

**UDC Recovery in Rates****Reference: Exhibit A, Tab 1, pages 2 and 3**

- 1) Page 2, line 14 informs that Union's actual UDC was 2.0PJ in Union North.
  - a) Please explain why Union would not purchase gas index gas at Empress, transport it to the delivery point and sell the gas to cover the variable costs avoiding the UDC?
  - b) Please provide market values that demonstrate that the proposition in a) could not be done.
- 2) Table 1 on page 3 provides details on the collection of UDC in rates and actual costs incurred.
  - a) Please expand the table to provide the units of UDC forecasted (4.4 PJ and 2.0 PJ) and actual UDC incurred and the resulting unit rates.
  - b) Why are the unit rates different in the same delivery zone?
  - c) Please provide the calculation of resulting rates and any additional inputs not captured in the table.

**Short-Term Storage and Other Balancing Service****REFERENCE: Exhibit A, Tab 1, pages 4-8**

- 3) Page 4, line 17 to Page 5, line 3 describes Union's determination of the deficit in the deferral account.
  - a) Does that determination include an allocation of \$2,992M to shareholders representing 21% of the 2007 Revenue forecast of \$15,829?
  - b) Please show the step-by-step derivation of Union's determined balance in tabular fashion with associated formulae.
- 4) Figure 2 on page 8 shows the value of Short-Term Peak storage along with actual sales values.
  - a) Please provide the source of the Market Price shown in the graph?
  - b) Is that price published?

- c) Does Union publish the price of its actual transactions on a timely basis? If so, how and when?
- d) Please provide Union's rationale as to why the actual sales prices are so dramatically higher than the market values for most of the actual transactions.

### **Revenue from Regulated Transportation of Gas and Transportation Portfolio**

**REF: Exhibit A, Tab 2, Appendix A, Schedule 11**

**Exhibit A, Tab 4, Schedule 1**

- 5) Schedule 11 refers to Revenue from Regulated Transportation of Gas.
  - a) Does Union received revenue from transportation of gas that is not reflected in this schedule?
  - b) Does Union receive revenue for transportation of gas associated with the non-utility storage business?
  - c) Does Union receive revenue for transportation of gas from any other source?
  
- 6) Schedule 11 provides the amount of revenue for each of the nine particular service categories.
  - a) Please expand the table with additional columns to include the actual values for 2007, 2008 and 2009.
  - b) To the extent that there are additional revenue categories that are identified in question 5, please add additional rows and provide the amount of revenue generated from these categories.

- 7) Tab 4, Schedule 1 provides the transportation contracting analysis that Union provides as a result of the Settlement Agreement in EB-2005-0520. However, the analysis does not include TCPL - Empress to Parkway. Appended to these interrogatories is a replication of 2011-2012 Transportation Contracting Analysis contained in Schedule 1.
- a) On the table appended, please fill in the row for the Route of TCPL Union Parkway that that has been added and shaded for the columns of (C) through (K) provided for the other routes.
  - b) In addition, for 2011-2012, please provide the values for additional columns (M) through (P) added and shaded. The definition of the columns are as follows:
    - i) (M) Planned Percentage of Supply Portfolio - Percent of Union South's total supply portfolio, delivered by pipeline contracts held by Union, for the year that was planned to be delivered by that Route.
    - ii) (N) Planned UDC as a Percentage of Route Total - Percent of the contracted pipeline capacity that was planned to remain empty in the gas supply plan.
    - iii) (O) Actual UDC as a Percentage of Route Total - Percentage of actual UDC for that Route that year.
    - iv) (P) Actual Percentage Used for Optimization - Percentage of pipeline capacity that was optimized to create Short Term Transportation and Exchange Revenue for that year.
    - v) (Q) Amount of Short Term Transportation and Exchange Revenue - Revenue generated from the Optimized Pipe contracts.
    - vi) (R) Amount of S-T Transportation and Exchange Revenue in Rates - Dollar value forecasted and embedded in rates.
  - c) For each of the years starting in 2007-2008 through to 2010-2011, please complete the expanded table as described in b).
    - i) the sources for assumptions can be edited to the dates and exchange used in the development of the previous Transportation Contracting Analysis.

**Removal of St. Clair Line**

**Exhibit A, Tab 2 page 5**

- 8) Lines 8-9 describes the \$6.4M reversal.
  - a) Please provide a calculation that shows the Earning Sharing impact of the original set-up of the deferral account and the Earning Sharing impact of the subsequent reversal.

2011-2012 Transportation Contracting Analysis

Route (A)	Point of Supply (B)	Basis		Unitized	Commodity	100% LF			Landed Cost \$Cdn/Gj (K)	Point of Delivery (L)	Planned Percentage of Supply Portfolio (%) (M)	Planned UDC as a Percentage of Route Total (%) (N)	Actual UDC as a Percentage of Route Total (%) (O)	Actual Percentage Used for Optimization (%) (P)	Amount of Short Term Transportation and Exchange Revenue (\$) (Q)	Amount of S-T Transportation and Exchange Rates (\$) (R)
		Differential \$/mmBtu (C)	Supply Cost \$/mmBtu (D) = Nymex + C	Demand Charge \$/mmBtu (E)	Charge \$/mmBtu (F)	Fuel Charge \$/mmBtu (G)	Inclusive of Fuel \$/mmBtu (I) = E + F + G	Landed Cost \$/mmBtu (J) = D + I								
Dawn	Dawn	0.299	5.3521	0	0	0	0	5.35	5.87	Dawn						
Vector (2011)	Chicago	0.054	5.1067	0.2397	0.0019	0.0618	0.3034	5.41	5.93	Dawn						
Vector (2008)	Chicago	0.054	5.1067	0.25	0.0019	0.0618	0.3137	5.42	5.94	Dawn						
Trunkline/Panhandle	Trunkline Field Zone	-0.031	5.0215	0.19	0.0274	0.2139	0.4313	5.45	5.98	Ojibway						
PEPL FZ-MichCon-St Clair	Panhandle Field Zone	-0.277	4.776	0.3083	0.0442	0.3893	0.7418	5.52	6.05	Dawn						
Panhandle Longhaul	Panhandle Field Zone	-0.277	4.776	0.4251	0.0442	0.2813	0.7506	5.53	6.06	Ojibway						
Alliance/Vector	CREC	-0.617	4.4358	1.6991	-0.287	0.2577	1.6694	6.11	6.7	Dawn						
TCPL SWDA	Empress	-0.612	4.4408	1.943	0.133	0.1079	2.184	6.62	7.27	Dawn						
TCPL Union Parkway	Empress									Parkway						
TOTAL											100					

Sources for Assumptions:

- Gas Supply Prices (Col D): [REDACTED]
- Fuel Ratios (Col G): Average ratio over the previous 1.
- Transportation Tolls (Cols E & F): Tolls in effect on Alternative Rout
- Foreign Exchange (Col K): [REDACTED]
- Energy Conversions (Col K): 1 dth = 1 mmBtu = 1.055056 GJ
- Union's Analysis Completed: [REDACTED]