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November 17, 2010

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

Filed Electronically

Attention: Ms. Kirsten Walli
Board Secretary

Dear Ms. Walli:

Re: Union Gas Limited ("Union") – Cost Consequences Associated with Three Long-term Contracts
OEB File No. EB-2010-0300
TransCanada PipeLines Limited ("TransCanada") Interrogatories

In accordance with the requirements stated in Procedural Order No. 1, please find attached two copies of TransCanada's Interrogatories to Union.

Should the Ontario Energy Board require additional information with respect to this submission, please contact Jim Bartlett at (403) 920-7165.

Yours truly,
TransCanada PipeLines Limited

Original signed by Joel Forrest for

Nadine Berge
Senior Legal Counsel
Law and Regulatory Research

Enclosure

TransCanada PipeLines Limited ("TransCanada")

Union Gas Application

OEB File No. EB-2010-0300

Information Requests to Union Gas Limited ("Union")

Question 1:

Reference: Exhibit A, Page 1

Preamble: Union states that its' evidence is "in support (of) its request for pre-approval of the cost consequences of the Niagara and Parkway contracts by the Board."

Request: Please confirm whether Union is seeking approval of just the cost consequences of the Firm Transportation contracts with TransCanada or both the cost consequences of the Firm Transportation contracts and the cost consequences associated with the purchases of gas at Niagara.

Question 2:

Reference: Exhibit A, Appendix D

Preamble: Union provides its Long-term Transportation Contracting Analysis.

Request: Please provide the following information:

i) What Basis Differential has been assumed for Dawn?

ii) Please add Dawn as a Point of Supply and amend the two tables accordingly.

iii) For the Alliance/Vector Route please provide the pipeline specific Unitized Demand Charge, Commodity Charge and Fuel Charge included in the numbers shown on the Alliance/Vector line in the table.

iv) Please explain and provide the assumptions and calculations underlying the negative Commodity Charge shown on the Alliance/Vector line of the first table.

Question 3:

Reference: Exhibit A, Appendix E

Request: a) Please provide a table in numeric form showing the capacity in GJ/day for each of the transportation paths for each year shown on the chart.

b) Please confirm that the chart shows Alliance/Vector capacity expiring in October 2015.

c) Please provide the current status of Union's contract with Alliance including renewal options and associated timelines.

d) If Union's Alliance capacity is expected to continue beyond October 2015, please provide the justification for this decision including the detailed economic calculations supporting this decision.

Question 4:

Reference: Exhibit A, Page 1

Preamble: Union states that it is seeking pre-approval of the Niagara and Parkway contracts in accordance with the guidelines issued by the Ontario Energy Board ("OEB") in EB-2008-0280. The Filing Guidelines for Pre-Approval of Long-Term Natural Gas Supply and/or Upstream Transportation Contracts include the requirement that "All applicants must complete and file the information requested in Part I, II, III, IV, V and VI."

Part V, Section 5.2 of the guidelines states that the following information should be provided, "An assessment of retail competition impacts and potential impacts on existing transportation pipeline facilities in the market (in terms of Ontario customers)."

Request: a) Has Union provided this information?

b) Please provide the following:

i) The expected impact on TransCanada's Mainline tolls of the Niagara and Parkway contracts and the resulting change in cost of delivered gas to Ontario customers.

ii) The expected impact that the Niagara and Parkway contracts will have on Union's Mainline long haul contracts from Empress.

iii) The expected change in TransCanada's Mainline tolls and the resulting change in cost of delivered gas to Ontario customers if the Niagara and Parkway contracted volumes were instead contracted as long-haul contracts on TransCanada's Mainline from Empress.

iv) For the responses above, if Union does not have more precise information, please use the information provided by TransCanada in Figure 17 entitled "Toll Sensitivity to Reduced Long-haul Volumes" in its November 2, 2010 submission to the OEB's 2010 Natural Gas Market Review (EB-2010-01990).

v) Please confirm that Union is aware that Mainline long-haul capacity from Empress to Union's NDA & Union's EDA is currently available.

vi) Please confirm that the capacity referred to in v) above is available on a one year renewable basis.

vii) Please confirm if it is Union's understanding that facilities on TransCanada's Mainline must be added to provide the capacity required by the Parkway contracts.

viii) Please confirm that the Parkway and Niagara contracts are for ten year terms.

Question 5:

Reference: Exhibit A, Appendix D.

Preamble: The table states that the source for the Gas Supply Prices as "Energy & Environmental Analysis: April 2010."

Request: Please provide this report.

Question 6:

Reference: Exhibit A, Appendix F

Request: Please provide version of these two tables with the same ten year time period as included in Appendix D.

Question 7:

Reference: Exhibit A, Appendix D & F.

Preamble: Union states that, in its economic analysis, it uses the "Average fuel ratio over the previous 12 months or Pipeline Forecast."

Request:

a) For the TransCanada Mainline, please clarify which of the two methods was used.

b) If the "previous 12 months" method was used please provide the fuel ratios for each of the routes for each of the 12 months.

c) If the "Pipeline Forecast" method was used please provide the source of the forecast.