

ENBRIDGE GAS INC.

Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario (FRPO)

Interrogatory

Reference:

EB-2019-0137 EGI 5 YR Gas Supply Plan, page 53, Table 16

Preamble:

We would like to understand better the determination of the landed costs and their impact on customer bills.


Question:

Please provide the path including the individual segments

- a) Please provide each segment's contribution to the total costs.

Please show the calculation that determines that there is less than one percent difference between the current portfolio and the Nexus path.

Response:

- a) EGI believes that this question is actually referencing Table 17 on page 45. The landed cost analysis depicts the landed cost per GJ  potential incremental purchases for various paths. Table 15 on page 43 shows that the Union Rate zone has Average Day growth from 2020 to 2024 of 7 TJ/d.

The Average Cost/Customer Impact – Relative to Status Quo column indicates that purchasing a volume of 7 TJ/d of additional NEXUS capacity would increase Union South bills by less than 1% for a Union South customer.

Please see the Attachment to this response for a detailed breakdown of the landed cost shown in Table 17, page 45 of EGI's Annual Update.

Dawn Deliveries  
2019-2029 Transportation Contracting Analysis

Option	Point of Supply	Basis Differential \$/US/mmBtu (C)	Supply Cost \$/US/mmBtu (D) = Nymex + C	Unitized Demand Charge \$/US/mmBtu (E)	Demand Charge Segment A \$/US/mmBtu	Demand Charge Segment B \$/US/mmBtu	Demand Charge Segment C \$/US/mmBtu	Commodity Charge \$/US/mmBtu (F)	Fuel Charge \$/US/mmBtu (G)	100% LF Transportation Inclusive of Fuel \$/US/mmBtu (I) = E + F + G	Landed Cost \$/US/mmBtu (J) = D + I	Landed Cost \$/Cdn/G (K)	Point of Delivery (L)	Comments
Dawn	Dawn	0.067	3.401							0.000	3.401	4.285	Dawn	
TC: Dawn LTFF	Empress	-0.673	2.660	0.611	0.611			0.000	0.093	0.704	3.364	4.239	Union SWDA	
TC: Great Lakes to Dawn	Empress	-0.673	2.660	0.659	0.378	0.269	0.012	0.011	0.093	0.763	3.423	4.313	Dawn	Segment A Empress to Emerson II/Segment B - Emerson to St. Clair / Segment C St. Clair to Dawn
TC: Niagara to Dawn	Niagara	-0.092	3.242	0.153	0.113	0.039		0.002	0.019	0.173	3.415	4.303	Dawn	Segment A - Niagara to Kirkwall/ Segment B Kirkwall to Dawn
MichCon: MichCon to Dawn	SE Michigan	-0.040	3.293	0.159	0.090	0.069		0.002	0.041	0.202	3.495	4.403	Dawn	Segment A - Michcon to St.Clair/ Segment St.Clair to Dawn
Vector: Chicago to Dawn	Chicago	-0.070	3.264	0.181	0.180			0.002	0.014	0.196	3.460	4.360	Dawn	
Panhandle: Panhandle FZ to Dawn	Panhandle Field Zone	-0.296	3.038	0.750	0.681	0.069		0.057	0.156	0.963	4.001	5.041	Dawn	Segment A - PEPL FZ to Ojibway / Segment B - Ojibway to Dawn
NEXUS via St. Clair: Kensington to Dawn	Dominion South Point	-0.872	2.461	0.936	0.867	0.069		0.002	0.062	1.000	3.462	4.362	Dawn	Segment A - Kensington to St. Clair / Segment B - St. Clair to Dawn
Rover: Rover FZ to Dawn	Dominion South Point	-0.872	2.461	0.984	0.984			0.045	0.062	1.092	3.553	4.477	Dawn	

Supply Assumptions used in Developing Transportation Contracting Analysis:

Annual Gas Supply & Fuel Ratio Forecasts	Point of Supply Col (B) above	Nov 2020 - Oct 2021	Nov 2021 - Oct 2022	Nov 2022 - Oct 2023	Nov 2023 - Oct 2024	Nov 2024 - Oct 2025	Nov 2025 - Oct 2026	Nov 2026 - Oct 2027	Nov 2027 - Oct 2028	Nov 2028 - Oct 2029	Nov 2029 - Oct 2030	Average Annual Gas Supply Cost \$/US/mmBtu Col (D) above	Fuel Ratio Forecasts Col (G) above
Henry Hub	Henry Hub	3.2194	3.0081	2.6007	3.1526	3.3314	3.2447	3.4706	3.6535	3.6967	3.9588	3.334	
Dawn	Dawn	3.2324	3.0730	2.6115	3.2203	3.4267	3.3072	3.5747	3.7573	3.7662	4.0369	3.401	
TC: Dawn LTFF	Empress	2.5820	2.4430	2.0064	2.6354	2.8369	2.7052	2.6849	2.8450	2.8387	3.0243	2.660	0.03497
TC: Great Lakes to Dawn	Empress	2.5820	2.4430	2.0064	2.6354	2.8369	2.7052	2.6849	2.8450	2.8387	3.0243	2.660	0.02933
TC: Niagara to Dawn	Niagara	3.1160	2.9528	2.4869	3.0573	3.2110	3.1015	3.3411	3.4828	3.5307	4.1401	3.242	0.00584
MichCon: MichCon to Dawn	SE Michigan	3.1263	2.9676	2.5169	3.1150	3.3202	3.2018	3.4642	3.6447	3.6543	3.9221	3.293	0.01241
Vector: Chicago to Dawn	Chicago	3.1083	2.9536	2.5050	3.0984	3.3086	3.1906	3.4225	3.5921	3.6016	3.8602	3.264	0.00418
Panhandle: Panhandle FZ to Dawn	Panhandle Field Zone	2.9071	2.7370	2.3344	2.8983	3.0685	2.9697	3.1863	3.3336	3.3474	3.5977	3.038	0.05127
NEXUS via St. Clair: Kensington to Dawn	Dominion South Point	2.6575	2.4676	1.9860	2.4506	2.4109	2.2704	2.4557	2.4855	2.5548	2.8759	2.461	0.02531
Rover: Rover FZ to Dawn	Dominion South Point	2.6575	2.4676	1.9860	2.4506	2.4109	2.2704	2.4557	2.4855	2.5548	2.8759	2.461	0.00610

Sources for Assumptions:

Gas Supply Prices (Col D): ICF Q4 2019 Base Case

Fuel Ratios (Col G): Average ratio over the previous 12 months or Pipeline Forecast

Transportation Tolls (Cols E & F): Tolls in effect on Alternative Routes at the time of Union's Analysis

Foreign Exchange (Col K) \$1 US = 1.3293 CDN From Bank of Canada Closing Rate September 21, 2020

Energy Conversions (Col K) 1 dth = 1 mmBtu = 1.055056 1.259933122

EGI's Analysis Completed: 43802

Paths included in analysis are those with comparable services available for contracting, as well as relevant benchmarks and currently contracted paths.