

INTRODUCTION**REF: EX. A, PAGE 1**

Preamble: Union has noted that its request for pre-approval uses the EB-2008-0280 guidelines for the cost consequences of long-term contracts that support the development of new natural gas infrastructure.

- 1) For the Niagara Contract, to Union's knowledge:
 - a) Is there any additional infrastructure required beyond the identified TCPL changes to their Niagara facilities?
 - b) What is the order of magnitude of investment required by TCPL?
 - c) Is it economically viable for TCPL given the volumes contracted in the open season?
- 2) For the Parkway Contracts, to Union's knowledge:
 - a) Is there any additional infrastructure required to provide these contracted demands?
 - b) If infrastructure is required, what is the order of magnitude of investment required by TCPL?
 - c) With that level of investment, is it economic to proceed with the level of contracts Union has committed to?

NIAGARA CONTRACTS**REF: EX. A., PAGE 4, 5**

Preamble: In EB-2010-0296, Union stated that it coordinated its open season for Kirkwall to Dawn capacity with TCPL¹ and that this contracting is necessary to increase diversity and security of supply.

- 3) What amount of interest in capacity was received by TCPL for the Niagara/Kirkwall?
- 4) What percentage of the capacity was requested by:
 - a) Union?
 - b) Other utilities?
 - c) Producers?
 - d) Marketers?

¹ EB-2010-0296 Union Application, dated September 30, 2010, Exhibit A, page 5

- 5) If Union is not able to secure or provide answers to 3) and 4), please provide answers to those questions using Union's Kirkwall/Dawn open season (including amounts contracts for M12-X service).
- 6) With the expected deliveries to Kirkwall/Dawn by other entities, why does Union believe its proposed level of contracting enhances security of supply to its customers sufficient to pay a premium over other sources for the incremental supply i.e., would the security of supply not be increased by other shippers on the same path and the pipeline being configured to allow reversal of flow?
- 7) If Union proceeds with contracting for the Niagara/Kirkwall capacity, will it be included in the vertical slice for Direct Purchase customers? If not, why not?

REF: EX. A., PAGE 6

Preamble: The Niagara capacity represents a 5.7% increase in deliveries for Union's sales service. Union has indicated that it will de-contract supply from other sources before it would be necessary to leave this capacity unfilled.

- 8) Does Union forecast that the additional deliveries will be met by system growth by 2012 or would Union expect to de-contract other deliveries by that time?
- 9) If Union de-contracts deliveries at Parkway, what increased costs could ratepayers face on the Dawn Parkway system?

PARKWAY CONTRACTS**REF: EX. A., APPENDIX E**

- 10) Does Union have renewal decisions between now and November 2011 that would allow for de-contracting of deliveries shown in Transportation Portfolio?
 - a) If so, how will Union determine the appropriate amount to renew or de-contract?
 - b) How will the Board and ratepayers be informed of the decision and the process used to come to the decision?

REF: EX. A., PAGE 7

Preamble: Union states that if "TCPL encounters operational obstacles to providing service...Union could purchase an exchange service between the Niagara receipt point and Union's system."

11) Does Union see the exchange service being an option to the ten year contract? If not, why not?

REF: EX. A., PAGE 9

Preamble: Union presented its concerns that the Parkway to Maple pipeline corridor was constrained². When asked during its presentation about Union's concern, TCPL countered that it did not believe the corridor is "bottlenecked".³

12) What is the current capacity between Parkway and Maple?

13) What is the contracted capacity between Parkway and Maple?

14) Please show a calculation for how on a peak day the contracted obligations at Parkway from TCPL north are deducted from northbound flows out of Parkway to determine peak day requirements and potential capacity constraints on the northbound line.

15) If Union has a better way of demonstrating its concern about the constraint than question 14 demonstrates, please provide the numeric calculation, explanation and the assumptions made in developing the result.

16) For the respective NDA and EDA contracts, please provide:

- a) What percentage of the delivery area Union Gas system sales does the proposed level of contracting provide?
- b) What percentage of the delivery area Union Gas peak day requirements does the proposed level of contracting provide?

REF: EX. A, APPENDIX D

17) Please provide an explanation for the negative commodity charge in column (F) for the Alliance/Vector option.

- a) Are there any other comparable cost mitigation features to the other 5 delivery paths?

² EB-2010-0199 Union Gas Presentation to the Stakeholder Conference, Submitted September 21, 2010.

³ EB-2010-0199 Stakeholder Conference Transcript 20101007, pages 72-73

- b) If so, how have they been reflected in the analysis?

REF: EX. A, APPENDIX F

18) Please expand the summary table with option of using Dawn as a supply point and STS to deliver to the respective delivery areas?

- a) What level of STS credits does Union have as of Nov. 1, 2010?
- b) What level of STS credits does Union project to have at March 31, 2011?