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**EB-2011-0087**

**Ontario Energy Board**

**Union Gas Limited**

**2011 Earnings Sharing & Disposition of  
Deferral Accounts and Other Balances**

Federation of Rental-housing Providers of Ontario

Reference Documents for Technical Conference

**UNION GAS LIMITED**  
**Deferral Account for**  
**South Purchased Gas Variance Account**  
**{Deferral Account 179-105}**

Line No.	Particulars	Purchase Cost (\$000's) (a)	Volume (GJ) (b)	Weighted Avg. Price (\$/GJ) (c) = (a)/(b)	Reference Price (\$/GJ) (1) (d)	Unit Rate Difference (\$/GJ) (e) = (c) - (d)	Monthly Deferral Amount (\$000's) (f) = (b) x (e)	Southern Portfolio Cost Differential Adjustment (\$000's) (g)	Deferral Amount Before Interest (\$000's) (h) = (f) + (g)	Adjustments (\$000's) (i)	Total Deferral Before Interest (\$000's) (j) = (h) - (i)	Interest (\$000's) (2) (k)	Total Deferral Amount (\$000's) (l) = (j) + (k)
1	Cumulative to end of June, 2011						\$ (426,279)	\$ 122,912	\$ (303,367)	\$ 4,558	\$ (298,810)	\$ (1,196)	\$ (300,005)
2	July, 2011	\$ 39,839	7,928,411	\$ 5.025	\$ 6.114	\$ (1.089)	\$ (8,635)	\$ 6,511	\$ (2,123)	\$ -	\$ (2,123)	\$ (3)	\$ (2,127)
3	August	\$ 46,043	9,861,439	\$ 4.669	\$ 6.114	\$ (1.445)	\$ (14,250)	\$ 6,511	\$ (7,739)	\$ -	\$ (7,739)	\$ (11)	\$ (7,750)
4	September	\$ 36,972	7,873,324	\$ 4.637	\$ 6.114	\$ (1.477)	\$ (11,777)	\$ 6,302	\$ (5,476)	\$ -	\$ (5,476)	\$ (25)	\$ (5,501)
5	October, 2011	\$ 43,563	9,094,325	\$ 4.790	\$ 5.808	\$ (1.018)	\$ (9,257)	\$ 8,071	\$ (1,186)	\$ -	\$ (1,186)	\$ (36)	\$ (1,222)
6	November	\$ 38,586	8,845,637	\$ 4.362	\$ 5.808	\$ (1.446)	\$ (12,789)	\$ 7,796	\$ (4,993)	\$ -	\$ (4,993)	\$ (36)	\$ (5,029)
7	December	\$ 38,909	9,173,964	\$ 4.241	\$ 5.808	\$ (1.567)	\$ (14,374)	\$ 8,071	\$ (6,303)	\$ -	\$ (6,303)	\$ (35)	\$ (6,338)
8	January, 2012	\$ 33,390	9,179,200	\$ 3.635	\$ 5.386	\$ (1.751)	\$ (14,048)	\$ 8,230	\$ (5,819)	\$ -	\$ (5,819)	\$ (27)	\$ (5,846)
9	February	\$ 29,664	8,587,890	\$ 3.454	\$ 5.386	\$ (1.932)	\$ (16,590)	\$ 7,699	\$ (8,891)	\$ -	\$ (8,891)	\$ (16)	\$ (8,907)
10	March	\$ 24,993	8,347,826	\$ 2.994	\$ 5.386	\$ (2.392)	\$ (19,969)	\$ 8,230	\$ (11,738)	\$ -	\$ (11,738)	\$ (20)	\$ (11,758)
11	April, 2012	\$ 20,115	7,329,657	\$ 2.744	\$ 4.665	\$ (1.921)	\$ (14,078)	\$ 8,044	\$ (6,034)	\$ -	\$ (6,034)	\$ (43)	\$ (6,054)
12	May	\$ 20,642	7,453,674	\$ 2.769	\$ 4.665	\$ (1.896)	\$ (14,129)	\$ 8,312	\$ (5,818)	\$ -	\$ (5,818)	\$ (48)	\$ (5,861)
13	June	\$ 22,592	7,218,522	\$ 3.130	\$ 4.665	\$ (1.535)	\$ (11,083)	\$ 8,044	\$ (3,039)	\$ -	\$ (3,039)	\$ (48)	\$ (3,088)
14	Total (Lines 1 to 13)	\$ 397,307	100,993,869				\$ (687,359)	\$ 214,733	\$ (372,527)	\$ 4,558	\$ (367,969)	\$ (1,508)	\$ (369,477)
<b>Current QRAM Period</b>													
15	July, 2012	\$ 28,429	8,923,397	\$ 3.186	\$ 4.823	\$ (1.637)	\$ (14,609)	\$ 9,043	\$ (5,566)	\$ -	\$ (5,566)	\$ -	\$ (5,566)
16	August	\$ 28,971	8,923,397	\$ 3.247	\$ 4.823	\$ (1.576)	\$ (14,066)	\$ 9,043	\$ (5,023)	\$ -	\$ (5,023)	\$ -	\$ (5,023)
17	September	\$ 26,793	8,635,646	\$ 3.104	\$ 4.823	\$ (1.719)	\$ (12,856)	\$ 8,751	\$ (4,105)	\$ -	\$ (4,105)	\$ -	\$ (4,105)
18	October, 2012	\$ 30,420	8,923,397	\$ 3.409	\$ 4.823	\$ (1.414)	\$ (12,818)	\$ 9,043	\$ (3,775)	\$ -	\$ (3,775)	\$ -	\$ (3,775)
19	November	\$ 31,745	8,477,272	\$ 3.745	\$ 4.823	\$ (1.078)	\$ (9,141)	\$ 8,751	\$ (390)	\$ -	\$ (390)	\$ -	\$ (390)
20	December	\$ 35,062	8,759,847	\$ 4.003	\$ 4.823	\$ (0.820)	\$ (7,187)	\$ 9,043	\$ 1,856	\$ -	\$ 1,856	\$ -	\$ 1,856
21	January, 2013	\$ 36,109	8,759,847	\$ 4.122	\$ 4.823	\$ (0.701)	\$ (6,139)	\$ 9,043	\$ 2,903	\$ -	\$ 2,903	\$ -	\$ 2,903
22	February	\$ 33,367	7,912,120	\$ 4.217	\$ 4.823	\$ (0.606)	\$ (4,793)	\$ 8,168	\$ 3,374	\$ -	\$ 3,374	\$ -	\$ 3,374
23	March	\$ 35,079	8,759,847	\$ 4.119	\$ 4.823	\$ (0.704)	\$ (6,170)	\$ 9,043	\$ 2,873	\$ -	\$ 2,873	\$ -	\$ 2,873
24	April, 2013	\$ 34,638	8,477,272	\$ 4.086	\$ 4.823	\$ (0.737)	\$ (6,248)	\$ 8,751	\$ 2,503	\$ -	\$ 2,503	\$ -	\$ 2,503
25	May	\$ 35,681	8,759,847	\$ 4.073	\$ 4.823	\$ (0.750)	\$ (6,567)	\$ 9,043	\$ 2,476	\$ -	\$ 2,476	\$ -	\$ 2,476
26	June	\$ 34,808	8,477,272	\$ 4.106	\$ 4.823	\$ (0.717)	\$ (6,078)	\$ 8,751	\$ 2,674	\$ -	\$ 2,674	\$ -	\$ 2,674
27	Total (Lines 15 to 26)	\$ 394,103	103,769,061				\$ (109,472)	\$ 109,472	\$ 0	\$ -	\$ 0	\$ -	\$ 0

\* Reflects actual information.

**Notes:**

- (1) The reference price from July 2011 to September 2011 is as approved in EB-2011-0135. The reference price from October 2011 to December 2011 is as approved in EB-2011-0297. The reference price from January 2012 to March 2012 is as approved in EB-2011-0382. The reference price from April 2012 to June 2012 is as approved in EB-2012-0070. The reference price from July 2012 to June 2013 is as proposed in EB-2012-0249.
- (2) Interest is computed on the deferral amount balance net of the quarter prior to the current QRAM period.

1           Clearly - maybe I will start a step back, because I  
2 was asked by the second panel to ask this of the ex-  
3 franchise panel, Mr. Isherwood, to you, that when you are  
4 delivering gas, you've got a contract, and I will use the  
5 EDA as example.

6           My understanding is the gas need not in the summer  
7 arrive in the EDA if your flows are low, like is evidenced  
8 on this graph.

9           MR. ISHERWOOD: Right.

10          MR. QUINN: Who tells the assignee where the gas  
11 should go?

12          MR. ISHERWOOD: Who do you identify as the assignee?

13          MR. QUINN: A third party. Whoever you have assigned  
14 the capacity to, they are to deliver gas, but they need not  
15 deliver to the EDA, because its ultimate destination is  
16 Dawn.

17          MR. ISHERWOOD: Right.

18          MR. QUINN: My first question is: My understanding is  
19 it does not need to go the EDA? It can be diverted to  
20 Dawn?

21          MR. ISHERWOOD: So the one option would be we would  
22 just leave the contract from Empress to EDA empty, and we  
23 would flow from Empress to Dawn on IT and we would do that  
24 ourselves. That's one option.

25          MR. QUINN: Okay. I want to break this down, if I may  
26 stop you there.

27          What you're saying is you now take back the  
28 responsibility somehow of landing the gas in Ontario?

1 MR. ISHERWOOD: The S&T group will optimize the gas  
2 supply plan, and, again, a lot of these decisions are made  
3 because of FT RAM being a feature of FT.

4 So if there's economics and if the market requires  
5 exchanges, and we try to generate FT RAM credits, one way  
6 of doing that would be to leave the Empress to EDA contract  
7 empty. That would create FT credits -- or IT credits,  
8 sorry, and we would flow that gas from Empress to Dawn on  
9 an IT basis.

10 MR. QUINN: So what you've just described, then, is  
11 not an assignment. This is a choice by Union to leave the  
12 pipe empty, bank the credit and find a cheaper path to  
13 Dawn?

14 MR. ISHERWOOD: And what happens in that case --

15 MR. QUINN: Sorry, is that correct?

16 MR. ISHERWOOD: That's correct. And, Mr. Quinn, just  
17 to expand on that, when we do the IT volumes from Empress  
18 to Dawn, that path is going to be cheaper than the path  
19 from Empress to EDA.

20 So at the end of the day, we will end up with extra FT  
21 credits and we will do other market-based exchanges to  
22 derive value out of that. But as the gas supply panel  
23 testified to, in all of that case, we're still buying the  
24 same gas at Empress and we're still delivering that same  
25 gas to Dawn; just on that day we're doing it differently.  
26 And I call that option A.

27 Option B was the option that you had started your  
28 question with, which was we assigned the Empress to EDA

1 contract to a third party, and, as part of that deal, they  
2 would deliver gas, the same volume of gas we bought at  
3 Empress, to Dawn.

4 So both option A and option B have exactly the same  
5 result. They just pay us the differential, if you want, as  
6 an S&T benefit.

7 MR. QUINN: Okay. I want to camp on that second  
8 alternative, because that's what I was trying to ask, but I  
9 appreciate the understanding on the Union-held S&T, FT RAM  
10 scheme that you had.

11 So the assigning of the Empress to EDA contract, the  
12 third party then has the choice to go to Dawn, or do you  
13 tell them on any given day where they should land the gas?

14 MS. CAMERON: We provide the direction where we want  
15 the gas to arrive.

16 MR. QUINN: Each month, or during the winter is it  
17 more frequently?

18 MS. CAMERON: For the term of the transaction. So if  
19 the transformer was a one-month transaction, we would tell  
20 them for -- the delivery point will be consistent for the  
21 term of the transaction.

22 MR. QUINN: Okay. So on an annual transaction, you  
23 will tell them where to deliver the gas each and every  
24 month?

25 MS. CAMERON: For an annual transaction we would say,  
26 for the winter months, deliver it at location A, and for  
27 the summer months, deliver it at location B.

28 MR. QUINN: Okay. Now, would location A --

1 specifically, if the gas is EDA, would location A be,  
2 Deliver the gas in the EDA for the winter months?

3 MS. CAMERON: It could be.

4 MR. QUINN: You've got a contract. You've got a  
5 defined need to go to the EDA, but you're saying would  
6 assign away that contract and tell them to transport the  
7 gas somewhere else?

8 MS. CAMERON: I could have them deliver it to a  
9 different delivery area, yes.

10 MR. QUINN: So the northern delivery area, the western  
11 delivery area?

12 MS. CAMERON: Yes.

13 MR. QUINN: I guess my question would be: Why  
14 wouldn't you contract for those delivery areas if that's  
15 what your need is? If you know a year in advance, 12  
16 months in advance, of a gas year that your needs are in the  
17 northern delivery area not the eastern delivery area or  
18 let's use western delivery area -- well, let's use the  
19 western delivery area.

20 If your need is in the western delivery area, why are  
21 you contracting for the eastern delivery area?

22 MS. CAMERON: I'm sorry, I'm not -- could you be more  
23 specific with your question?

24 MR. QUINN: Okay. You have an annual contract --  
25 maybe what we should do is turn up J.C-4-7-10.

26 If our ready-reference person could keep that other  
27 graph handy, we might need to flip back to it.

28 So attachment 2, I believe it is of that -- sorry,

1 attachment 1, my mistake -- has the amount of assignments,  
2 capacity assignments. Now, to differentiate, these are not  
3 the in-franchise customer assignments that Mr. Shorts was  
4 talking about before. These are ex-franchise customer  
5 assignments; is that correct?

6 MS. CAMERON: Yes.

7 MR. QUINN: Okay. So if we just start -- because I am  
8 going to try to stay consistent with the chart, if we start  
9 in November of 2009, you have 80,000 gJs that stems through  
10 from November 2009 to October 2010, a minimum of 80,000  
11 gJs.

12 I think if we're interpreting your graph correctly,  
13 that was annualized assignment?

14 MS. CAMERON: That is not correct.

15 MR. QUINN: Okay. Help us with that.

16 MS. CAMERON: If I can take you to the undertakings  
17 that were filed I believe last night --

18 MR. QUINN: J3.6?

19 MS. CAMERON: Yes.

20 MR. QUINN: I was going to go there next. Thank you.

21 MS. CAMERON: And if you look at line 26 -- oops,  
22 sorry. I apologize. Line 19, you will see that there is  
23 an annual assignment for the eastern zone for 60,000 a day.

24 And I believe just now, I believe Mr. Smith mentioned  
25 that we had also filed the undertakings from day 4, and if  
26 you could look to Exhibit J4.2? And, once again, we're  
27 looking at the same time period. You will see on line 10  
28 there is an assignment of 20,000 a day, and on line 11 an

1 assignment of 60,000 a day. That will reconcile to the  
2 80,000 that was in the original attachment that was filed  
3 as an undertaking.

4 So when we look at the amount back on J3.6, and I  
5 apologize for flipping back and forth, but that an annual  
6 assignment of 60,000, no more of that is the 20,000 of EDA.

7 So the 20,000 in EDA capacity that was demonstrated on  
8 the graph is all of the capacity that was assigned on an  
9 annual basis. It wasn't 60,000. It wasn't 80,000. On an  
10 annual basis, 20,000 of capacity was assigned to the EDA.

11 MR. QUINN: So you're saying 20 -- I'm sorry,  
12 60,000 -- I'm looking at J3.6, and I think what you have on  
13 the screen here is -- this is the challenge with  
14 technology, but that is J4. -- oh, it's 3.6, okay.

15 So you have 60,000 gJs to the eastern zone. Let's  
16 just focus on that. That is an annual assignment?

17 MS. CAMERON: That is an annual assignment made up of  
18 20,000 to the EDA and 40,000 to the CDA. So that 20,000 is  
19 the same 20,000 that we would see on the chart that we've  
20 looked at several times today.

21 MR. QUINN: Okay. Well, then just so -- and this is  
22 all in the eastern zone? That's why you've got the EDA and  
23 CDA?

24 MS. CAMERON: Yes.

25 MR. QUINN: So for the annualized -- I am conscious of  
26 the clock. I think I would like to ask for the winter,  
27 starting November 2009 to March of 2012, can you tell us,  
28 of that annual assignment, where you had the gas directed,



1 where you had your assignee direct the gas to for each  
2 month during that period?

3 MR. SMITH: Yes, we will do that.

4 MR. QUINN: Okay. And what I would like to ask, that  
5 if you could also add to that what the demand charge --  
6 multiply out what the demand charge would be to the eastern  
7 zone versus where you had the gas directed, and what the  
8 difference of cost would be for any of those months.

9 If there is a difference, if any of the eastern zone  
10 gas has been directed to another zone, what the difference  
11 in demand charge is between the respective zones, and  
12 multiply that by the number of units delivered for that  
13 month.

14 MS. CAMERON: You're interpreting costs -- you mean  
15 the TransCanada toll?

16 MR. QUINN: Demand charge for the TransCanada toll.

17 MR. SMITH: Yes, we will do that.

18 MR. QUINN: Okay. I think that is an appropriate time  
19 to break, thank you.

20 MR. MILLAR: J6.5.

21 UNDERTAKING NO. J6.5: TO ADVISE WHERE UNION DIRECTED  
22 ANNUALIZED ASSIGNMENT OF GAS FOR EACH MONTH BETWEEN  
23 NOVEMBER 2009 AND MARCH 2012; TO MULTIPLY THE DEMAND  
24 CHARGE TO THE EASTERN ZONE VERSUS WHERE THE GAS WAS  
25 DIRECTED, AND TO ADVISE THE DIFFERENCE IN COST BETWEEN  
26 THOSE PLACES FOR ANY OF THOSE MONTHS; AND IF THERE IS  
27 A DIFFERENCE, IF ANY OF THE EASTERN ZONE GAS HAS BEEN  
28 DIRECTED TO ANOTHER ZONE, TO PROVIDE THE DIFFERENCE IN

UNION GAS LIMITED

Undertaking of Mr. Buonaguro  
To Ms. Evers

Please quantify capacity assignments done on a monthly basis, a seasonal basis, and an annual basis.

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Please see the Attachment.

Capacity Assignments\*  
G/d

Line No.	Receipt Point	Delivery Area		Winter 07/08					Summer '08						
				Nov '07	Dec '07	Jan '08	Feb '08	Mar '08	Apr '08	May '08	June '08	Jul '08	Aug '08	Sept '08	Oct '08
1	Empress	Eastern Zone	TOTAL	-	35,000	35,000	35,000	35,000	65,753	80,753	60,753	60,753	60,753	65,753	65,753
2			Monthly		35,000	35,000	35,000	35,000	13,000	28,000	8,000	8,000	8,000	13,000	13,000
3			Seasonal						52,753	52,753	52,753	52,753	52,753	52,753	52,753
4	Empress	Northern Zone	TOTAL	-	-	-	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000
5			Seasonal						5,000	5,000	5,000	5,000	5,000	5,000	5,000
6	Empress	Western Zone	TOTAL	-	-	-	-	-	-	-	-	12,000	12,000	8,000	5,000
7			Monthly									12,000	12,000	8,000	5,000
				Winter 08/09					Summer '09						
				Nov '08	Dec '08	Jan '09	Feb '09	Mar '09	Apr '09	May '09	June '09	Jul '09	Aug '09	Sept '09	Oct '09
8	Empress	Eastern Zone	TOTAL	28,000	48,000	48,000	48,000	48,000	77,556	97,556	97,556	108,556	108,556	108,556	97,556
9			Monthly		20,000	20,000	20,000	20,000	9,556	29,556	29,556	40,556	40,556	40,556	29,556
10			Seasonal						40,000	40,000	40,000	40,000	40,000	40,000	40,000
11			Annual	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
12	Empress	Northern Zone	TOTAL	8,000	8,000	8,000	8,000	8,000	-	-	-	-	40,000	-	30,000
13			UDC										40,000		30,000
14			Seasonal	8,000	8,000	8,000	8,000	8,000							
15	Empress	Western Zone	TOTAL	-	-	-	-	-	-	-	-	-	-	-	20,000
16			UDC	-	-	-	-	-	-	-	-	-	-	-	20,000
				Winter 09/10					Summer '10						
				Nov '09	Dec '09	Jan '10	Feb '10	Mar '10	Apr '10	May '10	June '10	Jul '10	Aug '10	Sept '10	Oct '10
17	Empress	Eastern Zone	TOTAL	80,000	80,000	80,000	80,000	80,000	92,832	92,832	92,832	92,832	92,832	92,832	92,832
18			Seasonal	20,000	20,000	20,000	20,000	20,000	32,832	32,832	32,832	32,832	32,832	32,832	32,832
19			Annual	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
20	Empress	Northern Zone	TOTAL	20,062	20,062	-	-	-	-	30,000	40,000	40,000	40,000	40,000	20,000
21			UDC						30,000	40,000	40,000	40,000	40,000	20,000	
22			Monthly	20,062	20,062										
23	Empress	Western Zone	TOTAL	-	-	-	-	-	-	-	-	-	-	-	-
				Winter 10/11					Summer 11						
				Nov '10	Dec '10	Jan '11	Feb '11	Mar '11	Apr '11	May '11	June '11	July '11	Aug '11	Sept '11	Oct '11
24	Empress	Eastern Zone	TOTAL	60,000	60,000	60,000	60,000	60,000	60,000	96,796	110,000	110,000	110,000	110,000	110,000
25			Monthly							36,796	50,000	50,000	50,000	50,000	50,000
26			Annual	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
27	Empress	Northern Zone	TOTAL	-	-	-	-	-	40,000	40,000	49,000	49,000	49,000	49,000	49,000
28			UDC							5,000					
28			Monthly						40,000	35,000	49,000	49,000	49,000	49,000	49,000
29	Empress	Western Zone	TOTAL	-	-	-	-	-	-	-	-	-	-	-	-
				Winter 11/12					Summer 12						
				Nov '11	Dec '11	Jan '12	Feb '12	Mar '12	Apr '12	May '12					
30	Empress	Eastern Zone	TOTAL	74,796	60,000	60,000	60,000	80,000	117,796	117,796					
31			Monthly	74,796	60,000	60,000	60,000	80,000							
32			Seasonal						117,796	117,796					
33	Empress	Northern Zone**	TOTAL	-	-	-	-	-	42,000	50,500					
34			UDC							2,000					
34			Monthly							8,500					
35			Seasonal						40,000	40,000					
36	Empress	Western Zone**	TOTAL	-	-	-	-	33,340	30,000	33,430					
37			UDC	-	-	-	-	33,340	30,000	33,430					

\* not including capacity assignments to Union's franchise customers

\*\* updated

UNION GAS LIMITED

Undertaking of Ms. Cameron  
To Mr. Quinn

Please advise where Union directed annualized assignment of gas for each month between November 2009 and March 2012; to multiply the demand charge to the Eastern Zone versus where the gas was directed, and to advise the difference in cost between those places for any of those months; and if there is a difference, if any of the Eastern Zone gas has been directed to another zone, to provide the difference in demand charge between the respective zones, and to multiply that by the number of units delivered for that month.

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The attachment provides the contracted delivery areas applicable to annual capacity assignments of Empress to EDA transportation.

In all months, Union purchased supplies at Empress on behalf of sales services customers. Union also met the custom requirements in each delivery areas as planned.

With respect to capacity assignments, Union arranged for delivery of the gas supplies to another location in its franchise having regard to customer need and gas supply planning. For example, in November 2009, the EDA capacity was used to serve Union's WDA.

The net value of this transaction represents the difference in demand charges between the Empress to EDA toll and the toll to the delivery point (for November, 2009 the delivery point was Empress to WDA), as shown in Column M. The actual value Union received for this transaction, net of incremental costs, is shown in Column N. The transactions using Empress to EDA capacity are a subset of the optimization of Eastern Zone capacity as described in J7.6. The net proceeds represent regulated revenue and were dependent upon the RAM program.

Even with the change in the delivery point, Union met all the demands in the EDA. Using November 2009 as an example, the deliveries of 20,000 GJ/d to the WDA reduced the need for STS withdrawals from Dawn to Union WDA. This resulted in incremental gas supplies of 20,000 GJ/d at Dawn. These additional gas supplies at Dawn were delivered to the EDA using STS withdrawals from Dawn to Union. This series of transactions facilitated the transfer of gas supplies from WDA to Dawn to EDA and met the consumption requirements in the EDA.

Empress to EDA Annual Capacity Assignments

	Redelivery Point (GJ/d)			Demand Charge (\$/GJ/mo)			(h)	(i)	Demand Charge (\$000's)		(k)	(l)	(m)	(n)
	WDA	NDA	SWDA (Dawn)	TOTAL	WDA	NDA			SWDA (Dawn)	WDA				
Nov-09	20,000			20,000	\$ 16,70445	\$ 25,63374	\$ 28,08670	\$ 33,37571	\$	334	\$ -	\$ -	\$	\$ 76
Dec-09	20,000			20,000	\$ 16,70445	\$ 25,63374	\$ 28,08670	\$ 33,37571	\$	334	\$ -	\$ -	\$	\$ 69
Jan-10	20,000			20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	476	\$ -	\$ -	\$	(\$87)
Feb-10	20,000			20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	476	\$ -	\$ -	\$	(\$28)
Mar-10	20,000			20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	476	\$ -	\$ -	\$	(\$32)
Apr-10	20,000		20,000	20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	-	\$ 796	\$ 796	\$	\$234
May-10	20,000		20,000	20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	-	\$ 796	\$ 796	\$	\$241
Jun-10	20,000		20,000	20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	-	\$ 796	\$ 796	\$	\$238
Jul-10	20,000		20,000	20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	-	\$ 796	\$ 796	\$	\$242
Aug-10	20,000		20,000	20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	-	\$ 796	\$ 796	\$	\$238
Sep-10	20,000		20,000	20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	-	\$ 796	\$ 796	\$	\$240
Oct-10	20,000		20,000	20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	-	\$ 796	\$ 796	\$	\$242
					Subtotal: Impact of Annual Capacity Assignment (\$000's):							\$3,223	\$1,674	
Nov-10	10,000	10,000		20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	238	\$ 367	\$ -	\$	\$168
Dec-10	10,000	10,000		20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	238	\$ 367	\$ -	\$	\$120
Jan-11	10,000	10,000		20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	238	\$ 367	\$ -	\$	\$176
Feb-11	10,000	10,000		20,000	\$ 23,79107	\$ 36,72520	\$ 39,79320	\$ 47,77094	\$	238	\$ 367	\$ -	\$	\$115
Mar-11	10,000	10,000		20,000	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	323	\$ 497	\$ -	\$	\$197
Apr-11	20,000		20,000	20,000	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ 1,078	\$ 1,078	\$	\$191
May-11	20,000		20,000	20,000	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ 1,078	\$ 1,078	\$	\$204
Jun-11	20,000		20,000	20,000	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ 1,078	\$ 1,078	\$	\$196
Jul-11	20,000		20,000	20,000	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ 1,078	\$ 1,078	\$	\$199
Aug-11	20,000		20,000	20,000	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ 1,078	\$ 1,078	\$	\$203
Sep-11	20,000		20,000	20,000	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ 1,078	\$ 1,078	\$	\$203
Oct-11	20,000		20,000	20,000	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ 1,078	\$ 1,078	\$	\$197
					Subtotal: Impact of Annual Capacity Assignment (\$000's):							\$3,253	\$2,179	
**Nov-11	-	-	-	-	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ -	\$ -	\$	\$0
Dec-11	-	-	-	-	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ -	\$ -	\$	\$0
Jan-12	-	-	-	-	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ -	\$ -	\$	\$0
Feb-12	-	-	-	-	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ -	\$ -	\$	\$0
Mar-12	-	-	-	-	\$ 32,29092	\$ 49,65158	\$ 53,88793	\$ 63,84842	\$	-	\$ -	\$ -	\$	\$0

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

\*\* No annual or seasonal assignments of Empress-EDA capacity were completed for the winter of 2011/2012.

UNION GAS LIMITED

Undertaking of Mr. Thompson  
To Ms. Hodgson

Please provide breakdown of assignments in J.C-4-7-10, Attachment 1, page 10 of the compendium, between the EDA, CDA and the NCDA.

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Please see the Attachment.

Eastern Zone Capacity Assignments\*  
 GJ/d

Line No.	Receipt Point	Delivery Area		Winter 07/08					Summer '08						
				Nov '07	Dec '07	Jan '08	Feb '08	Mar '08	Apr '08	May '08	June '08	Jul '08	Aug '08	Sept '08	Oct '08
1	Empress	Eastern Zone	TOTAL	-	35,000	35,000	35,000	35,000	65,753	80,753	60,753	60,753	60,753	65,753	65,753
2			EDA	-	-	-	-	-	13,000	20,000	-	-	-	5,000	5,000
3			CDA	-	35,000	35,000	35,000	35,000	52,753	52,753	52,753	52,753	52,753	52,753	52,753
4			NCDA	-	-	-	-	-	-	8,000	8,000	8,000	8,000	8,000	8,000
				Winter 08/09					Summer '09						
				Nov '08	Dec '08	Jan '09	Feb '09	Mar '09	Apr '09	May '09	June '09	Jul '09	Aug '09	Sept '09	Oct '09
5	Empress	Eastern Zone	TOTAL	28,000	48,000	48,000	48,000	48,000	77,556	97,556	97,556	108,556	108,556	108,556	97,556
6			EDA	-	-	-	-	-	9,556	29,556	29,556	40,556	40,556	40,556	29,556
7			CDA	20,000	40,000	40,000	40,000	40,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
8			NCDA	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
				Winter 09/10					Summer '10						
				Nov '09	Dec '09	Jan '10	Feb '10	Mar '10	Apr '10	May '10	June '10	Jul '10	Aug '10	Sept '10	Oct '10
9	Empress	Eastern Zone	TOTAL	80,000	80,000	80,000	80,000	80,000	92,832	92,832	92,832	92,832	92,832	92,832	92,832
10			EDA	20,000	20,000	20,000	20,000	20,000	32,832	32,832	32,832	32,832	32,832	32,832	32,832
11			CDA	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
12			NCDA	-	-	-	-	-	-	-	-	-	-	-	-
				Winter 10/11					Summer 11						
				Nov '10	Dec '10	Jan '11	Feb '11	Mar '11	Apr '11	May '11	June '11	July '11	Aug '11	Sept '11	Oct '11
13	Empress	Eastern Zone	TOTAL	60,000	60,000	60,000	60,000	60,000	60,000	96,796	110,000	110,000	110,000	110,000	110,000
14			EDA	20,000	20,000	20,000	20,000	20,000	20,000	20,000	33,000	33,000	33,000	33,000	33,000
15			CDA	40,000	40,000	40,000	40,000	40,000	40,000	68,000	68,204	68,204	68,204	68,204	68,204
16			NCDA	-	-	-	-	-	-	8,796	8,796	8,796	8,796	8,796	8,796
				Winter 11/12					Summer 12						
				Nov '11	Dec '11	Jan '12	Feb '12	Mar '12	Apr '12	May '12					
17	Empress	Eastern Zone	TOTAL	74,796	60,000	60,000	60,000	80,000	117,796	117,796					
18			EDA	-	-	-	-	20,000	40,000	40,000					
19			CDA	66,000	60,000	58,000	58,000	58,000	69,000	69,000					
20			NCDA	8,796	-	2,000	2,000	2,000	8,796	8,796					

\* not including capacity assignments to Union's franchise customers

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.

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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	<u>Redelivery Point</u>			<u>TOTAL</u>	<u>Net Proceeds*</u> (S000's)
	<u>WDA</u>	<u>NDA</u>	<u>SWDA</u> (Dawn)		
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.