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August 20, 2007

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

By Email
Original by Courier

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

Dear Ms. Walli:

**Subject: Enbridge Gas Distribution Inc. – Application for 2008 Rates
Union Gas Limited – Application for Multi-Year Incentive Rate Mechanism
Combined Proceeding - OEB File No. EB-2007-0606 / EB-2007-0615
Interrogatories of TransCanada Energy Ltd. (“TCE”)**

Please find attached interrogatories of TCE to Enbridge Gas Distribution Inc. and Union Gas Limited.

Yours truly,
TransCanada Energy Ltd.
A wholly owned subsidiary of TransCanada PipeLines Limited

***Original Signed By
Patrick Keys for***

Frank Karabetsos
Legal Counsel
Law & Regulatory Research

Encls.

TransCanada Energy Ltd.

Interrogatories to Enbridge Gas Distribution

EB-2007-0615

Question 1:

Reference: Enbridge Gas Distribution, Exhibit B, Tab 1, Schedule 1.

Issue 12: Rate-Setting Process

Request:

- (a) Under the Revenue Cap Proposal, please explain how EGD would adjust existing rates to determine rates effective January 1, 2008. Please provide and explain any difference in methodology between rate classes.
- (b) Under the Revenue Cap Proposal, please describe what information EGD would provide and the methodology for determining rates, by rate class, effective January 1, 2009 and the remaining years of the Incentive Ratemaking term.
- (c) Please explain the effect on Rate 125 if the number of EGD residential customers were to increase by 50,000. Please exclude the effects of other escalators (GDPPI, X, Y, Z).
- (d) Is it EGD's intent to adjust Rate 125 and other large volume customer rates if the number of residential customers increases? i.e. Does an increase in the number of residential customers cause an increase in Rate 125, all other factors held constant?
- (e) Is it EGD's proposal to calculate its 2008 revenue requirement by increasing its 2007 revenue requirement by 2.01% plus the percentage increase in customers in 2008 compared to 2007 plus changes resulting from the application of Y and Z factors? If not, please explain.

TransCanada Energy Ltd.
Interrogatories to Union Gas Limited
EB-2007-0606

Question 1:

Reference: Union Gas, Exhibit B, Tab 1.

Issue 3.3: What are the expected cost and revenue changes during the IR plan that should be taken into account in determining an appropriate X factor?

Issue 11.1: What information should the Board consider and stakeholders are provided with during the IR plan?

Issue 14.1: Are there adjustments that should be made to base year revenue requirements and/or rates?

Request:

- (a) Please provide the actual daily contracted volumes for M12 and C1 service for the contract years from November 1, 2002 to November 1, 2007 by shipper in a similar format to the one provided by Union in EB-2005-0550, Section 3, Schedule 3. Please provide the remaining term for each of these contracts.
- (b) Please provide the associated actual annual revenues for M12 and C1 service for the period 2003-2006 and forecasted revenues for 2007.
- (c) Please provide the forecasted daily contracted volumes and annual revenues for M12 and C1 service by receipt/delivery point pairing for the period 2008-2012. Please provide the forecasted annual revenues for 2008-2012 using both existing rates and rates proposed by Union in this proceeding.
- (d) Please provide the actual and forecast capital expenditures for the Trafalgar Expansion Program (Dawn to Trafalgar expansion) incurred in order to provide the increases in contracted daily volumes for M12 and C1 service for each of the contract years starting November 1, 2002 to November 1, 2012.
- (e)
 - (i) Please provide the estimated annual cost of service associated with the capital expenditures referenced in (d) above for each of the years 2002 to 2012.
 - (ii) Please calculate the average unit cost of service using the estimated annual cost of service and volumes referenced in (d) above for each of the years 2002 to 2012.

Question 2:

Reference: Union Gas, Exhibit B, Tab 1

Issue 12: Rate-Setting Process

- (a) Under the Rate Cap Proposal, please explain how Union would adjust existing rates to determine rates effective January 01, 2008. Please provide and explain any difference in methodology between rate classes.
- (b) Does Union propose to increase the rates for all rate classes by the same percentage each year of the term? If yes, please explain the rationale for this approach.