

UNDERTAKING TCU-1.1

UNDERTAKING

Tr. # 29

To provide reconciliation of the total distribution revenues found in B-3.3 and B-1.2

RESPONSE

The recovery of costs from the various components of the Company's rates reflects the Board approved cost allocation and rate design methodologies. These methodologies have been maintained in the incentive regulation model. As indicated at Exhibit B, Tab 3, Schedule 1, page 6, paragraph 21, the distribution revenue requirement is recovered in the Company's rates primarily from the delivery charges, however, some distribution-related costs are recovered from the commodity and load balancing charges. This method of cost recovery recognizes that these costs support the gas supply and load balancing functions. This is further illustrated at Exhibit B, Tab 3, Schedule 10, page 5. Furthermore, some gas supply related costs are recovered in the delivery charges of the Company's rates. This is illustrated at Exhibit B, Tab 3, Schedule 10, page 4.

The following chart reconciles the proposed distribution revenue requirement as outlined at Exhibit B, Tab 1, Schedule 2, page 1, Line 24 of \$974 million to the distribution revenues recovered in delivery rates at Exhibit B, Tab 3, Schedule 3, Column 1.

Item	Description	\$'000	
1.	Total Distribution Revenue Requirement	1,047	Exh B, T3, Sch 3, Page 1, Col. 1, Item16
	<u>Deduct:</u>		
2.	Third Party Storage Costs	116	Exh B, T3, Sch 10, Page 4, Col. 1, Item3
3.	Ex-Franchise Storage Revenues	2	Exh B, T3, Sch 10, Page 1, Col. 14, Item3
4.	Distribution Commodity Costs (UFG)	12	Exh B, T3, Sch 10, Page 4, Col. 1, Item4
5.	Unbilled Revenues	3	Exh B, T3, Sch 5, Page 1, Col. 3, Item16
6.	Total Distribution Deduction	133	6=2+3+4+5
	<u>Add:</u>		
7.	Product Related ⁽¹⁾	13	Exh B, T3, Sch 10, Page 5, Col. 1, Item1
8.	Load Balancing Related ⁽²⁾	48	Exh B, T3, Sch 10, Page 5, Col. 1, Item2
9.	Total Addition	61	9=7+8
10.	Total	974	10=1-6+9
11.	2009 Distribution Revenues	974	Exh B, T3, Sch 11, Page 1, Col. 1, Item24
	⁽¹⁾ Includes Bad Debt Commodity Expense, System Gas Fee, Commodity Working Cash		
	⁽²⁾ Includes Return of Gas in Inventory, Transportation related Transactional Services Revenues		

Witnesses: J. Collier
 A. Kacicnik

UNDERTAKING TCU-1.2

UNDERTAKING

Tr. # 32

To provide working papers for storage and cumulative balancing charges on Rate 125 and storage on Rates 315 and 316.

RESPONSE

Rates 125, 315 and 316 services and the methodology used to derive the associated charges was approved in the NGEIR Generic Proceeding (EB-2005-0551). The Company has maintained this methodology in the incentive regulation model. The following working papers outline the derivation of the existing (EB-2008-0263) October 1, 2008 QRAM rates and the proposed 2009 storage and load balancing charges for Rates 125, 315 and 316. The change in the charges is primarily driven by the increase in costs for third party storage at market based rates. These items can be found at Exhibit B, Tab 5, Schedule 2, page 7, Column 4 for 2008 and Exhibit B, Tab 5, Schedule 2, page 3, Column 4 for 2009.

The annual rate adjustment reflects the forecast costs and volumes for 2009. Please note that these charges are also adjusted in the QRAM process to reflect changes to only TCPL STS tolls and Lost and Unaccounted Gas ("LUF") costs on the storage systems.

Below please find the existing and proposed rates and the reference from the attachments.

	Existing <u>EB-2008-0263</u> cents *	<u>Reference</u>	Proposed <u>EB-2008-0219</u> cents *	<u>Reference</u>
RATE 125				
Daily Balancing Tier 1	0.8668	Exhibit TCU-1.2 Attachment 1, Line 3	0.9004	Exhibit TCU-1.2 Attachment 4, Line 3
Daily Balancing Tier 2	1.0402	Exhibit TCU-1.2 Attachment 1, Line 4	1.0805	Exhibit TCU-1.2 Attachment 4, Line 4
Cumulative Imbalance Charge	1.0076	Exhibit TCU-1.2 Attachment 1, Line 8	1.0343	Exhibit TCU-1.2 Attachment 4, Line 8
RATE 315				
Space Demand Chg (Cents/Month/m ³)	0.0364	Exhibit TCU-1.2 Attachment 2, Line 2.4	0.0466	Exhibit TCU-1.2 Attachment 5, Line 2.4
Deliverability/Injection Demand Chg (Cents/Month/m ³)	13.5776	Exhibit TCU-1.2 Attachment 2, Line 1.8	13.6672	Exhibit TCU-1.2 Attachment 5, Line 1.8
Injection & Withdrawal Chg (Cents/Month/m ³)	0.4486	Exhibit TCU-1.2 Attachment 2, Line 3	0.5136	Exhibit TCU-1.2 Attachment 5, Line 3
RATE 316				
Space Demand Chg (Cents/Month/m ³)	0.0364	Exhibit TCU-1.2 Attachment 3, Line 2.4	0.0466	Exhibit TCU-1.2 Attachment 6, Line 2.4
Deliverability/Injection Demand Chg (Cents/Month/m ³)	3.5153	Exhibit TCU-1.2 Attachment 3, Line 1.8	4.3168	Exhibit TCU-1.2 Attachment 6, Line 1.8
Injection & Withdrawal Chg (Cents/Month/m ³)	0.1681	Exhibit TCU-1.2 Attachment 3, Line 3	0.1672	Exhibit TCU-1.2 Attachment 6, Line 3

Witnesses: J. Collier
 A. Kacicnik

DERIVATION OF RATE 125 LOAD BALANCING CHARGES
EB-2008-0263
October 1, 2008 QRAM

Item No.	Description	Col. 1 Costs \$(000)	Col. 2 Volumes 103m3	Col. 3 Rate cents/m3	Reference
Daily Balancing Fee Tier 1 and Tier 2					
<u>Injection and Withdrawl Charges:</u>					
1.1	Tecumseh In/Out Storage	3,053.9	5,541,951		
1.2	Tecumseh In/Out Transmission	7,749.4			
1.3	Tecumseh Fuel	5,793.1			
1.4	Union Storage Injection	105.4	545,035		
1.5	Union Storage Withdrawl	95.3	545,035		
1.6	Union Fuel	18,604.9			
1.7	Chatham D Pool	141.5			
1.0	Total Commodity Related Charges	<u>35,543.4</u>	<u>6,632,020.4</u>	0.536	Col. 1/Col. 2 x 100
2.1	Union M12 Transmission	58,344.2	17,343,298		
2.2	TCPL STS	7,192.9	2,467,377		
2.0	Total Demand Related Charges	<u>65,537.1</u>	<u>19,810,675</u>	<u>0.331</u>	Col. 1/Col. 2 x 100
3.0	Tier 1 Daily Balancing Rate			0.8668	Item 1 + Item 2
4.0	Tier 2 Daily Balancing Rate			1.0402	Item 3 at 120%
Description	Col. 1 Costs \$(000)	Col. 2 Volumes 103m3	Col. 3 Rate cents/m3	Reference	
Cumulative Balancing Fee					
<u>Storage Demand Deliverability</u>					
5.1	Tecumseh Daily Demand Storage	10,125.0			
5.2	Tecumseh Daily Demand Transmission	8,505.6	47,516		
5.3	Union and Market Based Peak Storage Costs	3,247.8	6,760		
5.4	Union Interruptible Margin Rebate	-			
5.5	Union Dehydration	1,017.0			
5.6	Total Storage Demand Deliverability	<u>22,895.4</u>	<u>54,276</u>	3.5153	(Col. 1/Col. 2 x 100)/12
5.0	Total Unitized Storage Demand Rate			0.1156	Line 5.6 * 12/365
<u>Storage Demand Space</u>					
6.1	Tecumseh Annual Demand Storage	6,721.8			
6.2	Tecumseh Annual Demand Transmission	5,665.5	2,863,939		
6.3	Union and Market Based Storage Space	2,587.1	563,320		
6.4	Total Storage Space	<u>14,974.4</u>	<u>3,427,259</u>	0.0364	(Col. 1/Col. 2 x 100)/12
6.0	Total Unitized Storage Space Rate			0.0012	Line 6.4 * 12/365
7.0	Incremental Deliverability	440.9	49,494	0.891	Col. 1 / Col. 2 x 100
8.0	Total Cumulative Load Balancing Rate			1.0076	Lines 5.0+6.0+7.0

DERIVATION OF RATE 315 GAS STORAGE SERVICE
EB-2008-0263
October 1, 2008 QRAM

Item	Col. 1	Col. 2	Col. 3	Reference
<u>No.</u> <u>Description</u>	<u>Costs</u>	<u>Volumes</u>	<u>Rate</u>	
	\$(000)	103m3	cents/m3	
<u>Storage Demand/ Deliverability</u>				
1.1	Tecumseh Daily Demand Storage	10,125.0		
1.2	Tecumseh Daily Demand Transmission	8,505.6	47,516	
1.3	Union and Market Based Peak Storage Costs	3,247.8	6,760	
1.4	M12 Demand with Compression	58,344.2		
1.5	Union Interruptible Margin Rebate	-		
1.6	Union Dehydration	1,017.0		
1.7	STS	7,192.9		
1.8	Total Storage Demand Deliverability	88,432.5	54,276	13.5776
1.0	Total Unitized Storage Demand Rate			0.4464
				(Col. 1/Col. 2 x 100)/12 Line 1.8 * 12/365
<u>Space Demand</u>				
2.1	Tecumseh Annual Demand Storage	6,721.8		
2.2	Tecumseh Annual Demand Transmission	5,665.5	2,863,939	
2.3	Union and Market Based Storage Space	2,587.1	563,320	
2.4	Total Storage Space	14,974.4	3,427,259	0.0364
2.0	Total Unitized Storage Space Rate			0.0012
				(Col. 1/Col. 2 x 100)/12 Line 2.4 * 12/365
<u>Injection and Withdrawl Charges:</u>				
3.1	Tecumseh In/Out Storage	3,053.9		
3.2	Tecumseh In/Out Transmission	7,749.4	5,541,951	
3.3	Tecumseh Fuel	-		
3.4	Union Storage Injection	105.4	545,035	
3.5	Union Storage Withdrawl	95.3	545,035	
3.6	Union Fuel	18,604.9		
3.7	Chatham D Pool	141.5		
3.0	Total Commodity Related Charges	29,750.3	6,632,020	0.4486
				Col. 1/Col. 2 x 100

DERIVATION OF RATE 316 GAS STORAGE SERVICE AT DAWN
EB-2008-0263
October 1, 2008 QRAM

Item	Col. 1	Col. 2	Col. 3	Reference
<u>No.</u> <u>Description</u>	<u>Costs</u>	<u>Volumes</u>	<u>Rate</u>	
	\$(000)	103m3	cents/m3	
<u>Storage Demand/ Deliverability</u>				
1.1	10,125.0			
1.2	8,505.6	47,516		
1.3	3,247.8	6,760		
1.4	-			
1.5	-			
1.6	1,017.0			
1.7	-			
1.8	22,895.4	54,276	3.5153	(Col. 1/Col. 2 x 100)/12
<u>Space Demand</u>				
2.1	6,721.8			
2.2	5,665.5	2,863,939		
2.3	2,587.1	563,320		
2.4	14,974.4	3,427,259	0.0364	(Col. 1/Col. 2 x 100)/12
<u>Injection and Withdrawal Charges:</u>				
3.1	3,053.9			
3.2	7,749.4	5,541,951		
3.3	-			
3.4	105.4	545,035		
3.5	95.3	545,035		
3.6	-			
3.7	141.5			
3.0	11,145.4	6,632,020	0.1681	Col. 1/Col. 2 x 100

**DERIVATION OF RATE 125 LOAD BALANCING CHARGES
 EB-2008-0219
 January 1, 2009 Proposed**

Item No.	Description	Col. 1 Costs \$(000)	Col. 2 Volumes 103m3	Col. 3 Rate cents/m3	Reference
Daily Balancing Fee Tier 1 and Tier 2					
<u>Injection and Withdrawl Charges:</u>					
1.1	Tecumseh In/Out Storage	3,043.9	5,541,951		
1.2	Tecumseh In/Out Transmission	7,768.5			
1.3	Tecumseh Fuel	5,304.5			
1.4	Union Storage Injection	107.7	570,679		
1.5	Union Storage Withdrawl	120.3	570,679		
1.6	Union Fuel	23,151.6			
1.7	Chatham D Pool	134.9			
1.0	Total Commodity Related Charges	<u>39,631.3</u>	<u>6,683,309.9</u>	0.593	Col. 1/Col. 2 x 100
2.1	Union M12 Transmission	54,742.1	17,343,298		
2.2	TCPL STS	6,514.9	2,583,434		
2.0	Total Demand Related Charges	<u>61,257.0</u>	<u>19,926,732</u>	<u>0.307</u>	Col. 1/Col. 2 x 100
3.0	Tier 1 Daily Balancing Rate			0.9004	Item 1 + Item 2
4.0	Tier 2 Daily Balancing Rate			1.0805	Item 3 at 120%

Description	Col. 1 Costs \$(000)	Col. 2 Volumes 103m3	Col. 3 Rate cents/m3	Reference	
Cumulative Balancing Fee					
<u>Storage Demand Deliverability</u>					
5.1	Tecumseh Daily Demand Storage	10,558.4			
5.2	Tecumseh Daily Demand Transmission	8,854.0	47,516		
5.3	Union and Market Based Peak Storage Costs	7,701.3	7,078		
5.4	Union Interruptible Margin Rebate	-			
5.5	Union Dehydration	<u>1,166.4</u>			
5.6	Total Storage Demand Deliverability	<u>28,280.2</u>	<u>54,594</u>	4.3168	(Col. 1/Col. 2 x 100)/12
5.0	Total Unitized Storage Demand Rate			0.1419	Line 5.6 * 12/365
<u>Storage Demand Space</u>					
6.1	Tecumseh Annual Demand Storage	7,009.6			
6.2	Tecumseh Annual Demand Transmission	5,897.5	2,863,939		
6.3	Union and Market Based Storage Space	<u>6,394.3</u>	<u>589,825</u>		
6.4	Total Storage Space	<u>19,301.4</u>	<u>3,453,764</u>	0.0466	(Col. 1/Col. 2 x 100)/12
6.0	Total Unitized Storage Space Rate			0.0015	Line 6.4 * 12/365
7.0	Incremental Deliverability	440.9	49,494	0.891	Col. 1 / Col. 2 x 100
8.0	Total Cumulative Load Balancing Rate			1.0343	Lines 5.0+6.0+7.0

DERIVATION OF RATE 315 GAS STORAGE SERVICE
EB-2008-0219
January 1, 2009 Proposed

Item No.	Description	Col. 1 Costs \$(000)	Col. 2 Volumes 103m3	Col. 3 Rate cents/m3	Reference
<u>Storage Demand/ Deliverability</u>					
1.1	Tecumseh Daily Demand Storage	10,558.4			
1.2	Tecumseh Daily Demand Transmission	8,854.0	47,516		
1.3	Union and Market Based Peak Storage Costs	7,701.3	7,078		
1.4	M12 Demand with Compression	54,742.1			
1.5	Union Interruptible Margin Rebate	-			
1.6	Union Dehydration	1,166.4			
1.7	STS	6,514.9			
1.8	Total Storage Demand Deliverability	89,537.2	54,594	13.6672	(Col. 1/Col. 2 x 100)/12
1.0	Total Unitized Storage Demand Rate			0.4493	Line 1.8 * 12/365
<u>Space Demand</u>					
2.1	Tecumseh Annual Demand Storage	7,009.6			
2.2	Tecumseh Annual Demand Transmission	5,897.5	2,863,939		
2.3	Union and Market Based Storage Space	6,394.3	589,825		
2.4	Total Storage Space	19,301.4	3,453,764	0.0466	(Col. 1/Col. 2 x 100)/12
2.0	Total Unitized Storage Space Rate			0.0015	Line 2.4 * 12/365
<u>Injection and Withdrawl Charges:</u>					
3.1	Tecumseh In/Out Storage	3,043.9			
3.2	Tecumseh In/Out Transmission	7,768.5	5,541,951		
3.3	Tecumseh Fuel	-			
3.4	Union Storage Injection	107.7	570,679		
3.5	Union Storage Withdrawl	120.3	570,679		
3.6	Union Fuel	23,151.6			
3.7	Chatham D Pool	134.9			
3.0	Total Commodity Related Charges	34,326.8	6,683,310	0.5136	Col. 1/Col. 2 x 100

DERIVATION OF RATE 316 GAS STORAGE SERVICE AT DAWN
EB-2008-0219
January 1, 2009 Proposed

Item	Col. 1	Col. 2	Col. 3	Reference
<u>No.</u> <u>Description</u>	<u>Costs</u>	<u>Volumes</u>	<u>Rate</u>	
	\$(000)	103m3	cents/m3	
<u>Storage Demand/ Deliverability</u>				
1.1	10,558.4			
1.2	8,854.0	47,516		
1.3	7,701.3	7,078		
1.4	-			
1.5	-			
1.6	1,166.4			
1.7	-			
1.8	28,280.2	54,594	4.3168	(Col. 1/Col. 2 x 100)/12
<u>Space Demand</u>				
2.1	7,009.6			
2.2	5,897.5	2,863,939		
2.3	6,394.3	589,825		
2.4	19,301.4	3,453,764	0.0466	(Col. 1/Col. 2 x 100)/12
<u>Injection and Withdrawal Charges:</u>				
3.1	3,043.9			
3.2	7,768.5	5,541,951		
3.3	-			
3.4	107.7	570,679		
3.5	120.3	570,679		
3.6	-			
3.7	134.9			
3.0	11,175.2	6,683,310	0.1672	Col. 1/Col. 2 x 100

UNDERTAKING TCU-1.3

UNDERTAKING

Tr. # 35

To advise whether DOS-MN displaces other volumes, for instance interruptible volumes, that Enbridge would otherwise have planned on buying; how does Enbridge account for the difference of extra gas coming in to accommodate the service

RESPONSE

Please refer to the Technical Conference Transcript dated December 4, 2008 beginning at page 88, Line 12 to page 91, Line 7.

Witness: D. Small

UNDERTAKING TCU-1.4

UNDERTAKING

Tr. # 53

To provide breakdown of demand for Rate 125 between Portlands, Thorold and other.

RESPONSE

The Leave-to-Construct ("LTC") applications for Portlands and Thorold list their respective demands as follows:

Portlands:

Contract Demand (CD) = 2,785,885 m³

Thorold:

Billing Contract Demand (BCD) = 773,851 m³

Witness: A. Kacicnik

UNDERTAKING TCU-1.5

UNDERTAKING

Tr. # 60

To provide an Actual 2008 schedule in the manner of B.5.2

RESPONSE

Attachment 1 provides a comparison of the 2007 Budget and the 2007 Actual Summary of Gas Purchases for EGD. The prices used for the budget scenario were based upon the forecast underpinning each QRAM in 2007.

Attachment 2 provides a comparison of the 2008 Budget and the 2008 Forecast Summary of Gas Purchases for EGD as filed in EB-2008-0348, Exhibit Q1-3, Tab 1, Schedule 2, page 3. The prices used for the budget scenario were based upon the forecast underpinning each QRAM in 2008.

Witness: D. Small

Item #	Budget adjusted for 2007 QRAM's Summary of Gas Cost to Operations Year ended December 31, 2007				2007 Actuals Summary of Gas Cost to Operations Year ended December 31, 2007			
	Col. 1 10 ⁶ m ³	Col. 2 \$(000)	Col. 3 \$/10 ⁶ m ³	Col. 4 \$/GJ	Col. 5 10 ⁶ m ³	Col. 6 \$(000)	Col. 7 \$/10 ⁶ m ³	Col. 8 \$/GJ
	(Col.2 / Col.1)				(Col.6 / Col.5)			
Western Canadian Supplies								
1.1 Alberta Production	0.0	0.0	0.000	0.000	0.0	0.0	0.000	0.000
1.2 Western - @ Empress - TCPL	734,051.9	201,634.4	274.687	7.288	20,546.8	4,868.8	236.960	6.287
1.3 Western - @ Nova - TCPL	356,605.0	96,616.3	270.934	7.188	314,520.0	71,066.6	225.953	5.995
1.4 Western Buy/Sell - with Fuel	8,628.7	2,509.9	290.880	7.695	4,468.0	1,103.6	246.989	6.534
1.5 Western - @ Alliance	960,601.9	295,043.0	307.144	8.149	724,915.6	194,574.9	268.410	7.122
1.6 Less TCPL Fuel Requirement	(65,283.5)	0.0			(14,446.3)	0.0		
1. Total Western Canadian Supplies	1,994,604.0	595,803.6	298.708	7.925	1,050,004.2	271,613.9	258.679	6.863
Short Term Supplies								
2.1 Western	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.000
2.2 Ontario Delivered	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.000
2. Peaking/Seasonal	43,660.0	20,856.9	477.711	12.675	72,747.7	32,462.1	446.228	11.839
2. Total Short Term	43,660.0	20,856.9	477.711	12.638	72,747.7	32,462.1	446.228	11.805
3. Ontario Production	1,460.0	443.2	303.583	8.055	617.7	169.6	274.537	7.284
Chicago Supplies								
4.1 Vector 1st Tranche	20,269.1	6,051.2	298.545	7.921	-	-	0.000	0.000
4.2 Vector 2nd Tranche	807,280.4	247,882.6	307.059	8.147	-	-	0.000	0.000
4.3 Vector 3rd Tranche	1,450,877.4	447,276.9	308.280	8.179	-	-	0.000	0.000
4. Total Chicago Supplies	2,278,426.9	701,210.8	307.761	8.166	2,476,252.2	659,205.4	266.211	7.063
Delivered Supplies								
5.1 Link Supplies	76,630.8	24,816.5	323.845	8.592	56,437.7	13,704.9	242.832	6.443
5.2 Ontario Delivered	517,378.6	156,317.7	302.134	8.016	1,495,543.8	400,366.8	267.706	7.103
5. Total Other Delivered Supplies	594,009.4	181,134.2	304.935	8.091	1,551,981.4	414,071.7	266.802	7.079
6. Total Supply Costs	4,912,160.3	1,499,448.8	305.252	8.099	5,151,603.3	1,377,522.6	267.397	7.095
Transportation Costs								
7.1 TCPL - FT - Demand	35,897.3					11,036.8		
7.2 - FT - Commodity	2,703.2					3,954.0		
7.3 Capacity Discounts	(1,769.5)		2.614	0.069	353,981.2	(1,562.3)	11.170	0.296
7.4 - STS - CDA	3,491.9					3,724.0		
7.5 - STS - EDA	2,090.2					2,453.0		
7.6 - Dawn to CDA Exchange	6,820.1					6,883.3		
7.7 - Dawn to EDA Exchange	10,524.0					10,265.6		
7.8 TCPL - Other	0.0					3,551.5		
7.9 Union C1 Transportation	0.0					0.0		
7.10 Nova Transmission	1,715.3					1,860.1		
7.11 ANR/Michon Transportation	1,053.6					1,634.5		
7.12 Link Pipeline	118.7					94.2		
7.13 Alliance Pipeline	37,995.3					37,375.6		
7.14 Vector Pipeline - 1st Tranche	8,664.8					0.0		
7.15 Vector Pipeline - 2nd Tranche	7,131.4					0.0		
7.16 Vector Pipeline - 3rd Tranche	12,816.8					0.0		
7. Total Transportation Costs	129,253.1					26,844.9		
8. Total Before PGVA Adjustment	4,912,160.3	1,628,701.9	331.565	8.797	5,151,603.3	1,485,638.0	288.384	7.651
9. PGVA Adjustment		86,744.0				306,579.8		
10. Total Purchases & Receipt	4,912,160.3	1,715,445.9	349,224	9.266	5,151,603.3	1,792,217.8	347,895	9.230

Budget adjusted for 2008 QRAM's
 Summary of Gas Cost to Operations
 Year ended December 31, 2008

Item #	Col. 1 10 ³ m ³	Col. 2 \$(000)	Col. 3 \$/10 ³ m ³	Col. 4 \$/GJ
	(Col.2 / Col.1) (Col.3 / 37.69)			
<u>Western Canadian Supplies</u>				
1.1 Alberta Production	0.0	0.0	0.000	0.000
1.2 Western - @ Empress - TCPL	426,592.4	125,975.6	295,307	7,835
1.3 Western - @ Nova - TCPL	358,056.6	105,477.7	294,584	7,816
1.4 Western Buy/Sell - with Fuel	4,515.5	1,390.9	306,026	8,149
1.5 Western - @ Alliance	966,103.9	319,545.6	330,757	8,776
1.6 Less TCPL Fuel Requirement	(34,428.0)	0.0		
1. Total Western Canadian Supplies	1,720,840.5	552,389.8	321,000	8,517
<u>Short Term Supplies</u>				
2.1 Western	0.0	0.0	0.0	0.000
2.2 Ontario Delivered	0.0	0.0	0.0	0.000
2. Peaking/Seasonal	56,300.0	23,965.0	425,667	11,294
2. Total Short Term	56,300.0	23,965.0	425,667	11,261
3. <u>Ontario Production</u>	1,464.1	491.5	335,683	8,906
<u>Chicago Supplies</u>				
4.1 Vector 1st Tranche	8,303.0	3,190.2	384,223	10,194
4.2 Vector 2nd Tranche	807,280.4	269,003.4	333,222	8,841
4.3 Vector 3rd Tranche	1,450,877.4	483,464.0	333,222	8,841
4. Total Chicago Supplies	2,266,460.8	755,657.6	333,409	8,846
<u>Delivered Supplies</u>				
5.1 Link Supplies	76,840.8	26,767.0	348,344	9,242
5.2 Ontario Delivered	902,349.7	332,513.2	368,497	9,777
5. Total Other Delivered Supplies	979,190.4	359,280.2	366,916	9,735
6. <u>Total Supply Costs</u>	5,024,255.8	1,691,784.1	336,723	8,934

2008 Forecast
 Summary of Gas Cost to Operations
 Year ended December 31, 2008

Item #	Col. 1 10 ³ m ³	Col. 2 \$(000)	Col. 3 \$/10 ³ m ³	Col. 4 \$/GJ	Col. 5 10 ³ m ³	Col. 6 \$(000)	Col. 7 \$/10 ³ m ³	Col. 8 \$/GJ
	(Col.6 / Col.5) (Col.7 / 37.69)							
<u>Transportation Costs</u>								
7.1 TCPL - FT - Demand						29,307.5		
7.2 - FT - Commodity						4,704.6		
7.3 Capacity Discounts							6,515	0.173
7.4 - STS - CDA						4,501.2		
7.5 - STS - EDA						2,900.3		
7.6 - Dawn to CDA Exchange						8,791.7		
7.7 - Dawn to EDA Exchange						13,208.3		
7.8 TCPL - Other						3,637.8		
7.9 Union C1 Transportation						1,968.1		
7.10 Nova Transmission						0.0		
7.11 ANR/Michcon Transportation						0.0		
7.12 Link Pipeline						39,884.5		
7.13 Alliance Pipeline						0.0		
7.14 Vector Pipeline - 1st Tranche						0.0		
7.15 Vector Pipeline - 2nd Tranche						0.0		
7.16 Vector Pipeline - 3rd Tranche						33,449.9		
7. Total Transportation Costs						142,353.9		
8. Total Before PGVA Adjustment	5,024,255.8	1,818,076.9	361,860	9,601	5,119,936.1	1,830,524.9	357,529	9,486
9. PGVA Adjustment						37,943.7		
10. <u>Total Purchases & Receipt</u>	5,024,255.8	1,851,828.7	368,578	9,779	5,119,936.1	1,868,468.6	364,940	9,683

UNDERTAKING TCU-1.6

UNDERTAKING

Tr. # 75

To provide adjustments made and reasons for them.

Response

As indicated in the Company's evidence at Exhibit B, Tab 3, Schedule 1, page 7, paragraph 23, consistent with the approach to design rates in a cost of service environment, the Company uses the assignment of the 2009 revenue requirement to the customer classes to act as a guide to the establishment of rates.

The Company has made adjustments to the recovery of the 2009 revenue requirement to balance the primary rate design objectives of rate impacts, rate stability and revenue to cost ratios.

Exhibit B, Tab 3, Schedule 10, page 2, Line 3 depicts the 2009 proposed recovery of the revenue requirement from the proposed rates. Line 4 of the same exhibit depicts the assignment of the proposed revenue requirement costs. The difference between these two numbers represents the dollar amount of adjustments which were made to each rate class to achieve the revenue to cost ratios depicted in Line 5. The reason for the adjustments was to ensure the revenue to cost ratios were similar to the 2008 levels and to achieve an average T-Service rate impact for all rate classes of less than 0.5%.

Witness: J. Collier