

November 12, 2015

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: EB-2015-0166/EB-2015-0175 – Union Gas Limited – Pre-Approval of the Cost Consequences of NEXUS Long Term Contract – NEXUS Overview Maps**

The Board panel requested a brief overview of the NEXUS project including maps. Union and Enbridge will walk through the attached slides at the outset of the hearing.

Yours truly,

*[Original signed by]*

Karen Hockin  
Manager, Regulatory Initiatives

cc: Charles Keizer, Torys  
Mark Kitchen, Union Gas  
All Intervenors



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# **NEXUS Pipeline Overview**

## **EB-2015-0166**

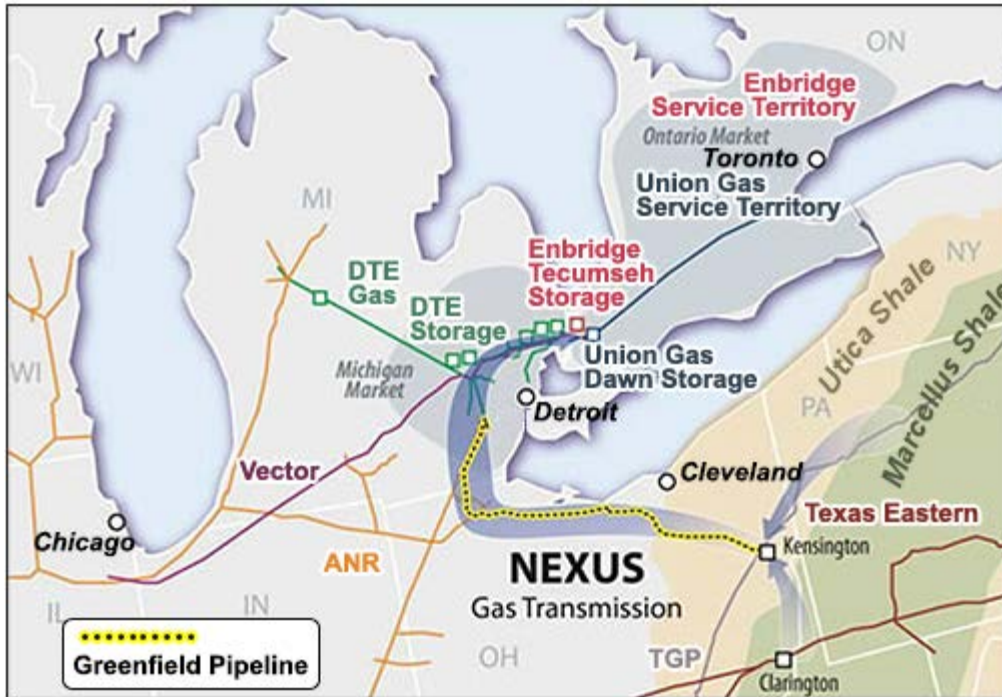
## **EB-2015-0175**

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*Chris Shorts and Jamie LeBlanc*  
*November 13, 2015*

# The NEXUS Pipeline Project

*Bringing Marcellus & Utica gas to LDCs, power generators & industrial users in Ohio, Michigan, and Ontario*



## Project Scope:

- Spectra Energy and DTE Energy are lead developers
- Capacity: 1.5 Bcf/d
- Estimated CapEx: \$2.019 B
- In-Service: November 1, 2017
- New meter & regulation stations, including:
  - Kensington Processing Plant
  - Tennessee Gas Pipeline
  - Texas Eastern Ohio Line
  - DTE Gas Transportation System at Willow Run, MI
  - LDC in Ohio

## Customers:

- LDCs and Marcellus & Utica producers such as CNX, Noble and Chesapeake
- Multiple taps with various Ohio LDCs and end-users

## Facilities:

- 400 km (250 miles), 36-inch greenfield pipeline
- 4 compressor stations
- 5 meter stations
- Will use existing Vector and DTE Gas facilities to deliver gas to Dawn



## NEXUS Routes to Dawn



**Union** – Nexus contract includes transport on the NEXUS greenfield pipeline from Kensington to Willow Run then on existing DTE facilities delivered to St Clair. The delivery to Dawn is then on Union existing St Clair to Dawn facilities

**Enbridge** – Nexus contract includes transport on Nexus greenfield pipeline from Kensington to Willow Run then on existing DTE facilities delivered to Vector at Milford. The delivery to Dawn is then on existing Vector facilities contracted separately with Enbridge to Dawn

**Other NEXUS Shippers** – On Nexus greenfield pipeline from Kensington to Willow Run then delivered to Dawn on existing DTE and Vector facilities contracted by NEXUS

# Precedent Agreement Parameters

Parameter	EGD	Union
Transportation Provider	NEXUS Gas Transmission	NEXUS Gas Transmission
Service	Firm Transportation	Firm Transportation
Primary Term	Nov. 1, 2017 – Oct. 31, 2032 (15 years)	Nov. 1, 2017 – Oct. 31, 2032 (15 years)
Volume	110,000 Dth/d <sup>1</sup>	150,000 Dth/d
Receipt Point	Kensington, Ohio	Kensington, Ohio
Delivery Point	Vector Pipeline, Milford Junction	Union St. Clair
Reservation Rate	\$0.70 US/Dth <sup>1, 2, 3</sup>	\$0.77 US/Dth <sup>2, 3</sup>
Fuel Ratio	2% to 3%	2% to 3%
Renewal Rights	Right of First Refusal	Right of First Refusal

## Footnotes

- 1) Option for 150,000 Dth/d at a reservation rate of \$0.685 US/Dth
- 2) Subject to capital cost tracker adjustment
- 3) For comparison purposes, to get gas to Dawn requires adding Enbridge Vector capacity at a cost of \$.16 US/Dth for a total of \$.86 US/Dth and for Union it requires adding Union C-1, St Clair to Dawn, of \$.035 CDN (\$.028 US/Dth) for a total of \$.798 US/Dth



# The NEXUS Timeline

## Past Milestones

November, 2012

- Union and EGD Bid into NEXUS Open Season

June, 2014

- EGD Executed Initial NEXUS Precedent Agreement

June, 2014

- Rover Project Announced

August, 2014

- Union Executed Initial NEXUS Precedent Agreement

December, 2014

- EGD Executed Restated NEXUS Precedent Agreement

January, 2015

- NEXUS Received FERC Pre-File Approval

May, 2015

- Union Executed Restated NEXUS PA & OEB Filing

June, 2015

- EGD Executed First Amendment to Restated NEXUS PA & OEB Filing

September, 2015

- Union and EGD Requested 90-day Extension of Regulatory Approval CP

## Future Milestones

November, 2015

- Anticipated NEXUS FERC Filing

December 29, 2015

- Deadline for Union and EGD's Regulatory Approval CP

November, 2017

- NEXUS Pipeline In-Service