

July 26, 2012

Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

**RE: EB-2011-0210 – Union Gas Limited – 2013 Rates Application –
Undertaking Responses**

Dear Ms. Walli,

Please find attached Union's responses to the following undertakings of the EB-2011-0210 proceeding.

J2.1 Updated, J5.1, J6.1, J6.2, J6.3, J6.4, J6.6, J6.7, J6.8, J7.2, J7.3, J7.4, J7.7, J7.8, J7.9, J7.10, J7.11, J7.12, J8.1, J8.2, and J8.8.

Yours truly,

[original signed by Joanne Trinca for]

Chris Ripley
Manager, Regulatory Applications

cc: Crawford Smith, Torys
EB-2011-0210 Intervenor

UNION GAS LIMITED

Undertaking of Mr. Gardiner
To Mr. Buonaguro

Please calculate the load forecast and revenue deficiency for 2013 as though it were year 6 of the IRM period.

If Union had calculated the load forecast and revenue deficiency for 2013 as though it were year 6 of the IRM period, the effect would have been increased volumes relative to the current forecast and, as a result, higher revenue. Union's 2013 revenue deficiency would decrease from \$54.524 million to \$51.694 million.

Estimated Impact on 2013
Revenue Deficiency

<u>Rate Class</u>	<u>\$ Millions</u>
Rate old M2	\$(2.382)
Rate 01	(0.876)
Rate 10	<u>0.428</u>
Total	<u>\$(2.830)</u>

UNION GAS LIMITED

Undertaking of Mr. Broeders
To Mr. Aiken

Please indicate which companies have the same protection related to cost of gas that Union has for company-use gas and unaccounted-for gas, and which have an average use true-up deferral account for general service customer classes.

Please see the Attachment.

Summary of Gas Cost and Average Use Protection for Canadian Utilities

Line No	Company	Company Use Gas Protection	Unaccounted for Gas Protection	Average Use Mechanism
1	Terasen (FortisBC)	The cost of own-use gas (except gas used in company facilities) is included in the cost of gas; the commodity cost recovery charge and the midstream cost recovery charge for natural gas sales rate customers are subject to quarterly review by the BC Utilities Commission ¹	The cost of unaccounted for gas is included in cost of gas; the commodity cost recovery charge and the midstream cost recovery charge for natural gas sales rate customers are subject to quarterly review by the BC Utilities Commission ¹	Revenue Stabilization Adjustment Mechanism enables FortisBC to record delivery margin revenue based on the forecast use per customer for each rate class that was used in establishing rates. If weather or other factors result in the customer use varying from forecast, an entry is made to the RSAM account that adjusts revenue collected from customer rates from actual use to what customers would have paid based on forecast use. RSAM account balance variances and the associated deferred interest returned to or recovered from customers through a rate rider ²
2	Pacific Northern Gas	Company use gas costs are included as part of the cost of gas and recovered via a company use gas costs delivery rate; BCUC reviews gas commodity portion of PNG's rates on a quarterly basis with any variances in gas costs incurred by PNG relative to the gas cost recovery charges included in current retail rates deferred for subsequent refund to or recovery from customers ³	Unaccounted for gas volume deferral account used to record the variance between zero percent and a loss of up to 1.0 percent; PNG required to obtain Commission approval to record the impact of UAF losses above 1 percent ³	Rate Stabilization Adjustment Mechanism (RSAM) deferral account to mitigate the effect on earnings of volatility in deliveries to certain customers caused principally by volatility in weather and in the cost of natural gas; RSAM account accumulates the margin impact of variations in the actual versus forecast use for residential and small commercial customers; balances in the RSAM account are recovered in customer rates over a three-year period based on forecast deliveries ³
3	ATCO Electric Disco	N/A	N/A	Union was not able to determine the existence of an average use mechanism
4	Enmax Disco	N/A	N/A	Union was not able to determine the existence of an average use mechanism
5	Epcor Disco	N/A	N/A	Union was not able to determine the existence of an average use mechanism
6	ATCO Gas	N/A	"Rider D" used to recover unaccounted for gas - currently, all Retailer and Default Supply Provider Customers utilizing Distribution Access Service for delivering gas off the ATCO Gas distribution system assessed a distribution UFG charge of 1.053% at the Point of Delivery. The UFG assessment is made up "In-Kind" from each Customer Account ⁴	Weather Deferral Account created to account for the effect of temperature fluctuations on billings to customers; no deferral account related to average use ⁴
7	Fortis Alberta	N/A	N/A	Union was not able to determine the existence of an average use mechanism
8	Alta Gas	Deferred gas accounting (DGA) mechanism ensures that customers pay neither more nor less than the actual costs incurred to purchase the natural gas they use. The DGA process and resulting Gas Cost Recovery Rate are regulated by the EUB and is set at the start of each month. (includes company-use gas) ⁵	Unaccounted-For Gas Rate Rider "E" used in the calculation of the Gas Cost Recovery Rate Rider "D", the Third Party Transportation Rate Rider "G", and to determine the amount of Unaccounted-For Gas as defined in AltaGas' terms and conditions of service. ⁵	Union was not able to determine the existence of an average use mechanism
9	Gaz Metro	Detail unavailable	Detail unavailable	Union was not able to determine the existence of an average use mechanism; Weather Rate Stabilization account is used for weather variances ⁶
10	Gazifere	Detail unavailable	Detail unavailable	Detail unavailable
11	Nova Scotia Power	N/A	N/A	Union was not able to determine the existence of an average use mechanism
12	Heritage Gas Ltd.	Gas Cost Recovery Rate (GCRR) which applies to all Rate Classes is a variable pass-through rate applied to the total energy consumed over the billing period to allow Heritage Gas to recover the cost of acquiring gas supply for customers. This rate is reviewed monthly and adjusted to reflect current market prices for natural gas. This rate is not regulated by the Nova Scotia Utility and Review Board. (includes company-use-gas) ⁷	Detail unavailable	Revenue Deficiency Deferral Account captures all variances between actual revenue and amount approved in rates for full recovery or refund ⁷
13	Enbridge Gas Distribution	Recovered through Quarterly Rate Adjustment Mechanism	Recovered through Quarterly Rate Adjustment Mechanism	Yes
14	Union Gas	Recovered through Quarterly Rate Adjustment Mechanism	Price Variances recovered through Quarterly Rate Adjustment Mechanism	Yes

References

- FortisBC Energy Utilities 2012-2013 Revenue Requirements and Rates Application, Exhibit B-1, Sections 5.2.4 and 3.3.1
- FortisBC Energy Utilities 2012-2013 Revenue Requirements and Rates Application, Exhibit B-1, Section 6.3.1.3
- PNG 2012 Revenue Requirements Application; 2010 Annual Report
- ATCO Gas Delivery Rates
- Alberta Utilities Commission Decision 2011-425; 2011 Annual Report
- Regie Decision R-3752-2011
- NSUARB Decision NG-HG-FIN-2010; NSUARB Decision NG-HG-R-11; and Rate Schedules

UNION GAS LIMITED

Undertaking of Ms. Elliott
To Mr. Aiken

Please update chart at J.DV-2-2-1, Attachment 1, to exclude impact of FT RAM.

Please see the Attachment.

Union Gas Limited
Summary of Transportation and Exchange Services
For the Years Ending December 31

Line No.	Particulars (\$000's)	Actual		Forecast	
		2010 (a)	2011 (b)	2012 (c)	2013 (d)
	<u>Transportation and Exchange Services</u> <u>Previously Account #179-69</u>				
1	Net Revenue (Excluding FT-RAM Revenue) (1)	21,400	22,245	17,986	20,186
2	Less: Costs (Excluding Costs Applicable to FT-RAM Revenue)	<u>11,592</u>	<u>7,792</u>	<u>7,671</u>	<u>6,448</u>
3	Gross Margin	9,808	14,453	10,315	13,738
4	Less: Board Approved Margin in Rates	<u>6,883</u>	<u>6,883</u>	<u>6,883</u>	<u>13,738</u>
5	Hypothetical Deferred Margin (2)	2,925	7,570	3,432	-

Note:

- (1) Revenue less direct costs to provide exchange services.
(2) Margin would have been subject to earnings sharing.

UNION GAS LIMITED

Undertaking of Ms. Elliott
To Mr. Aiken

Please add to Attachment 1 the same type of information that would have been in accounts 179-73 and 179-74 for the 2010 through 2013 period.

Please see the Attachment.

Union Gas Limited
Summary of Transmission-Related Transactional Services
For the Years Ending December 31
(\$000's)

Line No.	Particulars		Actual		Forecast	
			2010	2011	2012	2013
			(a)	(b)	(c)	(d)
<u>Transportation and Exchange Services</u>						
<u>Previously Account #179-69</u>						
1	Net Revenue	(1)	33,100	44,245	32,186	20,186
2	Less: Costs		<u>12,557</u>	<u>9,965</u>	<u>9,040</u>	<u>6,448</u>
3	Gross Margin		20,543	34,280	23,146	13,738
4	Less: Board Approved Margin in Rates		<u>6,883</u>	<u>6,883</u>	<u>6,883</u>	<u>13,738</u>
5	Hypothetical Deferred Margin	(2)	13,660	27,397	16,263	-
<u>Other S&T Services</u>						
<u>Previously Account #179-73</u>						
6	Revenue		1,072	1,092	1,067	1,067
7	Less: Costs		<u>75</u>	<u>76</u>	<u>75</u>	<u>75</u>
8	Gross Margin		997	1,016	992	992
9	Less: Board Approved Margin in Rates		<u>853</u>	<u>853</u>	<u>853</u>	<u>992</u>
10	Hypothetical Deferred Margin	(2)	144	163	139	-
<u>Other Direct Purchase Services Deferral Account</u>						
<u>Previously Account #179-74</u>						
11	Revenue		1,928	1,063	2,000	2,000
12	Less: Costs		<u>1,311</u>	<u>782</u>	<u>1,360</u>	<u>1,360</u>
13	Gross Margin	(3)	617	281	640	640
14	Less: Board Approved Margin in Rates		<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>640</u>
15	Hypothetical Deferred Margin	(2)	(1,383)	(1,719)	(1,360)	-

Notes:

- (1) Revenue less direct costs to provide exchange services.
- (2) Margin would have been subject to earnings sharing.
- (3) Reduction in Other Direct Purchase Services due to return to system.

UNION GAS LIMITED

Undertaking of Ms. Elliott
To Mr. Aiken

Please update table from JT1.13 to reflect year-to-date June actual and forecasts, and break out FT RAM credits included in line 4 as a separate line item.

Please see the Attachment.

UNION GAS LIMITED
Summary Revenue from Storage and Transportation of Gas

<u>Line No.</u>	<u>Particulars (\$000's)</u>	Actual	Forecast	<u>Difference</u>
		<u>2012 (June YTD)</u> (a)	<u>2012 (June YTD)</u> (b)	
	<u>Transportation</u>			
1	M12 Transportation	67,669	67,716	(47)
2	M12-X Transportation	2,208	2,215	(7)
3	C1 Long-term Transportation	3,643	3,391	252
4	C1 Short-term Transportation	6,017	6,467	(450)
5	Exchanges - Base	6,628	4,000	2,628
6	Exchanges - Net RAM	19,859	6,997	12,862
7	C1 Rebate Program	-	-	-
8	M13 Transportation	152	182	(30)
9	M16 Transportation	287	312	(25)
10	Other S&T Revenue	<u>513</u>	<u>533</u>	<u>(20)</u>
11	Total Transportation Revenue	106,976	91,813	15,163
	<u>Storage</u>			
12	Short-term Storage Services	5,834	3,125	2,709
13	Off-Peak Storage/Balancing/Loan Services	<u>1,259</u>	<u>1,250</u>	<u>9</u>
14	Total Storage Revenue	<u>7,093</u>	<u>4,375</u>	<u>2,718</u>
15	Total S&T Revenue	<u><u>114,069</u></u>	<u><u>96,188</u></u>	<u><u>17,881</u></u>

UNION GAS LIMITED

Undertaking of Ms. Elliott
To Mr. Aiken

Please provide base exchange figure as a separate figure from combined number in line 4 of JT1.13, page 8, LPMA Compendium Part 2.

Please see Exhibit J6.3.

UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Cameron

Please confirm whether, under the original contract, Union paid a commodity rate, and then under the amendment, Union paid a monthly demand charge at the same per-unit rate.

Union confirms that under the original Transportation Services Agreement between St. Clair Pipeline and Union Gas Limited dated November 1, 1995 Union paid a commodity rate. Under the November 1, 1999 amendment, Union paid a monthly demand charge at the same per-unit rate which is consistent with the toll schedule.

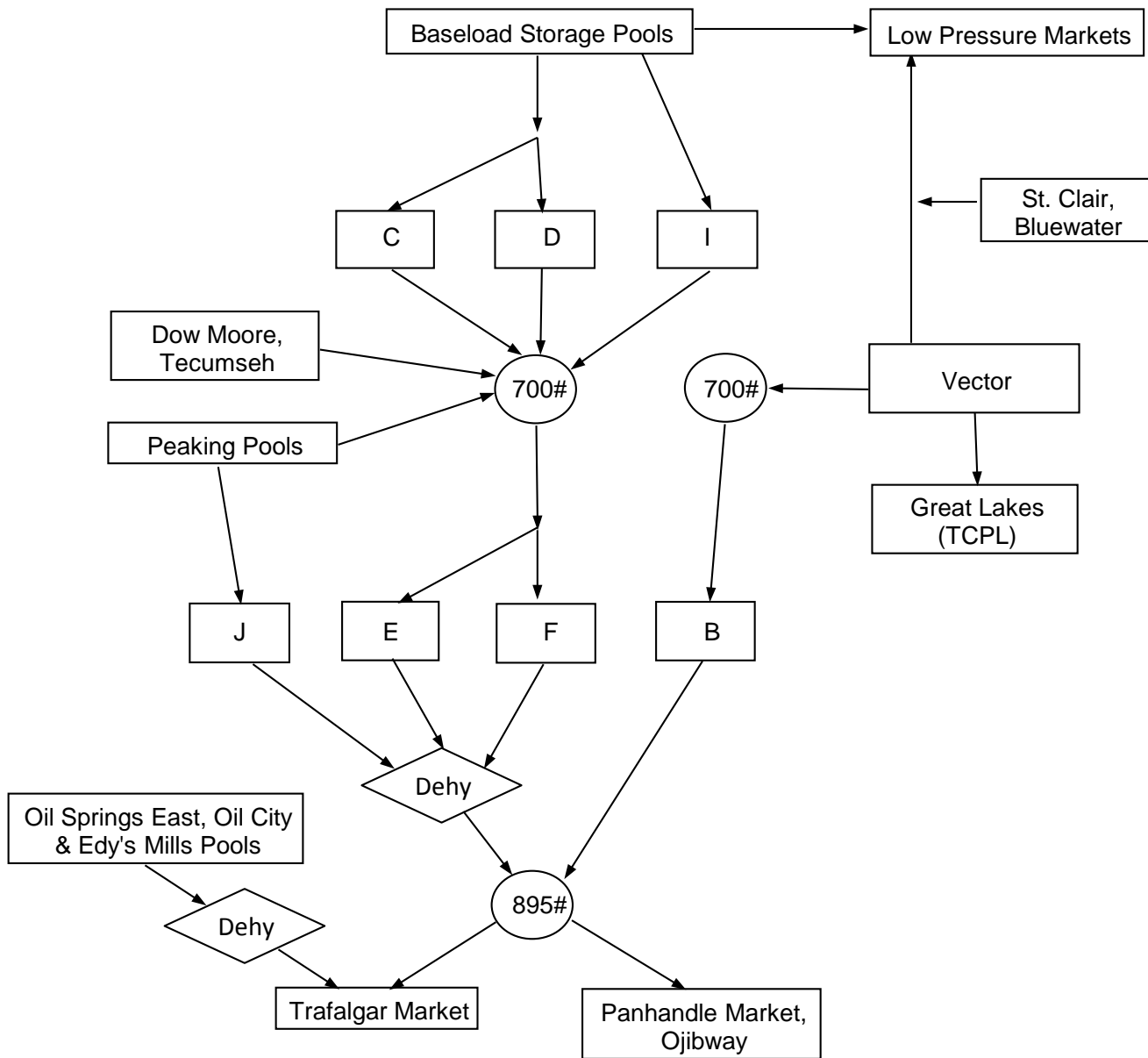
UNION GAS LIMITED

Undertaking of Mr. Fay
To Mr. Cameron

Please provide changes requested to schematic in undertaking response J.G-1-7-7.

Please see the Attachment.

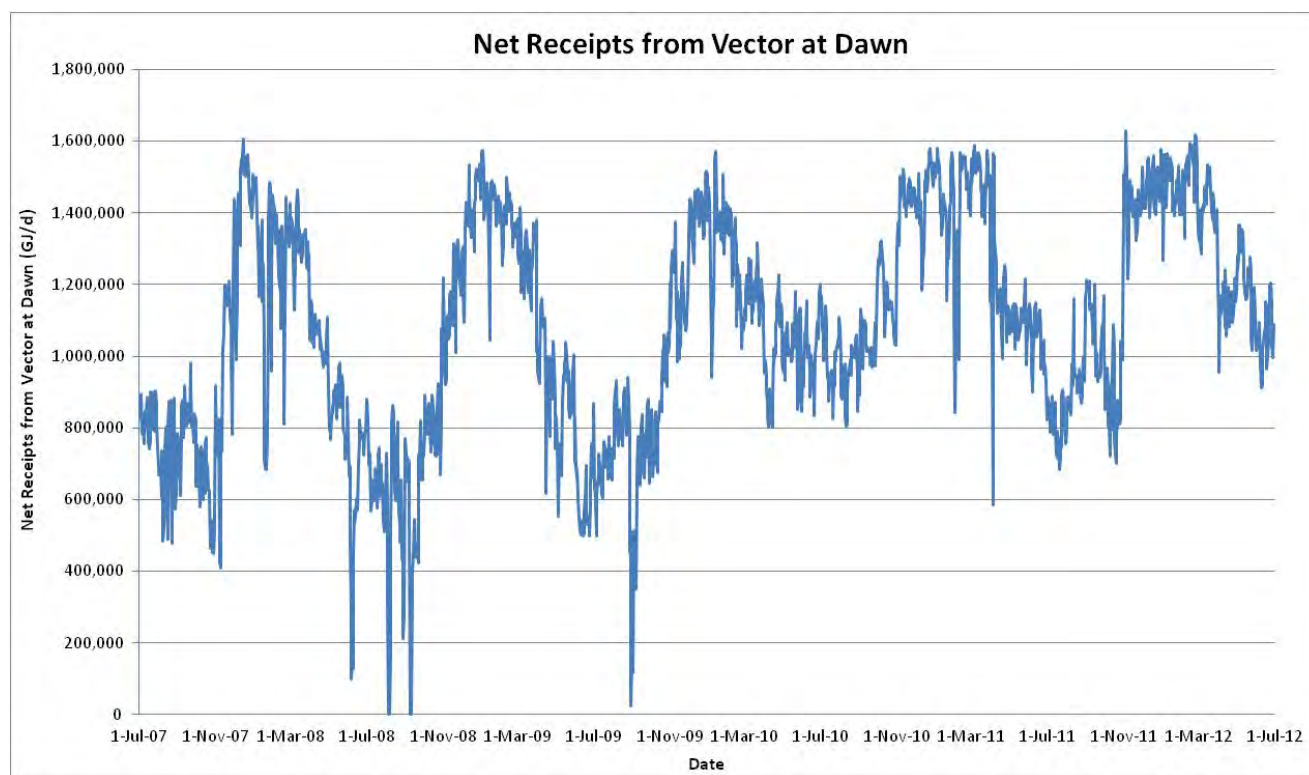
Union's Dawn to Dawn-TCPL Service for 500 TJ/d Maximum



UNION GAS LIMITED

Undertaking of Mr. Fay
To Mr. Cameron

Please provide your Vector receipts on a daily basis for the last three years in the winter.



UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Quinn

Please provide the amount of capacity available to respective delivery areas for entire winter of this year.

For TCPL transportation paths impacting Union, capacity available in TCPL's Winter 2012/2013 STFT Open Season dated July 9-17, 2012 is as follows:

<u>TCPL Path</u>	<u>Quantity Available/Not Available for seasonal STFT (GJ/d)</u>
Empress to Union NCDA*	1,585,700
Empress to Union EDA	962,200
Empress to Union NDA	1,585,700
Empress to Union WDA	1,585,700
Empress to Union SSMDA	Not Available
Empress to Union MDA	5,722,800
Empress to Union CDA	1,585,700
Sault Ste. Marie to Union SSMDA	33,600
Dawn to Union CDA	Not Available
Parkway to Union CDA	Not Available
Dawn to Union EDA	Not Available
Parkway to Union EDA	Not Available
Niagara to Kirkwall**	Not Available

* Assumes capacity offered Empress to CDA would include Union NCDA, Enbridge CDA, and Union CDA delivery areas.

**Contract start date is November 1, 2012.

A copy of TCPL's Open Season offering is attached.

**Canadian Mainline Winter 2012/2013 Open Season for STFT and ST-SN
July 9-17, 2012**

TransCanada's Canadian Mainline is currently posting the following firm transportation services in this Short Term Firm Capacity Open Season (the "Open Season") for service in the 2012/2013 Winter season (November 1, 2012 to March 31, 2013). TransCanada will only accept bids for the full Winter 2012/2013 term in this Open Season. TransCanada will be accepting bids in this Short Term Firm Open Season until 8:00 a.m. Calgary time on July 17, 2012. The capacity available in located in the tables below.

Table 1: Available Short Term Capacity (GJ/d) – Winter 2012/2013⁽¹⁾

Paths not listed in Table 1 may have capacity available, please contact your Mainline Customer Account Manager.

Posted System Segments for STFT	November 1, 2012 to March 31, 2013 (GJ/d)
Empress to (Domestic)	
South Saskatchewan Delivery Area (SSDA)	5,722,800
Manitoba Delivery Area (MDA)	5,722,800
Western Delivery Area (WDA)	1,585,700
Northern Delivery Area (NDA)	1,585,700
North Bay Junction	1,585,700
Central Delivery Area (CDA)	1,585,700
Eastern Delivery Area (EDA) ⁽²⁾	962,200
Eastern Delivery Area (GMi EDA)	295,000
Southwest Delivery Area (SWDA)	170,100
Empress to (Export)	
Emerson 1	753,700
Emerson 2 ⁽³⁾	3,433,800
Kirkwall	170,100
Niagara	170,100
Chippawa	170,100
Iroquois	784,000
Napierville	124,500
Philipsburg	15,600
East Hereford ⁽³⁾	157,500

Table 2: Available Short Term Capacity (GJ/d) – Winter 2012/2013⁽¹⁾

Paths not listed in Table 2 may have capacity available, please contact your Mainline Customer Account Manager.

Posted System Segments for STFT	November 1, 2012 to March 31, 2013 (GJ/d)
Dawn to	
Kirkwall	274,000
Niagara	274,000
Chippawa	274,000
Parkway to	
Southwest Delivery Area (SWDA)	170,100
Kirkwall	170,100
Sault Ste. Marie to	
Union SSMDA	33,600
St. Clair to	
Union SWDA	1,638,900
Kirkwall to	
Niagara	871,300
Chippawa	304,100

Table 3: Available Short Term Capacity (GJ/d) – Winter 2012/2013⁽¹⁾

The System Segments listed below with a receipt point of Emerson 2 are limited as a result of physical receipt capability. Paths not listed in Table 3 may have capacity available, please contact your Mainline Customer Account Manager.

Posted System Segments for STFT	November 1, 2012 to March 31, 2013 (GJ/d)
Emerson 2 to	
Points Downstream ⁽⁴⁾	58,300

Table 4: Available Short Term Capacity (GJ/d) – Winter 2012/2013⁽¹⁾

Paths not listed in Table 4 may have capacity available, please contact your Mainline Customer Account Manager.

Posted System Segments for ST-SN	November 1, 2012 to March 31, 2013 (GJ/d)
ST-SN Metering Capacity (Subject to Segment Capacity)	
Empress to	
Goreway CDA	51,100
Victoria Square #2 CDA	41,800
Thorold CDA	63,000
Schomberg CDA	14,300

¹ TransCanada is not accepting bids from all export points (excluding Emerson) unless otherwise listed in the tables above.

² Capacity available to Enbridge EDA, Union EDA, KPUC, and Cornwall.

³ Shippers and prospective shippers should be aware that TransCanada has posted firm capacity to Emerson 2 and East Hereford that is in excess of the downstream firm take-away capacity on Great Lakes and PNGTS.

⁴ Delivery capability subject to downstream capacity as noted in Table 1.

Open Season & Bidding Procedure Highlights

- **Bids must be received by TransCanada no later than 8:00 a.m. Calgary time on Tuesday, July 17, 2012**
- Term: November 1, 2012 to March 31, 2013 block only. Only bids for the full five months will be accepted.
- System Segment Capacity:
 - Some posted segments share common capacity. A successful bid on one system segment may reduce the capacity on another system segment in any Mainline Open Season.
 - Any bids that pertain to common capacity will be evaluated together for allocation purposes.
 - Each capacity segment requested must be on an individual bid form.
- Conditional Bidding: STFT bids can be conditioned on another STFT bid.
 - If an STFT bid is conditional on another STFT bid, if either STFT bid requires a reduction to the maximum daily quantity, the maximum daily quantity for the other STFT bid will be reduced by the same percentage.
 - Please submit each set of conditional bids in a separate fax, to provide clarity on which bids are related.
- Minimum Acceptable Quantity: May be specified by bidder in the event that prorating capacity is necessary.
- There are no Diversions, Alternate Receipt Points, FT-RAM or Renewal Rights with any STFT service.
- Transportation sales in the Daily Existing Capacity Open Season will affect the available capacity in this STFT Open Season.

How To Bid

Service applicants must submit a binding Short Term Firm Transportation Contract, Exhibit "A" Addendum, [Paper Version](#) or [Electronic Version](#), to TransCanada's Mainline Contracting Department at 1.403.920.2343. Bids under this Open Season must be received by 8:00 a.m. Calgary time on Tuesday, July 17, 2012.

Questions

If you have any questions or would like to obtain a form to bid in this Short Term Firm Open Season, please contact your Mainline Customer Account Manager.

Calgary	
Gordon Betts Phone: 1.403.920.6834 Email: gordon_betts@transcanada.com	Michael Mazier Phone: 1.403.920.2651 Email: mike_mazier@transcanada.com
Toronto	
Amelia Cheung Phone: 1.416.869.2115 Email: amelia_cheung@transcanada.com	Reena Mistry Phone: 1.416.869.2159 Email: reena_mistry@transcanada.com
Lisa DeAbreu Phone: 1.416.869.2171 Email: lisa_deabreu@transcanada.com	

Appendix

LINKS to Additional Information:

- [Short Term Firm Transportation Contract, Exhibit "A" Addendum Paper Version](#)
- [Short Term Firm Transportation Contract, Exhibit "A" Addendum Electronic Version](#)
- [Short Term Firm Transportation Toll Schedule](#)
- [Mainline Tariffs: Toll Schedules & Pro Forma Contracts](#)
- [2012 Interim Mainline Tolls](#) Effective January 1, 2012
- [Index of Customers](#) showing recent contracts and renewals
- Other TransCanada Information: www.transcanada.com/customerexpress

GST/HST Procedures for STFT - FOR EXPORT POINTS ONLY

TransCanada is required to charge the Goods and Services Tax (GST) or Harmonized Sales Tax (HST), whichever is applicable, on transportation of gas that is consumed in Canada. The GST is set at 5% while HST is set at 13% in Ontario.

Shippers may provide a Declaration which notifies TransCanada that the Shipper's STFT contract is intended to serve an export market and should be charged 0% GST or 0% HST, on any Unutilized Demand Charges (UDC).

The Declaration Form is available at the following link:

[STFT GST/HST Declaration](#)

Shippers may also zero-rate GST or HST on the associated transportation demand, commodity and pressure charges by making a **Declaration on the nomination** line in NrG Highway.

Please note:

- A Declaration cannot be applied retroactively.
- A separate STFT GST/HST Declaration form must be used for each Exhibit "A" (STFT Bid form)
- If a Shipper zero-rates their nomination but does not execute a Declaration for the STFT the Shipper will be charged 0% GST or 0% HST on their nomination but all associated UDCs will be charged the current applicable GST or HST rate.

Electronic STFT Bid Form:

- The Electronic STFT Bid Form will require you to select Yes or No for GST/HST applicable export points. If Yes is selected, the Declaration form will automatically be filled in for you and must be executed and attached to your bid.

Please refer to the following website for additional information on GST/HST regulations and rebates:

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/gnrl/txbl/trnsprtttn/menu-eng.html>.

For more information on TransCanada's GST/HST practices, contact mainline_contracting@transcanada.com.

UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Quinn

With reference to Exhibit K7.1, please provide breakdown of where gas was actually delivered by assignees and how the amount of short-term exchange revenue was generated.

Please see the Attachment.

The attachment outlines the delivery locations related to assignments of Empress to Parkway (CDA) capacity for 2011. For all capacity assignments, Union continued to purchase supplies at Empress. As part of the transaction, Union enters into an exchange with the same counterparty to redeliver the gas to an alternate location in Union's franchise area. The net revenue reflects the value of the entire transaction, which is comprised of the capacity release less the cost of the alternate transportation arrangement. A detailed description and example of the net revenue generated from this type of transaction can be found at J7.6. The revenue attributable to the Empress to Parkway capacity releases is included in the attachment.

The balance of the revenue of \$11.3 million earned from Empress-Parkway optimization was due to exchanges from RAM optimization. These types of exchanges were described at hearing transcript Volume 6, Page 130 Line 21 to Page 131 Line 26. In this case, Union leaves the Empress to Parkway Firm Transportation (FT) pipe empty, and then uses interruptible transport to move Union's gas supply from Empress to a delivery location. Union manages the incremental cost of the interruptible transportation through the use of RAM credits generated from the empty Empress to Parkway pipe. Any remaining RAM credits are used to facilitate incremental exchange activity.

The exchange transactions which are supported through RAM optimization are reviewed on a daily, weekly and monthly basis for weather, Union market requirements, and market opportunities to optimize RAM credits. In addition, since Union has retained the capacity, in the event of higher risk days where interruptible transportation may be cut, supplies can be transported on the firm transportation contract to the appropriate market area. For example, on a cold day in January, Union would forgo the generation of RAM credits and flow Empress supplies on a firm basis using the Empress to Parkway transportation capacity.

All net proceeds, regardless if earned via a capacity assignment/exchange transaction or an exchange from RAM optimization, are dependent upon Union's proactive use of the RAM program and are reflected as regulated exchange revenue.

Empress - Parkway (CDA) Capacity Assignments for 2011

GJ/d	Redelivery Point			TOTAL	Net Proceeds*	
	<u>WDA</u>	<u>NDA</u>	<u>SWDA</u> <u>(Dawn)</u>		(\$000's)	
Jan-11	20,000	20,000		40,000	\$	450
Feb-11	20,000	20,000		40,000	\$	290
Mar-11	20,000	20,000		40,000	\$	306
Apr-11			40,000	40,000	\$	408
May-11			68,000	68,000	\$	716
Jun-11			68,204	68,204	\$	761
Jul-11			68,204	68,204	\$	787
Aug-11			68,204	68,204	\$	787
Sep-11			68,204	68,204	\$	761
Oct-11			68,204	68,204	\$	787
Nov-11			66,000	66,000	\$	1,722
Dec-11	30,000	30,000		60,000	\$	1,241

* Net proceeds represent net revenue from capacity release/exchange transaction, less incremental costs incurred as a result of the transaction.

UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Quinn

Please confirm level of capacity not subscribed for M12 for 2013, and whether forecast is still accurate.

As filed at Exhibit B1, Tab 5, Pg 3, Line 22, for the 2013/2014 winter, Union has excess capacity of 209,812 GJ/d on the Dawn-Parkway system. Union's current forecast of excess capacity is 211,201 GJ/d.

UNION GAS LIMITED

Undertaking of Ms. Elliott
To Mr. Thompson

Please confirm if the \$60,000 of revenue from S&T group appears in line 5 of Exhibit K7.3.

Ratepayers were credited for the \$60,000 of revenue generated from RAM credits in 2010.
Therefore, the \$60,000 is not included in line 5 of Exhibit K7.3.

UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Thompson

Please provide how much of figure at Attachment 2 of J.C-4-7-9, line 3, page 6 involves RAM optimization transaction.

Line 3, Page 6 is entirely RAM Optimization transactions. These transactions are described in more detail at J7.3.

The revenues on Line 3, Page 6 are entirely driven by the RAM.

UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Thompson

Please provide DOS MN portion of revenue.

DOS-MN revenue included in "Other" is as follows:

2009: \$1.1 million

2010: \$0.2 million

UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Thompson

Please provide actual numbers for exchange revenues for the years 2004, 2005, and related to deferral account 179-73, 179-74, and 179-89 for 2004, 2005 and 2006.

Union Gas Limited
Deferral Account Balances
2004-2006

Year	Docket	Balance (\$000's)			
		Transportation & Exchange Services 179-69	Other S&T Services 179-73	Other Direct Purchase Services 179-74	Heating Valve 179-89
2004	EB-2005-0211	(7,603)	(413)	(887)	(2,175)
2005	EB-2006-0057	(3,404)	(427)	(749)	(2,709)
2006	EB-2007-0598	(4,004)	(390)	(373)	(2,405)

UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Thompson

Please provide a forecast for the balance of 2012, assuming FT RAM continues for the balance of the year.

As filed in J6.3, year-to-date June exchange revenue related to RAM is \$19.9 million. Union estimates RAM-related activity for the balance of 2012 to be an additional \$17.9 million, for an annual total of \$37.8 million. This includes \$3.6 million of the estimated impact of RAM continuing for November and December as filed in J.C-4-7-9 c).

UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Thompson

Please provide estimate of revenue from unregulated business.

Union estimates that it would use approximately \$60,000 annually of interruptible St. Clair – Dawn transportation for the non-utility storage business. The volumes flowed on this path for the non-utility storage business are included in the \$2.0 million forecast for St. Clair-Dawn transportation revenue.

UNION GAS LIMITED

Undertaking of Ms. Elliott
To Ms. Taylor

Please provide amount of short-term debt for the test year.

Actual short term borrowings are found at Exhibit A3, Tab 1, Page 3 of 5, Line 1.

UNION GAS LIMITED

Undertaking of Ms. Elliott
To Mr. Aiken

Please provide the volume of working line pack gas in 2013 test year.

Please see the response at J.O-7-1-3.

UNION GAS LIMITED

Undertaking of Ms. Elliott
To Mr. Thompson

With respect to J.O-4-15-1, please provide the words under the headings “Adjustment” and “Earnings Sharing” and “Capital Expenditures”.

Please see the Attachment.

J.O-4-15-1 - Attachment 1

Union Gas Limited
Earnings Before Interest and Taxes

CDN\$Millions

Particulars

Operating Revenue

Distribution Margin

S&T

Other Revenue

Earnings Sharing

Stretch / Deficiency

Total Operating Revenue

Operating Expenses

Operating & Maintenance Expense

Depreciation and Amortization

Taxes Other than Income Taxes

Total Operating Expenses

HTLP Income / (Loss)

Other Income / (Loss)

Earnings Before Interest, Taxes (EBIT CDN GAAP)

US GAAP Adjustment

Union Gas EBIT (US GAAP)

Dawn Gateway

Dawn Gateway Revenue Consolidation Elimination

Market Hub (including Sarnia Airport Pool)

St Clair Pipelines LP

Gas Distribution EBIT (US GAAP)

Earnings Sharing

Rate Base

Utility ROE (before Earnings Sharing)

Benchmark ROE

Pre tax earnings gap to 200 bps (50/50 sharing)

Pre tax earnings gap to 300 bps (90/10 sharing)

Incentive Measure (US GAAP)

Minimum

Target

Maximum

J.O-4-15-1 - Attachment 1

Union Gas Limited Capital Expenditures

CDN\$Millions

Particulars	In Service Date
Expansion	
Storage Deliverability Projects	Nov-08
Dawn Trafalgar Phase III (Bright)	Nov-08
Heritage Pool	Jul-09
Delta Pressure Phase IV	Nov-09
Dawn to Dawn TCPL Export	Dec-10
Jacob Storage Development	Jul-12
Tecumseh Sombra Line Extension	Nov-12
Marcellus-Kirkwall	Nov-12
Oakville Power Generation Station	Nov-12
Storage Enhancements Phase I (PMOP)	Jul-13
Thunder Bay Power Plant	Nov-13
Dow-Moore Storage Enhancements	Nov-13
Storage Enhancements Phase II (PMOP)	Jul-14
Waubuno-Dawn NPS 24	Jul-14
Dawn Plant D Re-Wheel	Jul-14
Lambton Power Plant	Nov-14
Parkway West	Nov-14
Storage Enhancements Phase III (PMOP)	Jul-15
Other Storage Development	Jul-16
Storage Development - Diamond	Jul-16
Nanticoke Power Plant	N/A
Red Lake	N/A
Project Pre-spend	N/A
Overheads	
Total Expansion	
Maintenance	
Distribution New Business	
Distribution Other	
Total Distribution	
Transmission	
Storage	
General	
Overheads	
Total Maintenance	
IT	
Total Maintenance, IT and OH	
Total Union Gas Capex	
Huron Tipperary LP	Jun-08
Total Consolidated Union Gas Capex	
Dawn Gateway LP	N/A
Disposition Dawn Gateway - Union Portion	N/A
Market Hub	
Bluewater Crossing	Jul-12
SD1 Storage Development (Grayling)	Jul-14
SD2 Storage Development (Nottingham)	Jul-15
Diamond Storage Development	Jul-16
SD3 Storage Development (Generic)	Jul-16
Total Gas Distribution Capex	

J.O-4-15-1 - Attachment 2

Union Gas Limited
Earnings Before Interest and Taxes

CDN\$Millions

Particulars

Operating Revenue

Distribution Margin

S&T

Other Revenue

Earnings Sharing

Stretch / Deficiency

Total Operating Revenue

Operating Expenses

Operating & Maintenance Expense

Depreciation and Amortization

Taxes Other than Income Taxes

Total Operating Expenses

HTLP Income / (Loss)

Other Income / (Loss)

Earnings Before Interest, Taxes (CDN Reporting)

US Reporting Adjustment

Union Gas EBIT (US Reporting)

Market Hub (including Sarnia Airport Pool)

St Clair Pipelines LP

Gas Distribution EBIT (US Reporting)

Earnings Sharing

Rate Base

Utility ROE (before Earnings Sharing)

Benchmark ROE

Pre tax earnings gap to 200 bps (50/50 sharing)

Pre tax earnings gap to 300 bps (90/10 sharing)

Incentive Measure (US Reporting)

Minimum

Target

Maximum

J.O-4-15-1 - Attachment 2

Union Gas Limited Capital Expenditures

CDN\$Millions

Particulars	In Service Date
Expansion	
Dawn Trafalgar Phase III (Bright)	Nov-08
Dawn to Dawn TCPL Export	Dec-10
Tecumseh Sombra Line Extension	Nov-12
Marcellus-Kirkwall	Nov-12
Jacob Storage Development	Jul-13
Storage Enhancements Phase I (PMOP)	Jul-13
Thunder Bay Power Plant	Nov-13
Dow-Moore Storage Enhancements	Nov-13
Storage Enhancements Phase II (PMOP)	Jul-14
Waubuno-Dawn NPS 24	Jul-14
Dawn Plant D Re-Wheel	Jul-14
Lambton Power Plant	Nov-14
Parkway West	Nov-14
Storage Enhancements Phase III (PMOP)	Jul-15
Nanticoke Power Plant	N/A
St. Clair Power (Invenergy)	N/A
Project Pre-spend	N/A
Overheads	
Total Expansion	
Maintenance	
Distribution New Business	
Distribution Other	
Total Distribution	
Transmission	
Storage	
General	
Overheads	
Total Maintenance	
IT	
Total Maintenance, IT and OH	
Total Union Gas Capex	
Huron Tipperary LP - Expansion	Jun-08
Huron Tipperary LP - Maintenance	
Total Consolidated Union Gas Capex	
Bluewater Crossing	Jul-12
SD1 Storage Development (Grayling)	Jul-14
SD2 Storage Development (Nottingham)	Jul-15
Diamond Storage Development	Jul-16
SD3 Storage Development (Generic)	Jul-16
Total Gas Distribution Capex	