

Régie de l'énergie

DOSSIER: R-3900-2014

DÉPOSÉE EN AUDIENCE

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R-3900-2014
Présentation de Gazifère Inc. et
Enbridge Gas Distribution Inc.

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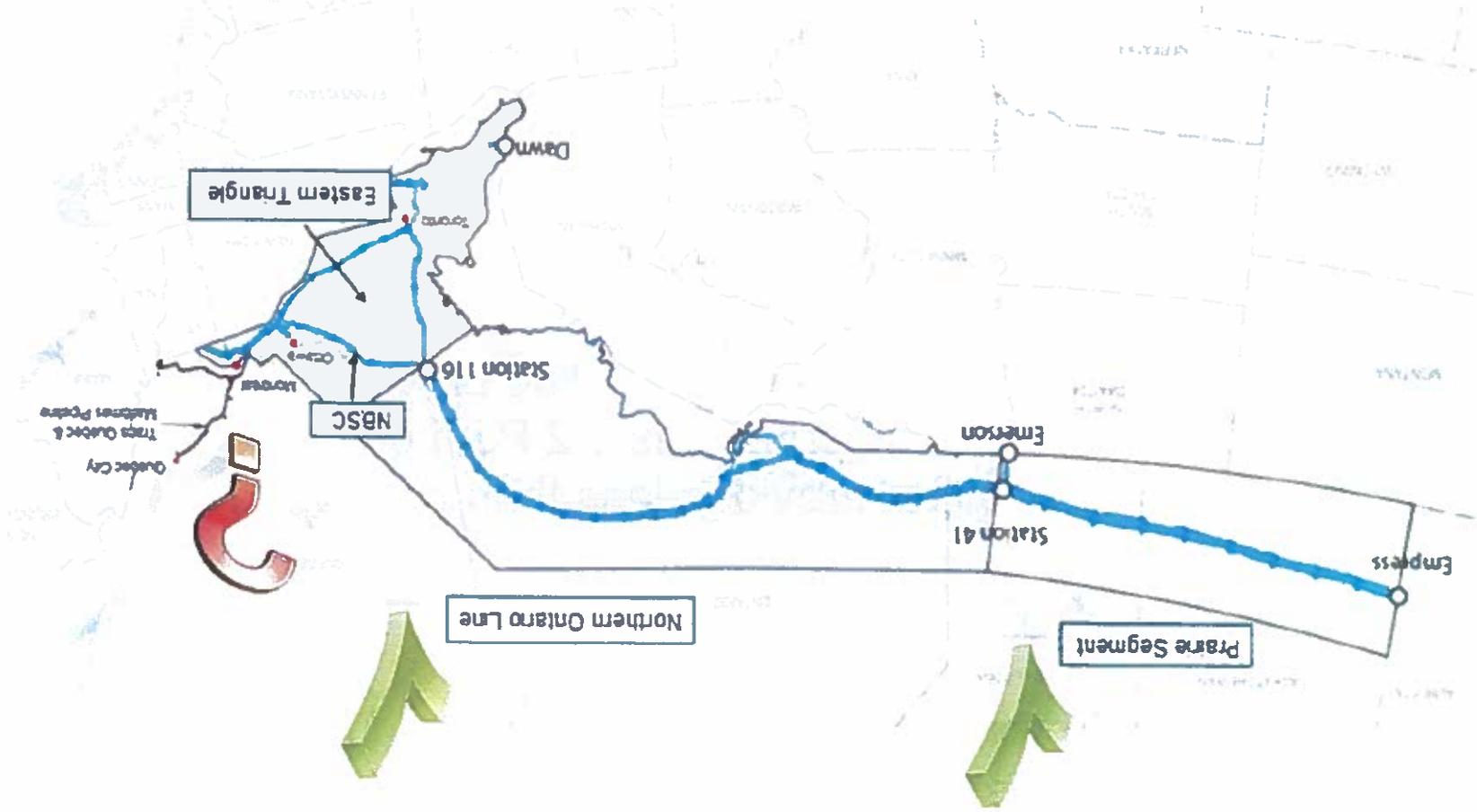
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- Current Eastern Ontario Triangle (EOT) Capacity of 3.2 PJ/d is fully utilized on a winter peak day basis
- Wood Mackenzie forecasts continued full utilization
- TransCanada proposes to remove the 42" line between North Bay and Iroquois for Energy East, which provides 1.2 PJ/d of capacity, and replace it with a new line that provides less than half of that capacity
- The result is a shortfall of 20% of EOT Capacity
- TransCanada is only constructing for firm capacity and as a result, industrial demand that is not backed by firm renewable contracts will be directly affected
- This could impact up to 16% of demand in the Enbridge EDA on a winter peak day basis, resulting in supply shortages and cost consequences

Energy East Project



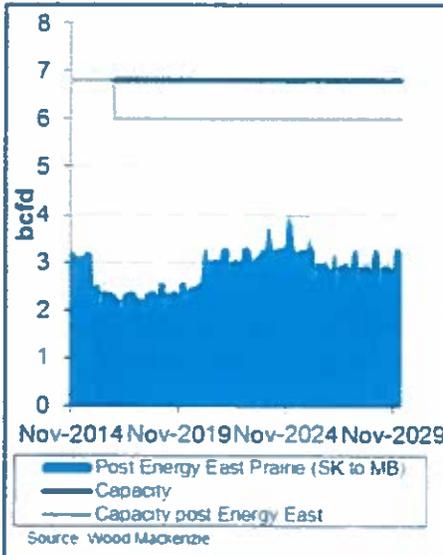
"The Energy East project was developed to redeploy the un-contracted natural gas assets to oil service."



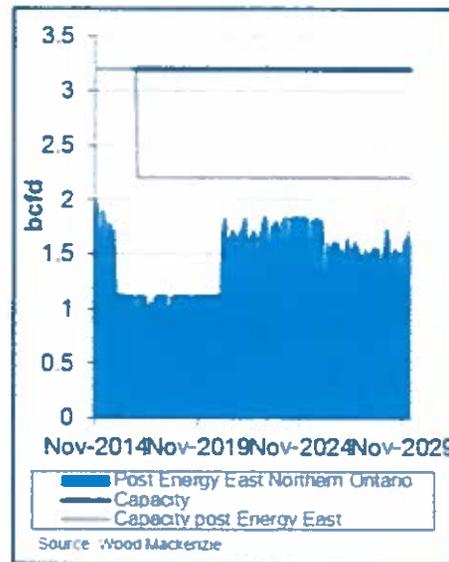
TransCanada Mainline Utilization



Capacity and flows on Prairie Section

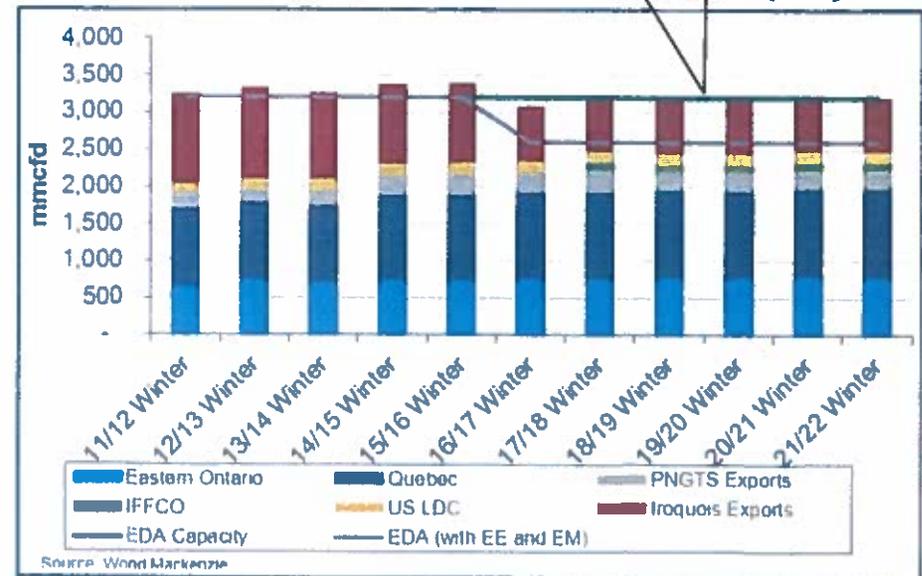


Capacity and flows on Northern Ontario



Wood Mackenzie forecasts continued full peak winter day utilization of current capacity

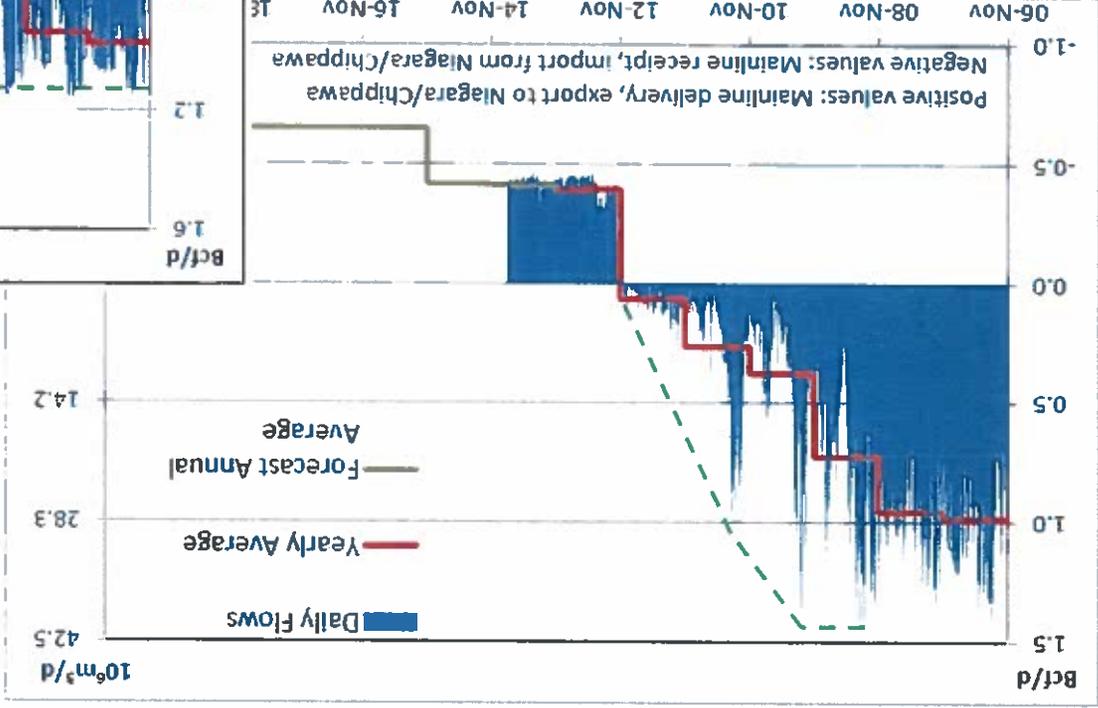
Peak winter day EDA and downstream markets and capacity



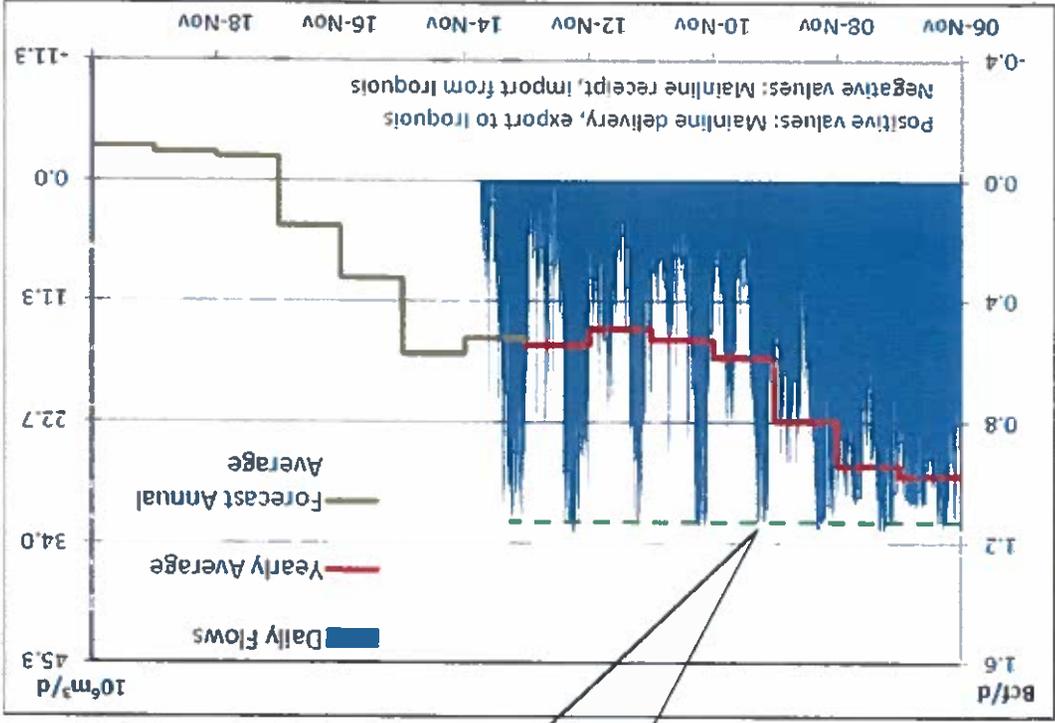
Northeast U.S. Export Assumption



Niagara/Chippawa Historic and Forecast Deliveries (source TransCanada)



Iroquois Historic and Forecast Deliveries (source TransCanada)



Capacity is required for winter peak load not yearly average

- TransCanada's 2016 New Capacity Open Season (NCOS) does not reflect capacity requirements in the EOT
 - 2016 NCOS conditions too onerous for many market participants
 - Required a 15 year commitment
 - Required to execute an estimated liability limit (ELL) associated with project development costs including the Eastern Mainline Project
 - 2016 NCOS results were utilized to determine EOT firm requirements
 - Replacement capacity meets only firm requirements in the EOT
- Net result is a shortfall of approximately 600 TJ/d or 20% of EOT Capacity

Peak Day Supply/Demand Balance



2015 Enbridge EDA Peak Day Supply / Demand Balance

EDA Peak Day Demand	TJ/d	% of Peak Day Demand
Curtailment (Interruptible Supply)	40	6%
Peaking Supply	53	8%
Ontario T-Service Delivered Supply	13	2%
Total	106	16%
Long Haul Supply (Net of Diversions & Assignments)	364	54%
Short Haul Supply	195	29%
Ontario T-Service Flowing on Assignment from EGD	9	1%
Total	568	84%
Supply Surplus / (Deficiency)	0	

16% of Enbridge 2015 EDA Peak Day Demand is Non-Firm

- The North Bay–Iroquois section is expected to be at full capacity during peak periods for the foreseeable future
- Converting this section would impede the ability to transport volumes of natural gas needed to meet the needs of Gazifere’s customers at competitive conditions (due to the 20% loss of the current capacity in the EOT)
- Replacement capacity in the EOT cannot be determined based solely on the 2016 NCOS results
- Replacement capacity in the EOT should equal transfer capacity with no cost consequences to Mainline shippers

