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Ontario Energy Board  
P.O Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, Ontario  
M4P 1E4

**Attention: Ms. Kirsten Walli, Board Secretary**

Dear Madam:

**Re: Enbridge Gas Distribution 2009 Rates – Phase 2  
Ontario Energy Board (the “Board”)  
File No. EB-2008-0219  
TransCanada PipeLines Limited (“TransCanada”) Interrogatory Responses**

In accordance with the requirements in Procedural Order No. 6, please find attached two hard copies of TransCanada’s Interrogatory Responses to:

- Canadian Manufactures Exporters;
- Direct Energy Marking Limited; and
- Shell Energy North America (Canada) Inc.

Yours truly,

*[Original signed by]*

Nadine Berge  
Senior Legal Counsel  
Law and Regulatory Research

Enclosures

**Shell-TCPL 1**

**Reference:** Exhibit L, Tab 21, p. 7 and 20, Table 1 and Table 5

**Preamble:** Table 1 sets out the Long Term Firm Contracts to EGD's delivery areas. Table 5 establishes peak and daily deliveries to the EGD, Victoria Square #2 and Goreway CDAs. This interrogatory seeks to compare this more recent information to historical information, particularly, information that set the context for EGD's 1995 supply plan, and history since that time.

**Request:**

- (a) Please provide the information produced in Table 1 for the years 1990, 1995, 2000, 2005 and projected for 2015.
- (b) Please provide the information represented in Table 5 for 1990, 1995, 2000, 2005 and projected for 2015.
- (c) Please provide any long-term forecasts, studies, or reports of gas commodity flows and service category needs to the EGD delivery areas that have been prepared by, or for, TCPL since 1995.

**Response:**

- (a) The table below sets out the total contract demand for the long-term firm contracts, in effect as of the date shown, in aggregate to the Enbridge EDA, Enbridge CDA, Victoria Square #2 CDA and Goreway CDA. For convenience, TransCanada has also included the data for 2009-04-01, which is the same as in Table 1 of TransCanada's Evidence.

**Contract Demand to Enbridge CDA, Enbridge EDA, Victoria Square #2 CDA and Goreway CDA**

	1990-11-01		1995-11-01		2000-11-01		2005-11-01		2009-04-01	
	GJ/day	% of Total	GJ/day	% of Total	GJ/day	% of Total	GJ/day	% of Total	GJ/day	% of Total
<b>Long-Haul</b>	1,001,020	93%	1,069,762	90%	932,384	80.1%	741,260	50.4%	223,745	18.3%
<b>Short-Haul</b>	74,626	7%	123,208	10%	231,967	19.9%	729,951	49.6%	996,141	81.7%
<b>Total</b>	1,075,646	100%	1,192,970	100%	1,164,351	100%	1,471,211	100%	1,219,886	100%

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**Shell-TCPL 1**

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Notes regarding the above table:

- i. The data for 1990 and 1995 is approximate since TransCanada's computer systems have changed since this time, and all historical data prior to 2000 may not be available in the new systems.
- ii. "Long-Haul" refers to contracts with a receipt point of Empress or in Saskatchewan.
- iii. "Short-Haul" refers to contracts with a receipt point of St. Clair, Union Dawn, Union Parkway, or Kirkwall.

Data for 2015 has not been provided as TransCanada does not forecast contract levels.

- (b) For the historical information, please refer to the response to CME-TCPL 2. Since both CME-TCPL 2 and Shell-TCPL 1(b) requested similar data, TransCanada has provided the combined response in CME-TCPL 2.

CME-TCPL 2 contains the tables summarizing the average daily and peak day deliveries for the Enbridge CDA and EDA by service type for the Winter seasons 2000/2001 through 2007/2008 inclusive, and the average daily deliveries by service type for the Winter 1995/1996. TransCanada has not provided the requested data for Winter 1990/1991 and the peak daily delivery data for Winter 1995/1996, since it cannot be obtained using reasonable efforts. TransCanada's computer systems have changed since that time and all historical data is not available in the new systems. The 2015/2016 average winter day forecast for the Enbridge CDA is provided in the following table:

<b>Winter 2015/2016</b>	
<b>SPG Point</b>	<b>Total GJ/d</b>
Enbridge CDA*	1,005,853

Forecast of Average Day Volumes in GJ/d

\* Includes Goreway CDA, Victoria Square #2 CDA and Enbridge CDA

With the respect to the request for peak day 2015, TransCanada does not forecast peak day requirements.

- (c) TransCanada does have a long-term forecast of total market demand requirements in the EGD delivery areas but the volumes are not itemized by service type. The total market demand forecast is provided in the following table:

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Shell-TCPL 1

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**TransCanada forecast average day volumes**

Calendar Year	'Greater Enbridge' CDA GJ/d*	Enbridge EDA GJ/d
2010	680,493	157,060
2011	691,323	156,515
2012	697,421	157,505
2013	689,245	151,940
2014	725,180	151,756
2015	746,082	158,546

Quantities based on the November, 2008 TSO update \* Includes Goreway CDA, Victoria Square #2 CDA and Enbridge CDA

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**Shell-TCPL 2**

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**Reference:** Exhibit L, Tab 21, p. 10, Q91A9

**Preamble:** The evidence refers to capacity contracted for by the three electricity generators; Portlands Energy Centre, Goreway Station Partnership, and Thorold.

**Request:**

Please advise whether the capacity in Tables 1 and 4 include this contracted capacity. If not, please update the Tables 1 and 4 to include this contracted capacity.

**Response:**

Table 1 included only those long-term firm contracts (FT, STS and FT-SN) in-service as of April 1, 2009 to the aggregate of the Enbridge CDA, Victoria Square #2 CDA, Goreway CDA and Enbridge EDA. As such, this table included the FT-SN contracts for EGD and Portlands Energy Centre to the Victoria Square #2 CDA and the FT-SN contract for Goreway Station Partnership to the Goreway CDA, and it would have excluded any contracts with a future in-service date.

There are currently two long-term firm contracts with a future in-service date for deliveries to the Enbridge franchise areas, and these are as follows:

- 56,293 GJ/day of FT from Empress to Enbridge EDA starting November 1, 2009; and
- 49,500 GJ/d of FT-SN from Kirkwall to Thorold CDA starting September 1, 2009.

The uncontracted capacity shown in Table 4 has fully taken into account the contracted capacity of the three currently in-service FT-SN contracts described above as well as the two aforementioned contracts which have a future in-service date.

As requested, the following table updates Table 1 with the two aforementioned contracts with a future in-service date:

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Shell-TCPL 2

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**Total Contract Demand Quantities to the Enbridge Service Areas with a  
Future In-Service Date as of April 1, 2009.**

Transportation & Receipt Location(s)	GJ/day	% of Total
<u>Long-Haul</u> : Empress	280,038	21.1%
<u>Short-Haul</u> : Union Dawn & Union Parkway & Kirkwall	1,045,641	78.9%
<u>Total</u>	1,325,679	100.0%

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**Shell-TCPL 3**

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**Reference:** Exhibit L, Tab 21, p. 10-11, Q9/A9

**Preamble:** The evidence refers to capacity contracted for by the three electricity generators (Portlands Energy Centre, Goreway Station Partnership, and Thorold) representing a total of 309,500 GJ/d of incremental and long-term firm transportation contracts as well as the proposed 1750 MW gas-fired electricity generating facility in the GTA (collectively, the "GFGs"). The evidence states that, "when these plants are running on a cold winter day, the amount of capacity available on TransCanada for STFT, Diversions and/or IT to Enbridge's franchise area will be substantially reduced."

**Request:**

- (a) Separately and for each of the GFGs, please provide the estimated peak and average daily deliveries for 2009 and 2015.
- (b) Assuming that the proposed 1750 MW gas fired power plant will also contract for FTSN, please advise whether these FT-SN contracts have led, or will lead, to system design or maintenance changes and, if so, describe the nature of the changes. In particular, please confirm that TCPL has constructed or will be constructing incremental facilities to increase the capacity on TransCanada to meet the needs of the GFGs and if not, why not. If there has been no capacity increase, please quantify or describe the relative levels of security or certainty of delivery resulting from the changes.
- (c) Regarding the estimated additional 350,000 GJ/d future requirements, what are the expected receipt and delivery points and service types to meet these needs? And what system design or investment requirements would they prompt?

**Response:**

- (a) Deliveries may vary significantly from day-to-day, month-to-month and year-to-year and so are very difficult to predict.

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**Shell-TCPL 3**

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Average deliveries for an FT-SN contract are not relevant to a determination of available discretionary capacity. FT-SN service requires TransCanada to reserve the full contracted capacity, regardless of the FT-SN nomination required by these generators on a given day.

TransCanada does not separately estimate peak and average day deliveries for each gas-fired generator. TransCanada expects that peak daily deliveries could be equal to the firm pipeline capacity contracted by these gas-fired generators.

- (b) Facilities (apart from metering) were not constructed for the 309,500 GJ/d required for Portlands Energy Centre, Goreway Station Partnership, and Thorold. Facilities were not required because sufficient existing capacity was either available, or became available prior to the contract start dates, to meet their full contract requirements. As described in the response to Shell-TCPL 4(c), maintenance is not directly a function of FT contracting.

Sufficient long-haul capacity is available to meet the proposed 1750 MW plants (equivalent gas demand of 350,000 GJ/d). If short-haul service is requested, capacity additions may be required.

Because TransCanada designs its system to meet FT-SN service, this service provides a high level of security. When firm service is provided with existing capacity, it is just as reliable as firm service provided with new facilities, but a corresponding decrease in the availability of discretionary service could be expected.

- (c) TransCanada has not received any request service for these additional volumes. TransCanada, therefore, does not have the information to provide the associated receipt points, delivery points, service types, system design or investment requirements.

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**Shell-TCPL 4**

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**Reference:** Exhibit L, Tab 21, p. 10, QSIAS

**Preamble:** The evidence states that capacity for discretionary services cannot be assured given planned maintenance and unplanned facility upsets. It also refers to the removal and conversion of facilities.

**Request:**

- (a) Please provide an example of how the maintenance of the facilities has an impact on available firm and discretionary capacity.
- (b) Please advise whether planned maintenance is carried out during the winter season, or during the anticipated peak day.
- (c) Please advise whether TCPL maintenance of its assets will be diminished due to lack of FT contracting.
- (d) Please advise whether unplanned facility upsets have an impact on both firm and discretionary services.
- (e) Please advise whether removing facilities from service or conversion of facilities require regulatory approval or, more generally, notice to shippers on the system. Please describe the nature and timing of approvals and notices required.

**Response:**

- (a) On TransCanada's Northern Ontario Line, under design conditions, the capacity difference between winter peak day with all units available and winter peak day with loss of critical unit is 421 TJ. If this critical unit is down for maintenance, it will not impact available firm capacity as this is part of the design. Available discretionary capacity will be reduced by 421 TJ.
- (b) Planned maintenance is carried out year round. Many factors are considered when scheduling maintenance such as:
  - Criticality of outage;
  - Cost;

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Shell-TCPL 4

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- Impact to shippers;
  - Regulatory requirements; and
  - Manpower and parts availability.
- (c) TransCanada's maintenance is not a function of FT contracting. TransCanada maintains its system to meet all legal, regulatory and industry standards.
- (d) Unplanned outages may or may not have an impact to flow, either firm or discretionary. Often an unplanned outage can be offset by starting other compressor units, or by making some other change to the operation of the system. Due to the unpredictable nature of unplanned outages, the impact is dependant on other maintenance occurring on the system at that time and shipper nominations. To the extent that an unplanned outage has an impact on flow, non-firm discretionary services are restricted or curtailed prior to any impact on firm services.
- (e) Regulatory requirements for removal of facilities from service depend on the nature of the removal from service. These requirements range from annual reports or notice to the National Energy Board ("NEB") in the case of decommissioning that meets the criteria in Exemption Order XG-XO-100-2008 to the full abandonment of a portion of the pipeline. The latter would require an application pursuant to section 74 of the *National Energy Board Act*. Such an application would follow the notice requirements of the NEB would likely have a typical time duration for processing of eight months to over a year where the matter required a public hearing. In the event that the application was unopposed and no hearing was held, then the time frame may be shorter.

In addition to and as part of regulatory requirements, TransCanada maintains a policy of communication and consultation with its shippers and affected stakeholders as to its plans with respect to facilities. One of the major methods used to communicate with its shippers is the Tolls Task Force and removal of facilities from service or conversion of facilities would be raised in this forum.

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**Shell-TCPL 5**

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**Reference:** Exhibit L, Tab 21, pp 11-12, Q12/A12

**Preamble:** The evidence refers to the restrictions on discretionary services.

**Request:**

- (a) Please advise what the revenues have been for discretionary services for the years 1990, 1995, 2000, 2005, the first quarter of 2009 and projected for 2015.
- (b) Please advise whether TCPL is entitled to keep all of the revenues from discretionary services or is required to apply all or some of these revenues for the benefit of TCPL
- (c) For the years noted above:
  - i. Please provide the costs of equipment maintenance or replacement that was needed to maintain system capacity at levels necessary to earn the revenues from firm services.
  - ii. Please provide the costs of equipment maintenance or replacement that was needed to maintain system capacity at levels necessary to earn the revenues from discretionary services.

**Response:**

- (a) Discretionary Miscellaneous Revenue (“DMR”) amounts are provided in the following table:

Year	DMR \$
1996	\$ 65,892,133
2000	\$ 66,316,270
2005	\$ 344,625,879
Q1 2009	\$ 111,204,120

DMR information is not available prior to 1996, and TransCanada does not have a DMR forecast to 2015.

- (b) Under the current TransCanada Mainline Tolling Settlement that is in effect through 2012, TransCanada does not keep any revenue from discretionary

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**Shell-TCPL 5**

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services. All discretionary revenue is credited to the cost of service and is fully to the benefit of TransCanada shippers.

- (c) Please refer to the response to Shell-TCPL 4(c). TransCanada does not distinguish between the costs of equipment maintenance or replacement that was needed to maintain firm services vs. discretionary services. The following table provides total TransCanada Mainline OM&A, compressor repair and overhaul and pipeline integrity and insurance deductible costs from 2001 to 2008:

<b>Year</b>	<b>Total OM&amp;A, Compressor Repair and Overhaul and Pipeline Integrity and Insurance Deductible Costs (\$million)</b>
2001	240
2002	248
2003	261
2004	224
2005	211
2006	245
2007	268
2008	257

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**Shell-TCPL 6**

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**Reference:** Exhibit L, Tab 21, p. 14, Q16IA16

**Preamble:** The evidence states that the "additional revenue from incremental long-haul FT contracts and flow would result in lower tolls for customers across the system, including existing customers in Enbridge's franchise areas."

**Request:**

- (a) Is this statement referring to FT contract shippers, or more broadly to EGD customers receiving utility commodity supply?
- (b) Please provide an estimate of the additional revenues from incremental long haul FT if EGD's proposal is accepted. Please specify the components of the increased revenues, If TCPL is only able to provide a range of potential revenues, please do so, specifying the components of the increased revenues and the factors influencing the range. Please produce any documentation that TCPL has prepared that may relate to expected, anticipated or estimated revenues resulting from EGD's proposal.

**Response:**

- (a) The statement refers to all TransCanada Mainline shippers, which indirectly includes EGD customers receiving utility commodity supply.
- (b) The actual incremental revenues associated with additional flow moving under new FT contracts can vary, and is dependent on a variety of elements including whether any replacement of discretionary services has occurred or whether there has been a shift from short-haul to long-haul transportation. The following revenue and toll impacts consider only new long-haul FT from Empress to Enbridge CDA at these varying amounts as shown in the table. The toll impacts reflect the net effect of the additional revenue from the incremental FT and an offsetting reduction in revenue from discretionary services resulting from a lower toll

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**Shell-TCPL 6**

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<b>Incremental FT Empress to Enbridge CDA (TJ/d)</b>	<b>Eastern Zone Toll (\$/GJ)</b>	<b>Revenue from Incremental FT (\$millions)</b>
0	1.190	0.0
50	1.171	21.4
100	1.151	42.0
150	1.133	62.0
200	1.116	81.5

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**Shell-TCPL 7**

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**Reference:** Exhibit L, Tab 21, p. 20, Table 5

**Preamble:** Table 5 sets out the capacities and percentages of peak and average daily capacity for deliveries to EGD delivery areas.

**Request:**

- (a) Please revise the table to indicate the revenues that accompanied each of the firm and discretionary services that used this capacity.
- (b) Please advise what the TCPL revenues would have been if firm capacity had been contracted according to EGD's proposal.

**Response:**

- (a) The table below sets out the revenues for the Winter 2008/2009 which are attributable to Long-Term Firm and to Discretionary Services delivered to the Enbridge CDA, Victoria Square #2 CDA, and Goreway CDA. The quantity information is as set out in Table 5 of TransCanada's Evidence.

Please note that the revenue is calculated as follows:

- Long-Term Firm: demand charges attributable to this winter only, plus commodity charges for delivered quantities to these locations. Due to confidentiality requirements, FT, STS and FT-SN have been combined.
- STFT: invoiced amounts.
- Alternate Receipts / Diversions: commodity charges and incremental demand costs associated (where applicable) for delivered quantities to these locations. Note the demand costs associated with the primary path is not included.
- Interruptible: invoiced amounts before any application (reductions) of RAM credits.

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Shell-TCPL 7

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**Daily Deliveries and Revenue Attributable to the Deliveries to the Enbridge CDA, Victoria Square #2 CDA and Goreway CDA for Winter 2008/2009**

	Average Day		Peak Day		Winter Total	
	GJ	% of Total	GJ	% of Total	Revenue (\$ in millions)	% of Total
<u>Long-Term Firm</u> : FT, FT-SN, STS	477,388	53.9%	659,323	46.2%	\$21.5	59.1%
<u>Total Discretionary</u>						
• STFT	145,649	16.4%	564,782	39.6%	\$11.9	32.7%
• ARP/Diversions	178,269	20.1%	195,946	13.7%	\$1.1	2.9%
• IT	84,887	9.6%	7,724	0.5%	\$1.9	5.2%
<u>Total</u>	886,194	100.0%	1,427,775	100.0%	\$36.4	100.0%

(b) Please refer to the response to Shell-TCPL 6(b).