

July 30, 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 undertakings J7.1, J7.5, J7.6, J8.6, J8.7, J8.9, J8.10, J9.1, J9.2, J9.3, and J9.4 of the EB-2011-0210 proceeding.

Yours truly,

[original signed by]

Chris Ripley
Manager, Regulatory Applications

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

UNION GAS LIMITED

Undertaking of Mr. Gardiner
To Mr. Aiken

Please produce calculations showing how DOS MN Revenue generation was determined and ratepayers were kept whole in these transactions, and how Dawn reference price was established.

For the winter of 2008-2009, Union used the DOS-MN service to replace planned purchases at Dawn with gas supply purchases at Empress. The reference price at Dawn was established using the market price at which Union would have purchased the gas at Dawn for December, 2008 through to March, 2009. This would have been the Dawn price on the same day the Empress purchase for the same time period was made.

The DOS-MN service was not effective until November 15, 2008. By this time, Union had already completed the planned purchases at Dawn for November supplies.

The DOS-MN service was an example of where Union was able to optimize the overall Gas Supply plan by buying an exchange (in this case, Empress to Dawn).

The following table illustrates how the DOS-MN impact was calculated for December, 2008 through to March, 2009:

	\$/GJ	\$Millions
Purchase at Dawn	\$8.128	\$14.2
Purchase at Empress	\$6.986	\$12.8
Empress – Dawn Fuel	\$0.260	
Empress – Dawn	<u>\$0.086</u>	
Commodity	\$7.332	
Landed Cost at Dawn		
Net Benefit	\$0.796	\$1.40

UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Quinn

Please provide contingency spaced numbers for December.

The table provided at JT1.12 has been updated to include December:

Table 1

	Sell Gas	Buy Gas	Net Cost
	<u>(July)</u>	<u>(Dec)</u>	<u>(\$/GJ)</u>
2010/11	4.59	5.51	(0.92)
2011/12	4.96	5.41	(0.45)
2012/13	2.58	3.46	(0.88)

UNION GAS LIMITED

Undertaking of Mr. Isherwood
To Mr. Brett

Please provide derivation of net proceeds, how they are generated and reported.

The demand charge outlined in J3.3 represents the TCPL demand charge for the Eastern Zone (EZ). Since ratepayers require this supply, it is purchased at Empress and delivered to Union's market areas, and accordingly, the TCPL demand charge continues to be paid by ratepayers. The net proceeds described in Exhibit J3.3 are the net proceeds generated by optimizing this capacity. The net proceeds are comprised of two components.

- 1) The value received from third parties for the capacity assignment, net of the cost of the exchange to redeliver Union's supply to its markets (eg. Dawn in the summer; WDA or NDA in the winter). The net value of this transaction is captured in the exchange agreement with the third party. An example of this exchange agreement can be found at J.C-4-7-10 Attachment 3.
- 2) The incremental cost incurred as a result of moving gas to different market areas, if applicable. For example, as a result of a release of Empress to EDA capacity, Union may incur incremental STS withdrawal charges to serve the EDA market.

Example: November, 2009

In November, 2009, Union assigned 80,000 GJ's of Eastern Zone (EDA & CDA) capacity.

Union continued to buy commodity to fill in the pipe at Empress and to flow this supply to Union's market. Ratepayers were charged the Eastern Zone toll of \$33.37571/GJ/month, or approximately \$1.10/GJ/day, as if the gas landed in the Eastern Zone, consistent with the gas supply plan. This equates to \$2.67 million for the month for the transport. This is the same amount ratepayers would have paid regardless if the capacity assignment was transacted or not. This payment is fixed and is not part of the Net Proceeds calculation found in Exhibit J3.3.

Exchange Revenue Impact:

S&T assigned Eastern Zone capacity to third parties and transacted an exchange with these same parties to redeliver the capacity to the NDA (40,000 GJ/d) and WDA (40,000 GJ/d). For this combined transaction, the third parties paid Union \$0.31/GJ for quantities redelivered to the WDA and \$0.545 for quantities redelivered to the NDA. Since the net value of the capacity assignment and the exchange were combined into one transaction, Union is unable to determine the exact value of each independent component. However, a comparison can be made between this net value and the difference in the tolls between the Eastern Zone and where the gas was redelivered, as shown in the table below:

Example: November, 2009 \$/GJ/d	NDA Redelivery 40,000 GJ/d	WDA Redelivery 40,000 GJ/d
TCPL Eastern Zone transportation demand charge	\$1.10	\$1.10
Redelivery area transportation demand charge	\$0.84	\$0.55
Toll Difference between market areas	\$0.26	\$0.55
Third Party Assignment/Exchange net value	\$0.31	\$0.545
Exchange Revenue (\$'s)	\$372,000 (1)	\$654,000
Total Exchange Revenue:		\$1,026,000

In this example, the above table illustrates the exchange revenue of \$0.31/GJ (NDA redelivery) and \$0.545/GJ (WDA redelivery) is very close to the toll differences between market areas. The market would have considered this toll difference when valuing the transaction.

For the month of November 2009, the total exchange revenue from the NDA and WDA redeliveries is \$1,026,000. Deducted from this are incremental costs incurred as a result of the transaction (e.g. STS withdrawal costs) of \$277,000 to derive the net proceeds of \$749,000. These net proceeds are captured as the Capacity Assignment component of Net Revenue attributable to RAM benefit as reported at Exhibit J.C-4-7-9.

Alternatively, a similar transaction could have been completed had Union retained the capacity. S&T could have left the Empress-Eastern Zone capacity empty, earning RAM credits of \$1.10/GJ (2). Using the NDA as an example, S&T could have flowed the supply purchased at Empress to the NDA, using RAM credits of \$0.84/GJ (2). The 'excess' RAM credits of \$0.26/GJ (2) could then have been used to fund other S&T exchanges. The proceeds from these exchanges (net of any incremental costs) would be captured as the RAM Optimization component of Net Revenue attributable to RAM benefit as reported at Exhibit J.C-4-7-9.

Regardless of which option would have been chosen, the operational result (gas purchased at Empress and delivered to Union's delivery areas) and the ability to earn an economic benefit would be identical. Both options are a direct result of S&T taking action to optimize the gas supply plan due to the existence of the RAM program. The resulting revenues are treated as regulated Transportation and Exchange revenue.

- (1) Exchange revenue example calculation: $40,000 \text{ GJ/d} \times 30 \text{ days} \times \$0.31/\text{GJ} = \$372,000$
- (2) The daily demand charge of \$1.10/GJ for Eastern Zone and \$.84/GJ for NDA was used as RAM calculation for ease of comparison to capacity release example.

UNION GAS LIMITED

Undertaking of Ms. Elliott
To Mr. Thompson

Please provide revenue and cost adjustment for intra period WACOG on a cumulative basis.

Beginning in 2010 the intra period WACOG adjustments were made to rates and appear in revenue or line 5 on page 1 of Exhibit K2.3. Only a portion of this adjustment relates to cost of gas items that are reported in line 6 of page 1 of Exhibit K2.3.

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Total</u>
Included in revenue	14	17	18	49
Cost of gas related	9	11	12	32
<u>Cumulative</u>				
Included in revenue	14	31	49	
Cost of gas related	9	20	32	

UNION GAS LIMITED

Undertaking of Ms. Elliott
To Mr. Thompson

With reference to Exhibit JT1.56, line item 6, please break out UFG piece of delivery-related gas cost.

The UFG component of delivery-related gas cost in line 6, page 1 of Exhibit K2.3 is as follows:

	(1) 2007 BA	(2) 2008	(3) 2009	(4) 2010	(5) 2011	(6) 2012	(7) Total
	vs 2007	vs 2007 BA	vs 2007 BA	vs 2007 BA	vs 2007 BA	vs 2007 BA	Col (1) to (6) inclusive
UFG	24	4	11	(33)	(41)	(34)	(69)

UNION GAS LIMITED

Undertaking of Mr. Redford
To Mr. Cameron

Please provide response as to how Union connects the Parkway West project, part of their capital budget in this proceeding, with 200 basis points referred to the first slide on page 11 and 800 basis points on an internal rate-of-return basis on slide 12.

Union is allowed to earn a return based on the overall rate base. Under Union's current Incentive Regulation framework there is a band of 200 basis points around Union's ROE before earnings sharing would begin (symmetrical treatment around the allowed return). If Union adds \$1 of capital, Union will be allowed to earn a ROE on 36 percent of the capital under the current framework (and 40 percent under Union's proposal). Union's earning sharing dead band would then apply around this new earnings level.

The 0.8% included in the IRR referred to on slide 12 of the same attachment is the calculation of 200 basis points x 40% equity.

The additional 200 basis points are included in the project IRR as a potential indirect benefit. Union relies on this potential benefit to help Union compete for capital funding with other Spectra Energy projects.

UNION GAS LIMITED

Undertaking of Mr. Wood
To Mr. Quinn

Please confirm whether incremental M12 and M12X contracts for 2013/2014 are in the 2013 forecast.

Union has updated the available capacity on the Dawn-Parkway system at J7.4 to 211,201 GJ/d. This update includes all changes to the M12, M12X and C1 long-term firm contracts since the forecast was originally filed. These changes include a new M12 Kirkwall-Parkway contract, small quantity changes to two Dawn-Parkway contracts, and actual turnback of M12 contract effective November 1, 2013. Details regarding the actual turnback relative to the forecast is summarized at J.C-4-2-1a.

The impact of any changes to the M12, M12X, and C1 long-term firm contracts since the forecast was completed would be an increase to S&T revenue of approximately \$280,000 in 2013. Union is not proposing to update the 2013 S&T revenue to reflect this increase.

UNION GAS LIMITED

Undertaking of Mr. Redford
To Ms. Taylor

Please provide detailed breakdown of volumes going to ex-franchise customers.

The following table outlines the forecasted quantities to be delivered to the TCPL at the Parkway interconnect, effective November 1, 2013

	<u>01-Nov-13</u>
	GJ/d
Union Utility Customers	583,083
Other Ontario Utilities - Enbridge, KPUC, St. Lawrence	532,523
Other Ontario Consumption - Power	381,450
Quebec Customers	285,000
Pipelines - TCPL	574,047
US NE Customers	520,398
Marketers	<u>60,251</u>
Total	<u>2,936,752</u>

UNION GAS LIMITED

Undertaking of Mr. Redford
To Mr. Brett

Please provide Union-TransCanada Interconnection agreement at Parkway.

Please see the Attachment.

INTERCONNECT OPERATING AGREEMENT

Union Gas Limited and TransCanada Pipelines Limited

WHEREAS, Union Gas Limited ("**Union**"), an Ontario Corporation, owns and operates a provincial natural gas pipeline subject to the regulations of the Ontario Energy Board ("**OEB**"); and

WHEREAS, TransCanada Pipelines Limited ("**TransCanada**"), a Canadian corporation, owns and operates an interprovincial natural gas pipeline subject to the regulations of the National Energy Board ("**NEB**"); and

WHEREAS, Union and TransCanada are sometimes referred to individually herein as a "**Party**" or jointly as the "**Parties**"; and

WHEREAS, the Parties have pipeline facilities interconnections at Dawn, Kirkwall, and Parkway; and

WHEREAS, Union and TransCanada have entered into an operational agreement dated October 1, 1993 ("**Parkway Operating Agreement**") as amended on January 1, 1998, July 1, 1999, and June 10, 2010 and Operational Balancing Agreements dated December 1, 1995 for each of Kirkwall and Dawn-Parkway; and

WHEREAS, Union and TransCanada now desire to terminate the Parkway Operating Agreement and replace the agreement with this Interconnect Operating Agreement (the "**Agreement**");

NOW, THEREFORE, in consideration of the mutual covenants and agreement herein contained, Union and TransCanada do hereby agree to the following rights and obligations of the Parties:

1 Effective Date and Termination of the Parkway Operating Agreement

- a) This Agreement shall be effective as of January 1st, 2011 (the "Effective Date") and shall remain in effect unless terminated by either Party by providing the other Party with one year prior written notice of such termination.
- b) The Parkway Operating Agreement is terminated effective December 31st, 2010.

2 Interconnect Points

- a) **"Parkway"** is the interconnect point between Union and TransCanada located at 6626 9TH Line, Mississauga, Ontario, which facility accepts the custody transfer of gas between Union and TransCanada.
- b) **"Bronte Gate"** is the interconnect point between Union and TransCanada located in Parts 1 to 8 of Lot 5, Concession I, South of Dundas Street, Town of Oakville, Ontario, which facility accepts the custody transfer of gas between Union and TransCanada.
- c) **"Burlington Gate"** is the interconnect point between Union and TransCanada located at 2283 Guelph Line Road, Burlington, Ontario, which facility accepts the custody transfer of gas between Union and TransCanada.
- d) **"Hamilton Gate"** is the interconnect point between Union and TransCanada located at 50 Kilbride Road, Hamilton, Ontario, which facility accepts the custody transfer of gas between Union and TransCanada.
- e) **"Nanticoke"** is the interconnect point between Union and TransCanada located at 392-424 Garner Road, Ancaster, Ontario which facility accepts the custody transfer of gas between Union and TransCanada.
- f) **"Dawn"** is the interconnect point between Union and TransCanada located in the northwest corner of Lot Twenty-Five (25), Concession II, in the Township of Dawn-Euphemia, in the County of Lambton, Ontario, which facility accepts the custody transfer of gas between Union and TransCanada.
- g) **"Kirkwall"** is the interconnect point between Union and TransCanada located in part of Lot Twenty-Five (25), Concession 7, Town of Flamborough, Ontario, which facility accepts the custody transfer of gas between Union and TransCanada.
- h) **"Sarnia"** is the interconnect point between Union and TransCanada located at 2430 Greenfield Road, Lot 27, Concession 1, Moore Township, Courtright, Ontario, which facility accepts the custody transfer of gas between Union and TransCanada.
- i) **"Kirkwall Export Line"** is TransCanada's high pressure line extending from Kirkwall to the interconnect with Tennessee Gas Pipeline at the Canada-US border near Niagara Falls, Ontario.
- j) **"Niagara Domestic Line"** is TransCanada's low pressure line from MLV- 207 to Niagara on the Lake, Ontario.

3 Delivery Pressure at Parkway

- a) When the physical flow of gas at Parkway is from Union to TransCanada, then Union shall provide and TransCanada shall accept such gas at TransCanada's prevailing line pressure, provided that such line pressure shall not exceed 6450 kPa (935 psig), nor shall it be less than 4000 kPa (580 psig).

- b) When the physical flow of gas at Parkway is from TransCanada to Union, then TransCanada shall provide and Union shall accept such gas at TransCanada's line pressure, provided that such line pressure shall be not less than 4000 kPa (580 psig), nor shall it be greater than 6170 kPa (895 psig).

4 Delivery Pressure at Bronte Gate, Nanticoke, Burlington Gate and Hamilton Gate

- a) TransCanada shall provide and Union shall accept gas at Bronte Gate and Nanticoke at a minimum delivery pressure of 4000 kPa (580 psig).
- b) Subject to 4)(b)(i), TransCanada shall provide and Union shall accept gas at Burlington Gate at a minimum delivery pressure of 4000 kPa (580 psig).
 - i. At times, Burlington Gate may be switched to the Niagara Domestic Line during which time the minimum delivery pressure will be 3450 kPa (500 psig). Generally, Burlington Gate is expected to be supplied at the higher pressure. Absent an emergency or hazardous situation, TransCanada will provide Union reasonable notice of any such switch.
- c) Subject to Section 4(c)(i), TransCanada shall provide and Union shall accept gas at Hamilton Gate at a minimum delivery pressure of 4000 kPa (580 psig).
 - i. At times, Hamilton Gate may be switched to the Niagara Domestic Line during which time the minimum delivery pressure will be 3450 kPa (500 psi). Generally, Hamilton Gate is expected to be supplied from the Kirkwall Export Line during the winter season (November 1st to March 31st) and from the Niagara Domestic Line during the summer season (April 1st to October 31st). Absent an emergency or hazardous situation, TransCanada will provide Union reasonable notice of any such switch.

5 Delivery Pressure at Kirkwall

- a) Subject to Section 5(a)(i), when the physical flow of gas at Kirkwall is from Union to TransCanada, then Union shall provide and TransCanada shall accept such gas at Union's prevailing line pressure, provided that such line pressure shall not be less than 4480 kPa (650 psig).
 - i. When the physical flow of gas at Kirkwall is from Union to TransCanada, and there is also a physical flow of gas from TransCanada to Union at Parkway, then the line pressure provided by Union at Kirkwall shall not be less than 4000 kPa (580 psig).
- b) When the physical flow of gas at Kirkwall is from TransCanada to Union, then TransCanada shall provide and Union shall accept such gas at Union's prevailing line pressure, provided that such line pressure shall not exceed 6170 kPa (895 psig).

6 Delivery Pressure at Dawn

- a) When the physical flow of gas at Dawn is from TransCanada to Union, then TransCanada shall provide and Union shall accept such gas at not less than 4826 kPa (700 psig).
- b) When the physical flow of gas at Dawn is from Union to TransCanada, Union shall provide and TransCanada shall accept such gas at not less than 4690 kPa (680 psig)

7 Delivery Pressure at Sarnia

- a) TransCanada shall provide and Union shall accept gas at Sarnia at TransCanada's prevailing line pressure.

8 Gas Quality, Measurement, Maintenance, and Repair:

- a) **Conformance:** Unless otherwise agreed to, all gas delivered by a Party to the interconnection facilities Parkway, Kirkwall, and Dawn shall conform to the receiving party's Quality clauses respectively set forth in the Union Rate M12, General Terms and Conditions, and TransCanada Pipelines Limited Transportation Tariff, General Terms and Conditions, as amended from time to time, or any successor entity, or as specifically noted within this agreement
- b) **Measuring Party:** Unless otherwise agreed to, the information generated by Union's measurement equipment will constitute the official custody transfer measurement data at Kirkwall whereas TransCanada's measurement equipment will constitute official custody transfer measurement data at Parkway and Dawn. The quantity of gas delivered through Kirkwall shall be measured in accordance with the specifications set forth in the Union M12 Rate, General Terms and Conditions. The quantity of gas delivered through Parkway and Dawn shall be measured in accordance with the specifications set forth in the TransCanada Pipelines Transportation Tariff, General Terms and Conditions. Both Union and TransCanada shall consult one another as required on measurement facility design, modification, repair, maintenance, and operation.
- c) **Maintenance/repair work to measurement facilities:** Absent a Force Majeure or other emergency/hazardous situation that impacts one or more of the interconnect points set forth in Section 2, each Party shall provide the other Party with at least one week's notice of all scheduled maintenance/repair work to be performed on its measurement Facilities. Both Union and TransCanada recognize that some scheduled and unscheduled maintenance of the measurement and interconnection facilities will require interruption of gas flow.
- d) **Notice for scheduled modifications and construction:** Union and TransCanada will, where possible, undertake to give the other Party at least 60 days notice for scheduling any modifications/construction where an outage may be required. Both Parties will attempt coordination of any outages in conjunction with each other, so as to minimize the effect of the outage and/or restricted flows.

- e) Cooperation: Notwithstanding the above, Union and TransCanada agree to continue to co-operate in such a manner as to achieve operating efficiencies in the delivery and receipt of gas quantities at any point by accepting/receiving variances from these pressures and flows where reasonably possible, but in any event, either party may in their sole opinion require the stated pressures and/or flows.

9 Precedent of Pressures over Operational Balancing Agreements

- a) Pressure details contained herein take precedent over those pressures listed in the Operational Balancing Agreements (OBA) between the Parties dated December 1, 1995 (the "Kirkwall OBA") and December 1, 1995 (the "Dawn-Parkway OBA"), including those pressures listed in Note 11(c) of the Kirkwall OBA and Note 11(e) of the Dawn-Parkway OBA. The Parties shall update the Kirkwall OBA and Dawn-Parkway OBA to reflect the pressure details set forth in this agreement

10 Force Majeure

- a) In the event TransCanada, Union, or both, are rendered unable, wholly or in part, by Force Majeure to perform or comply with any obligation or condition of this Operating Agreement, such Party shall give notice and full particulars of such Force Majeure in writing or by electronic transmission to the other Party as soon as possible after the occurrence of the cause relied on, and the obligations of the party giving such notice shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch. The term 'Force Majeure' as used herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests, and restraints of governments and people, civil disturbances, explosions, breakage or accident to machinery or lines of pipe, the necessity for making repairs to or alterations of machinery or lines of pipe, freezing of lines of pipe, temporary failure of TransCanada's or Union's gas supply, inability to obtain materials, supplies, permits or labour, any laws, orders, rules, regulations, acts or restraints of any governmental body or authority, civil or military, any act or omission (including failure to deliver gas) of a supplier of gas to, or a transporter of gas to or from, TransCanada or Union which is excused by any event or occurrence of the character herein defined as constituting Force Majeure, any act or omission by parties not controlled by the Party having the difficulty and any other similar causes not within the control of the Party claiming suspension and which by the exercise of due diligence such party is unable to prevent or overcome.

11 Limitations on Damages

- a) In no event shall either Party be liable for any consequential, punitive, incidental, loss of profit, loss of revenue or special damages.

12 Notices

- a) All notices and other communications given pursuant to this Agreement shall be in writing signed by hand by an authorized agent or employee of the sender, or by facsimile transmission of such a writing and shall be deemed effective when received at the respective Party's address set forth below:

TRANSCANADA PIPELINES LIMITED
450 – 1st Street S.W.
Calgary, AB T2P 5H1
Fax# (403) 920-2999

Attention: Steve Emond

Vice President,
System Design and Commercial
Operations

UNION GAS LIMITED
50 Keil Drive North
Chatham, ON N7M 5M1
Fax#

Attention:

Manager, Gas Control, Capacity
Planning, Gas Nominations &
Measurement Services

13 Miscellaneous


- a) It is agreed that no personal liability whatsoever shall attach to, be imposed on, or otherwise be incurred by any partner, agent, management official, or employee of Union or any director, officer, or employee of any of the foregoing, for any obligation of Union arising under this Agreement, or for any claim based on such obligation. Except as otherwise provided herein, the sole recourse of TransCanada under this Agreement is limited to the assets of Union.
- b) It is agreed that no personal liability whatsoever shall attach to, be imposed on, or otherwise be incurred by any partner, agent, management official, or employee of TransCanada or any director, officer, or employee of any of the foregoing, for any obligation of TransCanada arising under this Agreement, or for any claim based on such obligation. Except as otherwise provided herein, the sole recourse of Union under this Agreement is limited to the assets of TransCanada.
- c) No waiver by either Union or TransCanada of any one or more defaults by the other in the performance of any provision of this Agreement shall operate or be construed as a waiver of any continuing or future default or defaults whether of a like or different character. No delay on the part of either Party in exercising any right or remedy hereunder shall operate as a waiver thereof.
- d) This Agreement and the respective obligations of the Parties hereunder are subject to all valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
- e) This Agreement may not be amended, modified or supplemented, except by a writing signed by both Parties, or by multiple writings or facsimiles signed by both Parties evidencing mutual agreement and sent by each Party to the other. Each Party's rights and remedies hereunder are cumulative and are not exclusive of any rights and remedies provided for by law, in equity or otherwise.

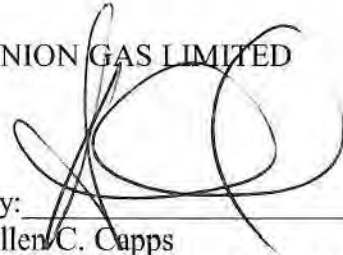
- f) Each of the Parties hereto shall from time to time and at all times from and after the Effective Date, without further consideration do all such further acts and execute and deliver all further agreements, assurances, deeds and other documents as may be reasonably necessary to give effect to the provisions of this Agreement.
- g) This Agreement may be executed in counterpart and all executed counterparts together shall constitute one Agreement. A faxed or other electronically transmitted signature shall be deemed to be an original signature.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the above written Effective Date.

TRANSCANADA PIPELINES LIMITED

UNION GAS LIMITED

By: 
 Steve Emond
 Vice President, System Design and
 Commercial Operations

By: 
 Allen C. Capps
 Vice President, Business Development,
 Storage & Transmission

By: 
 Dave Schultz
 Director, System Design

Legal	
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UNION GAS LIMITED

Undertaking of Mr. Redford
To Mr. Thompson

Please provide relevant Board filing guideline.

Union filed the evidence related to the Parkway West project in accordance with Exhibit 2.1 on page 7 of the Board's Minimum Filing Requirements for Natural Gas Distribution Cost of Service Applications dated November 30, 2005.

UNION GAS LIMITED

Undertaking of Mr. Redford
To Mr. Thompson

Please confirm whether Union unregulated bid on St. Clair and Bluewater open seasons.

Union confirms that neither the regulated or unregulated business bid on the open season for either of the St. Clair to Dawn or Bluewater to Dawn paths.

For the St. Clair to Dawn open season, two bids were received. As indicated in the response to J.C-4-7-7, one contract was awarded for a total volume of 21,101 GJ/d.

As indicated in the response to J.C-4-7-8, for the Bluewater to Dawn open season, one bid was received. The contract related to that bid is executed, but the condition precedents are not yet satisfied.