

Appendix F

EB-2005-0520

Exhibit D1

Tab 1

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- 1 • Union's in-franchise demand forecast based upon customer location (North/South), supply
2 arrangement (sales service), storage requirement (sales service and direct purchase) and
3 service type (excludes T1, T3, Northern T- Service and Unbundled service).
- 4 • A monthly commodity price forecast.
- 5 • Upstream transportation tolls in effect at the time the forecast was prepared.
- 6 • Heating value of 37.39 GJ/10³ m³ in the Northern and Eastern Operations area ("North") and
7 37.68 GJ/10³ m³ in the Southern Operations area ("South").
- 8 • All upstream transportation contracts held by Union plus existing obligated Ontario
9 deliveries for the bundled direct purchase market.
- 10 • Sales service and bundled direct purchase storage is cycled completely each year with
11 storage full on November 1st and empty by March 31st.
- 12 • Sufficient inventory at March 1st to meet the peak day requirements for sales service and
13 bundled direct purchase customers.
- 14 • No migration between sales service and bundled direct purchase customers for the term of
15 the plan.
- 16 • 9.7 PJs of system integrity space as agreed to in the RP-1999-0017 ADR Settlement
17 Agreement that was accepted by the Board. This storage space is used in a number of ways
18 that include managing variances to plan of demand or gas supply for bundled customers.
19 The Gas Supply Plan has 6.0 PJs of this space filled with system integrity molecules while
20 the remaining 3.7 PJs is left empty. Union does not plan to use system integrity space, but

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1 rather, the space is held solely for the purpose of balancing unplanned demand or supply
2 variances that may occur throughout each year.

3

4 **1.2 GAS SUPPLY PLAN RESULTS**

5 The Gas Supply Plan model provides a forecast of Union's costs required to serve in-franchise
6 sales service and bundled direct purchase customers. These costs are reflected in the Gas
7 Purchase Expense schedules previously referenced.

8

9 Union's 2006 to 2010 in-franchise Gas Supply/Demand Balance forecast for sales service and
10 bundled direct purchase customers in 2007 is provided at Exhibit D3, Tab 2, Schedule 3.

11

12 There are no material changes in the proposed 2006 – 2010 Gas Supply Plan from the most
13 recent Board-approved filing (RP-2003-0063).

14

15 **1.3 UPSTREAM TRANSPORTATION CAPACITY**

16 A key objective of the Gas Supply Plan is to optimize system-wide capacity. This is
17 accomplished by managing upstream transportation capacity on an integrated basis and shifting
18 the use of this capacity from one area to serve demand in another area when the opportunity and
19 the need exists.

20