

UNION GAS LIMITED

Answer to Interrogatory from  
Federation of Rental-housing Providers of Ontario ("FRPO")

Reference: Exhibit A, Tab 2, Appendix A, Schedule 11  
Exhibit A, Tab 4, Schedule 1

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.

**Response:**

- a) Please see Attachment 1.
- b) Please see Attachment 1 for responses to part b) i) and ii). Actuals for 2011 are provided for part b) iii) – vi) in Attachment 2.
- c) Expanded tables have not been prepared for 2007-2008 to 2010-2011 as this information is not relevant to this application.

**Schedule 1  
 Response to B7.7 Attachment 1**

<u>Route</u>	<u>Point of Supply</u>	<u>Basis Differential</u> \$US/mmBtu	<u>Supply Cost</u> \$US/mmBtu	<u>Unitized Demand Charge</u> \$US/mmBtu	<u>Commodity Charge</u> \$US/mmBtu	<u>Fuel Charge</u> \$US/mmBtu	<u>100% LF Transportation Inclusive of Fuel</u> \$US/mmBtu	<u>Landed Cost</u> \$US/mmBtu	<u>Landed Cost</u> \$Cdn/GJ	<u>Point of Delivery</u>	<u>Planned Percentage of Supply Portfolio</u>	<u>Planned UDC as a Percentage of Route Total</u>
(A)	(B)	(C)	(D) = Nymex + C	(E)	(F)	(G)	(I) = E + F + G	(J) = D + I	(K)	(L)	(M)	(N)
Dawn	Dawn	0.299	5.3521	0.0000	0.0000	0.0000	0.0000	5.35	<b>5.87</b>	Dawn	5.4%	0%
Vector (2011)	Chicago	0.054	5.1067	0.2397	0.0019	0.0618	0.3034	5.41	<b>5.93</b>	Dawn	3.7%	0%
Vector (2008)	Chicago	0.054	5.1067	0.2500	0.0019	0.0618	0.3137	5.42	<b>5.94</b>	Dawn	23.9%	0%
Trunkline/Panhandle	Trunkline Field Zone	(0.031)	5.0215	0.1900	0.0274	0.2139	0.4313	5.45	<b>5.98</b>	Ojibway	7.3%	0%
PEPL FZ-MichCon-St Clair	Panhandle Field Zone	(0.277)	4.7760	0.3083	0.0442	0.3893	0.7418	5.52	<b>6.05</b>	Dawn	7.3%	0%
Panhandle Longhaul	Panhandle Field Zone	(0.277)	4.7760	0.4251	0.0442	0.2813	0.7506	5.53	<b>6.06</b>	Ojibway	9.2%	0%
Alliance/Vector	CREC	(0.617)	4.4358	1.6991	(0.287)	0.2577	1.6694	6.11	<b>6.70</b>	Dawn	28.2%	0%
TCPL SWDA	Empress	(0.612)	4.4408	1.9430	0.1330	0.1079	2.1840	6.62	<b>7.27</b>	Dawn	0.0%	0%
TCPL Union CDA	Empress	(0.612)	4.4408	2.3022	0.1577	0.1292	2.5891	7.03	<b>7.71</b>	Parkway	15.0%	0%
<b>TOTAL</b>											100.0%	

**Sources for Assumptions:**

Gas Supply Prices (Col D): ICE Settlement; May 31, 2011

Fuel Ratios (Col G): Average ratio over the previous 12 months or Pipeline Forecast (as existed at time of original analysis - June 2011)

Transportation Tolls (Cols E & F): Tolls in effect on Alternative Routes at the time of Union's Original Analysis

Foreign Exchange (Col K) \$1 US = \$0.962 CDN

Energy Conversions (Col K) 1 dth = 1 mmBtu = 1.055056 GJ

Union's Analysis Completed: Jun-11 (TCPL Union CDA Path added May 2012)

**Response to B7.7 Attachment 2**

<b>Route</b> (A)	<b>Point of Supply</b> (B)	<b>Point of Delivery</b> (C)	<b>Actual UDC as a Percentage of Route Total (%)</b> (D)	<b>Actual Percentage Used for Optimization (%)</b> (E)	<b>Amount of Short-Term Transportation and Exchange Revenue (\$000s Cdn)</b> (F)	<b>Amount of S&amp;T Transportation and Exchange Revenue in Rates (\$Cdn)</b> (G)
<b>Dawn</b>	Dawn	Dawn	N/A	N/A	N/A	NOTE 1
<b>Vector</b>	Chicago	Dawn	0%	4%	29	
<b>Trunkline/Panhandle</b>	Trunkline Field Zone	Ojibway	8%	51%	20	
<b>PEPL FZ-MichCon-St Clair</b>	Panhandle Field Zone	Dawn	0%	0%	-	
<b>Panhandle Longhaul</b>	Panhandle Field Zone	Ojibway	13%	0%	14	
<b>Alliance/Vector</b>	CREC	Dawn	0%	13%	208	
<b>TCPL SWDA <sup>(1)</sup></b>	Empress	Dawn	N/A	N/A	N/A	
<b>TCPL Union CDA</b>	Empress	Parkway	0%	95%	11,277	

**Sources for Assumptions:**

Energy Conversions (Col K)                      1 dth = 1 mmBtu =                      1.055056 GJ

Union's Analysis Completed:                      May 2012

Note 1                      Embedded in rates is a level of transportation and exchange margin of \$6.6 million. This figure cannot be broken out between transportation and exchanges or by transportation path.

Footnotes  
 (1) not a contract in Union's portfolio  
 (2) approximation