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APPRO

ASSOCIATION OF
POWER PRODUCERS
OF ONTARIO

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EB-2011-0257
Union Gas M12 & C1 Kirkwall to Parkway Transportation Service
Interrogatories of APPRO

Background

Union received a total of 263,249 GJ/d of contractual commitments to provide service from Kirkwall to Parkway. The proposed rate for this service is a monthly demand charge of \$0.346/GJ. Union has noted in its evidence that this demand charge has been calculated based on the average cost of Dawn-Trafalgar transmission system on a 'per commodity kilometer' basis.

APPRO is interested in understanding how this rate design and revenue recovery mechanism compares to the actual cost to provide this service from Kirkwall to Parkway.

Question

1. Please identify the related required revenue requirement:
 - a. If the facilities to provide this service were isolated and tolled on an incremental basis, and
 - b. If the facilities were allocated and tolled based on an weighted average of all facilities and billing units between Kirkwall and Parkway.

Calculate the related revenue requirement for these facilities under 1a. and 1b.

2. Please compare these computed revenue requirements to the actual revenue proposed to be collected.