

EB-2012-0430

IN THE MATTER OF the *Ontario Energy Board Act, 1998*,
S.O. 1998, c.15 (Schedule B);

AND IN THE MATTER OF an Application by Union Gas
Limited for orders pursuant to sections 90 and 97 of the *Ontario Energy
Board Act, 1998*, granting leave to construct a natural gas pipeline and
facilities in the Region of Waterloo.

**INTERROGATORIES OF THE
CORPORATION OF THE CITY OF KITCHENER**

February 1, 2013

Project Summary, Landowners, Environmental

Interrogatory # 1

Ref: Page 1 of 15, Lines 15 and 16
Page 9 of 15, Lines 1 to 3
Page 10 of 15, Lines 12 and 13

“Union has discussed the Project with the directly affected landowners along the route of the pipeline and no one has identified any significant issues.”

“Union has implemented a comprehensive program to provide landowners, tenants, and other interested persons with information regarding the proposed pipeline. Project information was distributed through correspondence and meetings with the public.”

“Union met with municipal officials of the Region of Waterloo to discuss the preferred route alternative. The Region of Waterloo did not identify any concerns with Union’s chosen route.”

Preamble: The comprehensive planning process for the Rosenberg Community to be located in the Region of Waterloo and which the proposed pipeline crosses was completed during 2010 to 2012 and involved extensive public and stakeholder consultation.

a) At any time during this planning process, did Union Gas Limited (UGL) advise the planning approval authorities (City of Kitchener and Region of Waterloo) of its intention to upgrade and relocate the Owen Sound pipeline?

b) Did UGL consider the impacts on the Rosenberg Community when planning the proposed upgrades and relocation of the Owen Sound pipeline?

c) Has UGL received confirmation from the Waterloo Region District School Board (WRDSB) that its concerns with the proximity of the proposed new location of the pipeline to schools planned for the Rosenberg Community have been addressed?

d) Do the proposed upgrades and relocation of the Owen Sound pipeline benefit the Rosenberg Community in any way?

e) Do the proposed upgrades and relocation of the Owen Sound pipeline adversely impact the Rosenberg Community in any way? Specifically, are any of the planned land uses no longer viable?

f) Is it imperative that this pipeline be relocated?

g) Have alternate routes that do not impact the Rosenberg Community been considered?

h) Has the City of Kitchener been asked to formally comment on the proposed relocation prior to the issuance of the Notice of Application in this proceeding in late 2012?

Proposed Facilities

Interrogatory # 1

Ref: Page 4 of 15, Lines 9 to 11

“Based on Union’s analysis of historic and expected growth in the Waterloo area and the area served by the Own Sound System, it was determined that upsizing the pipeline was not required and that the pipe could be replaced size for size.”

a) Please provide the analysis of historic and expected growth in the Waterloo area and the area served by the Owen Sound System which underpins this determination.

b) In the analysis referenced in part a) above, please disaggregate the historic and expected loads into the following categories: City of Kitchener; Region of Waterloo excluding City of Kitchener; and all other loads served by the Owen Sound System. Please identify the historic and expected peak day, seasonal (winter / summer) and annual loads by category.

c) Was expected growth in the Waterloo area for the Rosenberg Community included in the analysis? If so, please quantify it.

Interrogatory # 2

Ref: Page 4 of 15, Lines 12 to 14

“In 2011 Union signed a contract with the City of Kitchener for the period 2011 to 2015. Union has the ability of [sic] meet the contract requirements for both pressure and volume for the City of Kitchener with the replacement of the pipeline.”

a) Please quantify each of the contract requirements (maximum, minimum, daily, hourly) in metric and imperial measurements at both the Strausburg Transmission Station and the Kitchener Gate Station?

b) Based on Union’s recent actual operating data (within last five years) please indicate if any of the contract requirements noted above have been closely approached or exceeded at either the upper or lower bounds? If so, please quantify the excess and its duration?

Project Costs and Economics

Interrogatory # 1

Ref: Page 4 of 15, Lines 20 and 21
Schedule 5 and 6

“The estimated Project costs for the project are \$ 23,906,628.00. A detailed breakdown of these costs can be found at Schedule 5 and 6.”

a) Please confirm that the estimated station construction costs of \$ 579,000 shown on Schedule 6 are solely for the Kitchener Gate Station?

b) In as much detail as possible, please provide a breakdown of the estimated station construction costs of \$ 170,000 and \$ 402,000 for Station Equipment and Construction and Labor, respectively, as shown on Schedule 6? For estimated Labor costs, please separately identify contractor and UGL labor? For contractor costs, please identify the contractor(s) and the key terms of the purchasing tender(s) under which the contractor(s) will operate?

c) Will the actual costs incurred for the station modifications be capitalized and solely allocated to Kitchener under UGL’s approved rate-making methodology?

d) Assuming approval of UGL's instant application by the OEB and current rate-making methodology, please estimate the impact of the proposed station modification costs on the monthly customer charge for Kitchener under its T3 contract with UGL?

e) If approved by the OEB, will any of the other costs of the Owen Sound Replacement Project impact the rates for Kitchener under its T3 contract with UGL? Please identify and estimate the impact on the affected components of the T3 rate?

f) Will the proposed station modification costs increase the maximum hourly flow capacity at the Kitchener Gate Station? If not, what modifications would be required to meet an increase of 25,000 m³ per hour and at what estimated cost?

Design and Construction

Interrogatory # 1

Ref: Page 5 of 15, Lines 5 to 15
Schedule 8

"Between the Owen Sound Valve site and Strausberg Transmission Station the existing pipeline which has not been previously replaced will be removed and a new pipeline installed in the existing location. This pipeline will have an MOP of 6160 kPa. Between the Strausburg Transmission Station and the Kitchener Gate Station the existing pipeline will be removed and a new pipeline installed generally the same location. This pipeline will have an estimated operation pressure ("EOP") of 3450 kPa. Between the Kitchener Gate Station and the Waterloo Gate Station approximately 6.3 km of the existing pipeline will be abandoned in place and will be replaced with a new pipeline. This new pipeline will commence at Bleams Road and terminate at the Waterloo Gate Station. This pipeline will be constructed generally on road allowance. The pipeline will have an EOP of 3450 kPa."

a) During construction, will any gas be released directly to the atmosphere within the populated section of the City of Kitchener, i.e. north of Plains Road to the Kitchener - Waterloo border?

b) During construction, will the gas flow from the Kitchener Gate Station be interrupted at any time? If so when and for what duration?

c) If temporary regulator runs will be installed during the proposed modifications to the Kitchener Gate Station, can provision be made for the temporary regulator runs to remain or be brought back to the station to make further modifications and allow for the economic adjustment to a 225 psig guaranteed minimum pressure?

d) During construction, will the gas flow from the Strausburg Transmission Station be interrupted at any time? If so when and for what duration?

e) During construction, will both the Strausburg Transmission Station and the Kitchener Gate Station be offline at the same time?

f) During construction, will the high pressure feed (+200 psig) and intermediate pressure feed (+40 psig) from the Kitchener Gate Station be interrupted at the same time?

g) Will a detailed description and schedule of the construction process and tie-in of the new proposed pipeline, particularly at the Kitchener Gate Station, be provided by UGL to Kitchener prior to construction? Please advise when this detailed schedule can be provided to Kitchener, assuming approval of the instant application by the OEB?

h) What happens to the gas flow downstream if there is a fault or failure at the Bleams Road valve site? Does UGL have a contingency plan for mitigating this operational risk in order to maintain service to Kitchener?

Environmental

Interrogatory # 1

Ref: Page 10 of 15, Lines 14 and 15
Schedule 16

“Union retained the services of Azimuth Environmental to review the proposed route of the pipeline and prepare an Environmental Report (“ER”). The ER can be found at Schedule 16.”

a) Is UGL or Azimuth Environmental aware of any changes in easements and location of the proposed pipeline, in particular, adjacent to any Regionally designated significant woodland, that are not included in the ER and which may require mitigation measures?”