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Board Secretary
Ontario Energy Board
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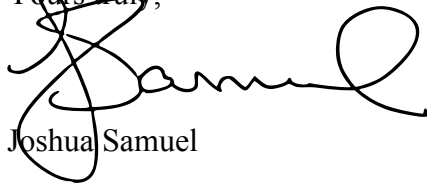
Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

Subject: Ontario Energy Board Generic Proceeding – Natural Gas Community Expansion (EB-2016-0004) – Follow Up Questions from Energy Probe

Please find attached the responses from Mr. Gulick to the follow up questions by Energy Probe on May 12, 2016.

Yours truly,



Joshua Samuel

Enclosed

NORTHEAST MIDSTREAM LP
Response to Follow-Up Question from ENERGY PROBE

1. Please provide the inputs and assumptions to the options on Table 1.

The inputs and assumptions for the in Table 1 are contained in column (a) and the values immediately below the column designations for (b) and (c), all as provided in Table 1. The remaining values in Table 1 are calculated from these six assumptions.

2. Provide the specific basis or references for the fixed and variable costs of each option.

The fixed and variable costs of each scenario were assumed in order to illustrate the difference between the two scenarios.

3. Which of the higher or lower fixed cost corresponds to a scenario of a hypothetical gas service including upstream and distribution costs?

Both examples correspond to hypothetical costs for gas service delivered to a distribution system. Accordingly, neither scenario includes distribution costs.

4. Conversely, which fixed costs correspond to an LNG service including gas supply costs, liquefaction, transportation, vaporization and distribution?

While Table 1 does not reference an LNG service, alternate fuel supplies tend to have lower fixed costs and higher variable costs.

5. What is the basis of the variable cost for pipeline natural gas, e.g., 35 cents per m3?

Please note that Table 1 does not reference 35 cents per m³ as the cost of pipeline natural gas. As explained in the response to EP-1, this value was assumed for illustration purposes.

6. What is the basis of the variable cost of LNG, e.g., 15 cents per m3?

Please note that Table 1 does not reference 15 cents per m³ as the cost of LNG. As explained in the response to EP-1, this value was assumed for illustration purposes.

7. Does either Scenario approximate, at a high level, to the ratio of fixed/variable costs of pipeline and LNG service?

Yes, in a general sense, but only to the extent that pipeline service would tend to have higher fixed costs and lower variable costs, while an alternate supply would tend to have lower fixed costs and higher variable costs.

8. In cooperation with Northeast LP, will Mr. Gulick provide, at a high level, an illustrative comparison of the costs and unit rates for Pipeline service and LNG service for an un-serviced community that Enbridge indicates is a potential candidate for LNG service?

Please note that this request is beyond the scope of Mr. Gulick's testimony, and he has not performed the requested analysis.