

BACKGROUND

Economic Analysis of the Energy East Pipeline Project

TransCanada commissioned the Conference Board of Canada to provide an updated economic impact study of the proposed Energy East Pipeline Project and Eastern Mainline Pipeline Project based on the latest project modifications. The Conference Board of Canada used Statistics Canada's Input/Output model to estimate the impact the projects would have on job creation, tax revenues and gross domestic product (GDP) for the country.

The Conference Board of Canada's projections are below.

Job creation

The nine-year development and construction phase of the project will generate an average estimated 14,007 full-time equivalent (FTE) direct and indirect jobs annually. During the first 20 years of operations, Energy East is expected to sustain 3,338 full-time direct and indirect jobs across Canada every year. A direct FTE is considered to be a job working approximately 40 hours per week and is directly associated with the development or operation of Energy East. An indirect FTE is a job working approximately 40 hours per week in a role such as supply chain, manufacturing or other support services that would build or maintain the pipeline.

FTE job creation, per year, by province development and construction phase (9 years)	Direct	Indirect	Total
Ontario	2,148	1,741	3,889
Québec	1,962	1,206	3,168
New Brunswick	3,123	648	3,771
Alberta	754	524	1,278
Saskatchewan	773	190	963
Manitoba	485	149	634
British Columbia	-	179	179
Other Atlantic Canada	-	123	123
Territories	-	2	2
Total	9,246	4,762	14,007

FTE job creation, per year, by province operations phase (20 years)	Direct	Indirect	Total
Ontario	114	1,409	1,523
Québec	33	291	324
New Brunswick	132	129	261
Alberta	499	196	695
Saskatchewan	65	165	229
Manitoba	49	157	206
British Columbia	-	73	73
Other Atlantic Canada	-	26	26
Territories	-	1	1
Total	891	2,447	3,338

Energy East Pipeline

Tax revenues

The development and construction phase is expected to generate \$3.8 billion in tax revenues for provincial and federal governments. The operations phase will result in \$6.5 billion in additional tax revenue.

Tax revenue by province (2013 \$ M)	Development and Construction Phase (9 years)	Operations Phase (20 years)	Total
Ontario	1,320	2,935	4,255
Québec	972	1,151	2,123
New Brunswick	482	371	853
Alberta	350	777	1,127
Saskatchewan	185	354	539
Manitoba	157	309	466
British Columbia	240	412	652
Other Atlantic Canada	97	149	246
Territories	9	17	26
Total	3,813	6,475	10,288

GDP growth

Energy East will generate an estimated \$16.8 billion in additional GDP for the Canadian economy during the nine-year development and construction phase and \$38.7 billion the first 20 years of operation.

GDP impact of project by province of origin (2013 \$ M)	Development and Construction Phase (9 years)	Operations Phase (20 years)	Combined
Ontario	5,440	18,520	23,960
Québec	3,942	5,315	9,257
New Brunswick	3,248	3,322	6,570
Alberta	1,926	5,463	7,389
Saskatchewan	1,012	3,283	4,295
Manitoba	621	2,354	2,975
British Columbia	327	289	616
Other Atlantic Canada	249	127	376
Territories	10	9	19
Total	16,776	38,683	55,459