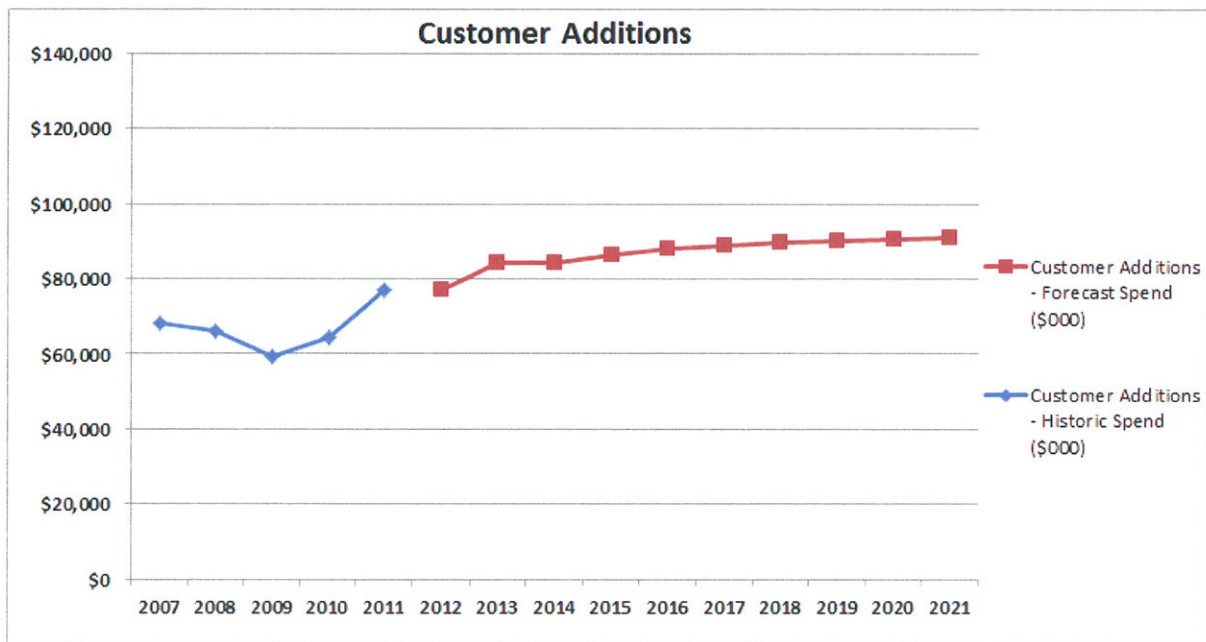
Chart 7 - Customer Additions: Historic & Forecast Growth

## Implementation Plan & Estimated Capital Investments

Generally, there are three components of capital investments needed to support the customer additions requirements:

- Installation costs related to Mains, Services and Meters
- Material costs related to Mains, Services and Meters
- Cost related to Measurement & Regulation equipment required to support customer growth

The following chart depicts the historic capital spend on customer additions and the forecast spend for 2012-2021 based on the customer addition forecast numbers.



2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
\$68,323	\$66,132	\$59,257	\$64,226	\$77,116	\$76,982	\$84,413	\$84,036	\$86,264	\$87,974	\$89,003	\$89,485	\$90,021	\$90,622	\$90,887

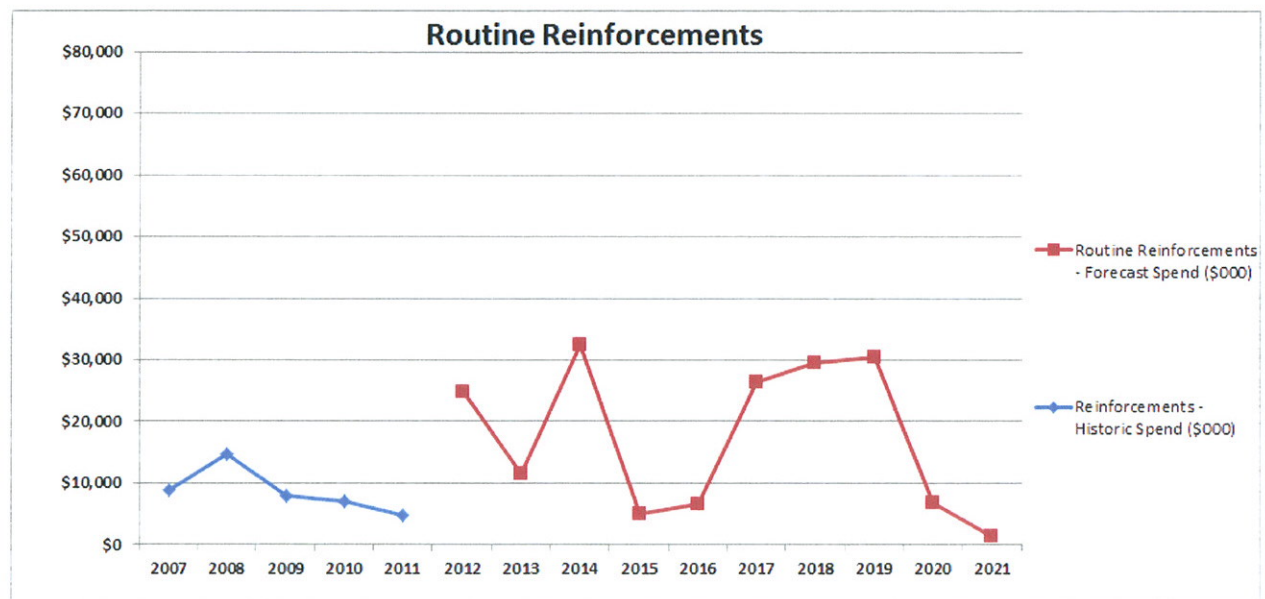
Chart 8 - Customer Additions: Historic & Forecast Capital Spend

### Major Reinforcements:

PROJECT	PROJECT DESCRIPTION	Dates	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Forecast (2012-2021) (\$000)
<b>GTA Project</b>	Upgrading the XHP grid system in the Greater Toronto Area to meet load growth, ensure continued reliability and enable access to lower cost natural gas supplies	2012-2015	A-10										\$548,144
<b>Ottawa Reinforcement</b>	Ottawa Reinforcement Pre-Engineering	2012	A-60										\$1,500
	Approx. 19300m of NPS 24 ST XHP pipe from Richmond Gate Station, North easterly to Greenbank	2013		A-60									\$30,000
	Ottawa Reinforcement additional construction costs	2014			A-60								\$13,246

Figure 6 - Major Reinforcements: Implementation Schedule & Cost

The charts below depict the historic and forecast capital spend for routine reinforcements alone, and the total reinforcements within the term of the Asset Plan.



2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
\$8,795	\$14,710	\$8,061	\$7,054	\$4,742	\$24,756	\$11,550	\$32,400	\$4,939	\$6,650	\$26,300	\$29,500	\$30,417	\$6,750	\$1,500

Chart 9 - Routine Reinforcements: Historic & Forecast Capital Spend



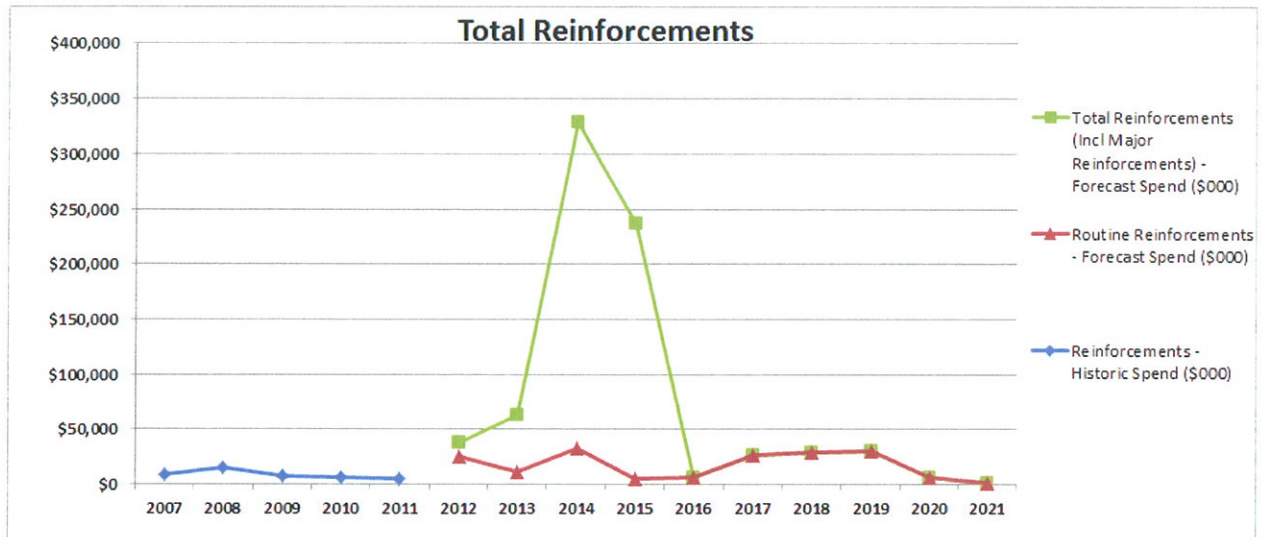
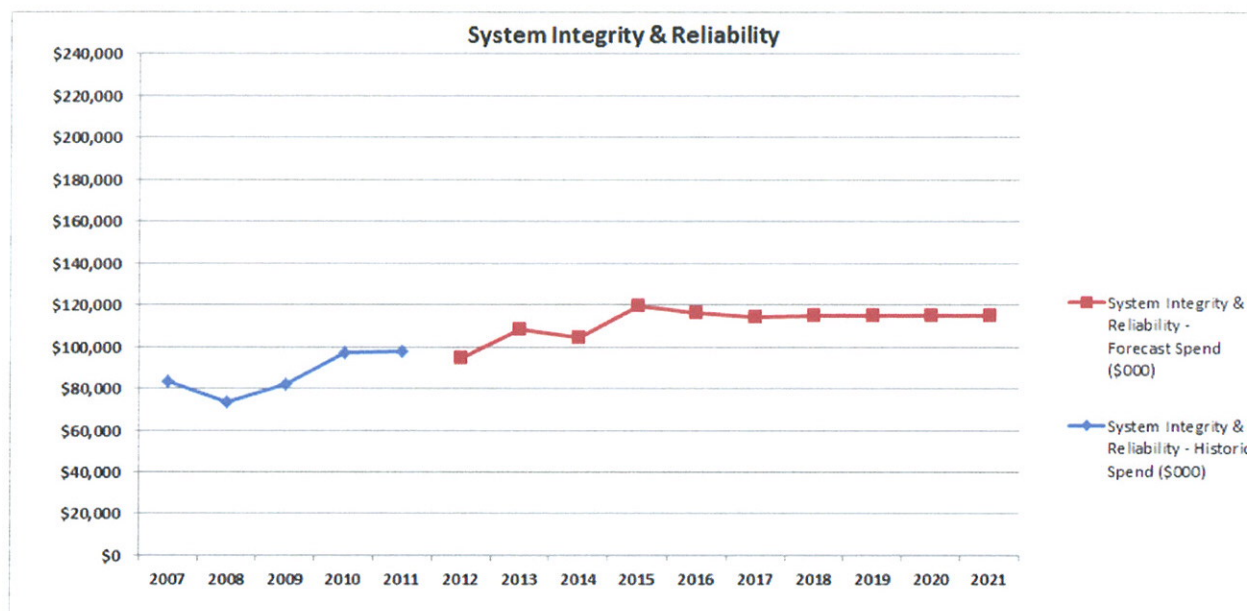


Chart 10 - Total Reinforcements: Historic & Forecast Capital Spend

At this time, the forecast of costs for the GTA project for 2014 and 2015 are still being refined, and the estimates are only available as a range. The chart above assumes the mid-point of the estimated range.

The following chart depicts EGD's historic and forecast capital spend for System Integrity & Reliability.



2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
\$83,467	\$73,223	\$81,905	\$97,096	\$97,763	\$94,583	\$108,041	\$104,143	\$119,271	\$116,324	\$114,427	\$114,779	\$114,579	\$114,573	\$114,554

Chart 12 - System Integrity & Reliability: Historic & Forecast Capital Spend

The forecast spend for System Integrity and Reliability trends up between 2012 and 2015 and then stays relatively flat until 2021.

There are several reasons that contribute to the upward trend in the capital spend from 2012 to 2015 :

- Beyond the existing programs to replace Cast Iron and Bare Steel, the risk assessment has identified the need to address additional classes of assets that are near the end of their useful life. Examples include Copper Services, Steel Tubing Services, AMP Fittings, and Mainline Compression Couplings
- Studies will need to be conducted to improve our understanding of the condition of specific classes of assets where risks have been identified. These studies will help establish the requirements and scope of any related mitigation programs
- Records Integrity, including completeness, accuracy, verifiability, timeliness, and accessibility, was assessed as one of the key risks. EGD has identified a number of initiatives, with significant upfront investments in 2013 and continuing investments in 2014 to 2021 to address this risk. For example, the Company is embarking on utilizing

## Implementation Plan & Estimated Capital Investments

The following chart depicts the historic and forecast capital investments, net of the re-billable portion, required for relocations.

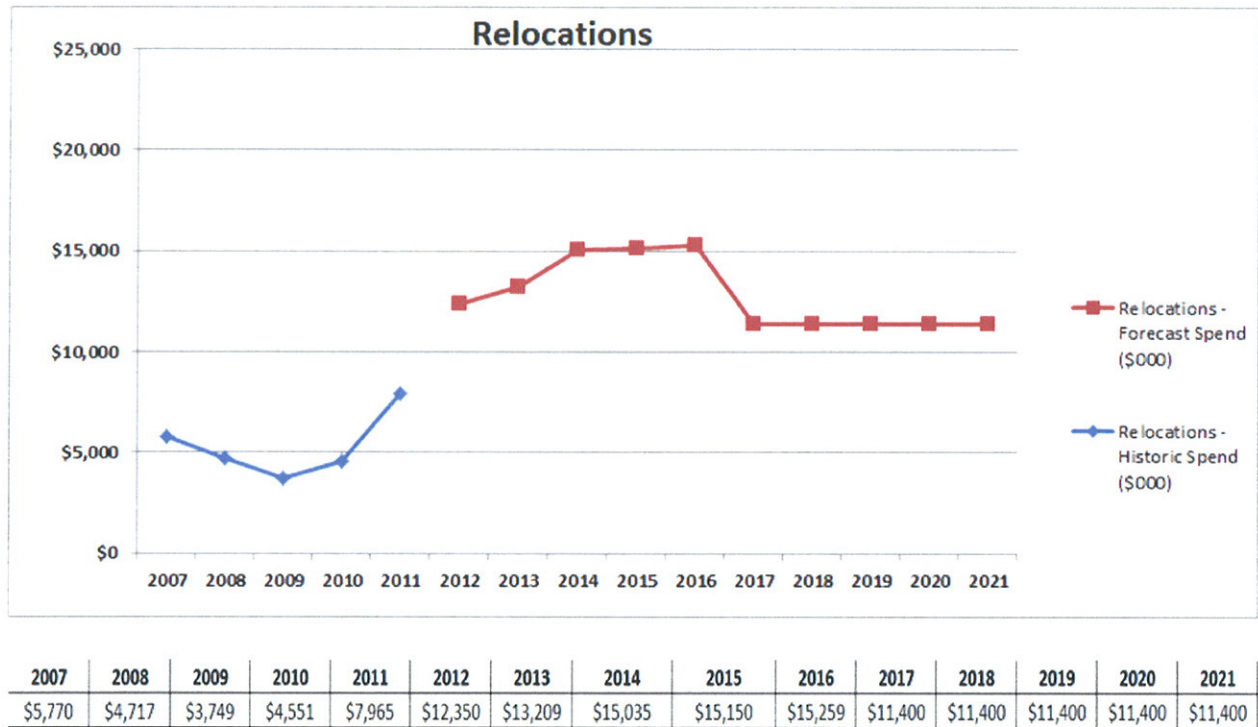


Chart 13 - Relocations: Historic & Forecast Capital Spend

The capital spend profile shows an escalation of relocation expenditure over the period of this Asset Plan. In addition to known relocation projects in this time period, EGD expects additional relocations driven by preparations for the Pan Am games, and light rail transit and subway projects that have been planned and already under way in the GTA and Ottawa.

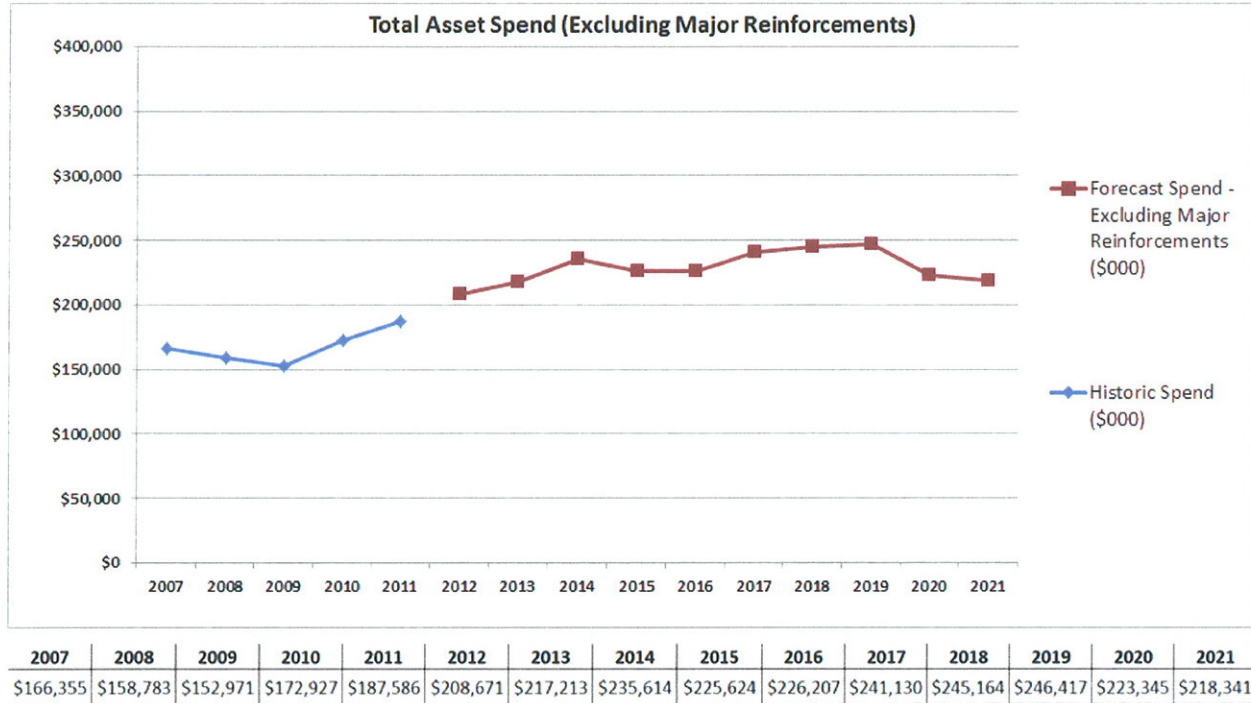


Chart 15 - Financial Summary of Total Asset Capital Spend (Excluding Major Reinforcements)

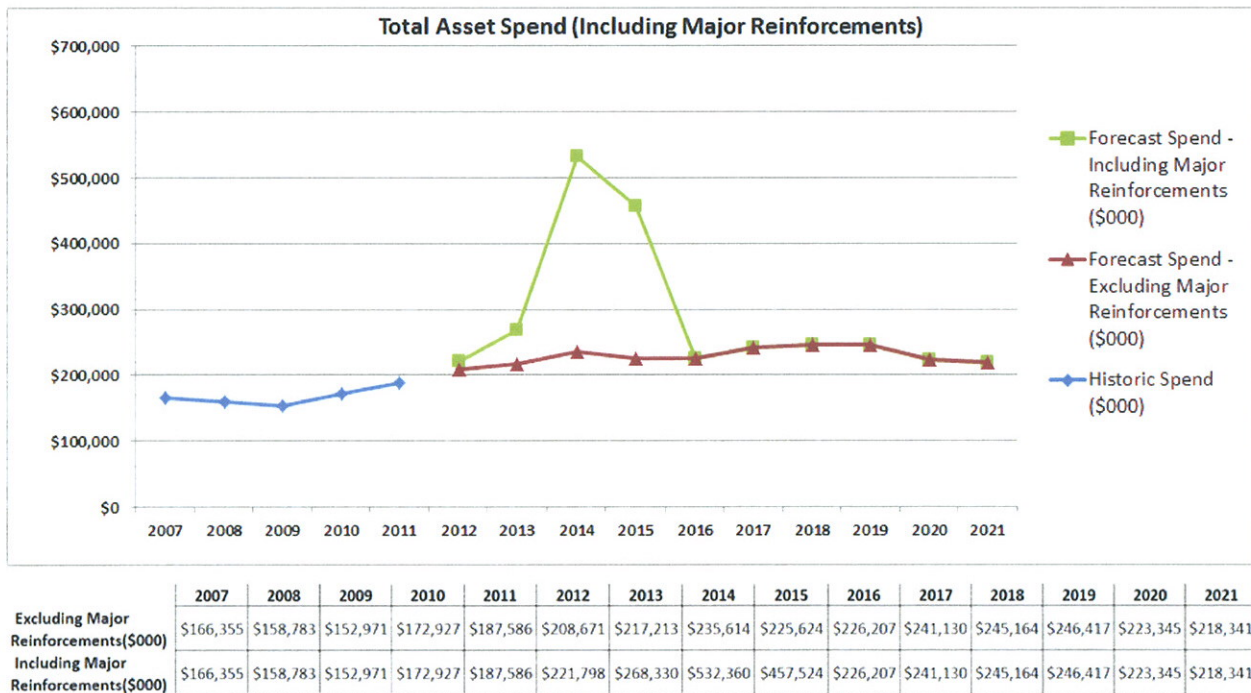


Chart 16 - Financial Summary of Total Asset Capital Spend (Including Major Reinforcements)