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November 3, 2016

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Our File No. 166301

VIA RESS, EMAIL AND COURIER

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attention: Kirsten Walli
Board Secretary

Dear Ms. Walli:

**Re: EB-2016-0245: Union Gas Limited, 2017 Rates Application -
BOMA's Interrogatories**

Please find enclosed herewith BOMA's Interrogatories.

Yours truly,

FOGLER, RUBINOFF LLP



Thomas Brett

TB/dd

Encls.

cc: All Parties (*via email*)

ONTARIO ENERGY BOARD

Union Gas Limited

**Application for natural gas distribution, transmission
and storage rates effective January 1, 2017**

**Interrogatories of Building Owners and Managers Association,
Greater Toronto ("BOMA")**

November 3, 2016

Tom Brett

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Counsel for BOMA

Interrogatories of BOMA

1. ***Ref: General***

- (a) Please provide, on a percentage and absolute basis, the increase in the 2017 delivery rate for each rate class in Union North and Union South, relative to 2016 delivery rates (both in-franchise and ex-franchise).
- (b) Please provide a summary of any changes in Terms and Conditions of Service for each of the rates.
- (c) Please provide a summary of any changes in eligibility criteria for each of the rates.

2. ***Ref: Working Paper, Schedule 6, Page 2 of 4***

- (a) Please explain the relatively large rate increases for the M2 (13.7%), M4 (12.3%), M7 (13.5%), T1 (9.1%), T2 (14.8%), and T3 (32.1%). Please show the different drivers and the contribution to the rate increases of each driver.
- (b) What has been the cumulate increase in the rates, both in absolute and percentage terms, for each of the rate classes shown on Schedule 6, page 1 and 2 since the rates were first set in EB-2013-0202?
- (c) Please explain the reduction in the rate for each rate class for Union North customers, as set out at page 1 of 2.

3. **Ref: General**

Given that the Gas Supply Memorandum is a forward-looking document, in that it lays out the plan to acquire gas for the winter of 2016-2017, please provide the landed cost analysis for the 2017 gas plan.

4. **Ref: Exhibit A, Tab 3, Page 21, Figure 10**

(a) Please provide additional detail on "Michigan's" seventeen percent share of gas supply, and Ojibway's six percent. Please explain the "Dawn/Uncommitted 22%" portion of supply. When is that amount committed, and for what purpose? Please explain fully.

(b) Ibid, Page 22: How does Union organize its seasonal load balancing for gas for the north system supply? Please explain how storage is used to do this.

(c) Ibid, Page 35: What changes will need to be made to Union's gas supply plan, given that the King North November 1, 2016 in-service date has not been met? When does Union anticipate the King North line will be in service? What will Union's unutilized Dawn/Parkway capacity be for the intervening period, as a result of the late completion, and what steps will Union take to mitigate the impact on ratepayers?

5. **Exhibit A, Tab 3, Appendix A**

(a) Please explain the function performed by the SynerGEE model in the Annual Gas Supply Planning Process.

- (b) Please provide a Table with an explanation, which shows the utilization of the Dawn/Parkway/Kirkwall system by ex-franchise users on a monthly basis for 2015, 2016, and 2017, identifying each user and the volume contracted for and utilized in the system. Please show both the receipt and delivery points for each contract.
- (c) What is the total daily capacity of the Dawn/Parkway/Kirkwall system? Please show any seasonal variations due to weather impacts, and any physical constraints on portions of it. What is the estimated average unutilized capacity of the system for 2016; forecast for 2017?

6. ***Ibid, Page 9***

"Long term demand growth will be shaped by future environmental policies and their impacts on the power sector demand of growth".

- (a) Is Union referring to US long-term demand growth, and the continuing replacement of coal-fired power by gas-fired power? If so, what are the principle driver(s) for Union's/EGD's franchise gas consumption growth? Please explain fully.
- (b) Please provide the ICF projections that support Figure 4 for July 2016.
- (c) Has Union had discussions with TCPL with respect to its "fixed price option" transportation service from WCSB, which has recently been discussed in the press and in EGD's 2017 rates submission. Would Union contract for this service in the next few years if it were available, on economic terms, given the recent increase in gas supply in Western Canada?

7. ***Ibid, Page 11***

- (a) Please explain in detail how Union manages risk to customers by contracting transportation for terms ranging from one to sixteen years.
- (b) How does Union plan to avoid stranded transportation and storage assets in the event the Ontario government moves aggressively to reduce natural gas space heating, water heating, and power generation load in Ontario?

8. ***Ibid, Page 12***

Union states that one of its gas supply principles is to receive gas at various delivery points on its system, yet it receives almost all of its gas supplies at Dawn, with very modest amounts at Ojibway and Niagara, and off the TCPL mainline in Union North West. Please explain why Union does not plan to acquire more gas at Niagara and Ojibway, especially at Niagara.

9. ***Ibid, Page 13***

"The effectiveness of delivered supply to minimize pipeline facilities will depend on system hydraulics".

Please explain this sentence, and provide examples of how and where on its system the effectiveness of delivered supply in reducing the need for pipeline facilities is constrained by hydraulics. Please define "hydraulics" (in this context) as part of the answer.

10. ***Ibid, Page 14***

"The outcome of the annual planning process is a five-year plan that provides a monthly volumetric forecast of supplies (by transportation path) and demands and a forecast of Union's costs to serve its sales service and bundled DP customers".

Please provide a copy of the current five year plan.

11. ***Ibid, Page 17***

In Figure 6, please explain the following items:

Non-obligated (e.g. Power Plants)	212
Ontario Parkway	286
Ontario Dawn	482

Does the Ontario Dawn correspond to the "Dawn/Uncommitted 22%" in Figure 10 on page 21? If not, what are the differences?

12. ***Ibid, Page 33***

What steps will Union take to deal with injection and removal from storage if TCPL is successful in its bid to raise its STS toll in RH-001-2016?

13. ***Ref: Ibid, Appendix B, System Sales Supply Demand Balance***

- (a) Please show the supply demand balance for Union EDA. The stated amounts under North EDA "Demands" and "Supplies" do not match.
- (b) Please explain the "North Vector Sale" and its significance in the supply demand balance.
- (c) Please distinguish between "Panhandle" and "South Ojibway".

- (d) Please show in detail the amounts of gas that Union, or its affiliates, accepts at each delivery point in the Sarnia/Dawn area. Please provide a map showing each delivery point, the US pipelines that connect directly with that delivery point, the planned volume that will enter through that point, and the route from that point to Dawn.
 - (e) Please explain the DTE supply. When was the supply contracted? How and where does it enter Canada? Please provide a map, showing the DTE pipeline route and its connection with Union.
 - (f) Please explain the Kirkwall/CBA TCPL contract. Is that gas sourced in Marcellus/Utica? When did the contract commence?
 - (g) Please explain the "Other" Suppliers, in particular, which US pipeline match up with these Canadian side arrangements? Is it Vector, Michigan, Generic and DTE? Please explain.
14. **Ref: *Ibid, Page 6***
- (a) Please explain the relationship between Union Gas Supply Plan and its Storage and Transportation Plan.
 - (b) Please identify if in the evidence, or provide if not in the evidence, the Storage and Transportation Plan.
 - (c) Please confirm that Union's Transportation and Storage Plan does not include the upstream transportation requirements for bundled customers in the South "since

they must acquire their own transportation". Yet Union states that "these customers are included in the DSP". Please explain.

- (d) Please explain whether the Transportation and Storage Plan must acquire transportation and storage service for facilities for T-service customers, or just provide for storage capacity via storage service contracts, upon request.