

**EB-2012-0451**  
**EB-2012-0433**  
**EB-2013-0074**

**IN THE MATTER OF** an application by Enbridge Gas Distribution Inc. for: an order or orders granting leave to construct a natural gas pipeline and ancillary facilities in the Town of Milton, City of Markham, Town of Richmond Hill, City of Brampton, City of Toronto, City of Vaughan and the Region of Halton, the Region of Peel and the Region of York; and an order or orders approving the methodology to establish a rate for transportation services for TransCanada Pipelines Limited;

**AND IN THE MATTER OF** an application by Union Gas Limited for: an Order or Orders for pre-approval of recovery of the cost consequences of all facilities associated with the development of the proposed Parkway West site; an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities in the Town of Milton; an Order or Orders for pre-approval of recovery of the cost consequences of all facilities associated with the development of the proposed Brantford-Kirkwall/Parkway D Compressor Station project; an Order or Orders for pre-approval of the cost consequences of two long term short haul transportation contracts; and an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities in the City of Cambridge and City of Hamilton.

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

**May 21, 2013**

**Issue A3. Are the costs of the facilities and rate impacts to customers appropriate?**

**A.3 – CCK 1**

Ref: EB-2012-0433, Section 12, paragraph 8 and Schedule 12-2

- a) Please specify and quantify the “benefit” received by Kitchener from the development of the Project as the sole in-franchise customer of Union in the Southern Area served under Rate T3.
- b) Please confirm that in Union’s economic analysis of the Project, there is no change to Kitchener’s contracted service levels under Rate T3, in particular, its firm daily contract demand (CD).

- c) To the extent that Kitchener is not changing its contracted service levels and not imposing additional costs for Union to serve its load under Rate T3, please explain how the principle of cost causality is not violated by the current allocation methodology which yields an increase in total allocated costs to Kitchener under Rate T3 as a result of the Project.

### **A.3 – CCK 2**

Ref: EB-2012-0433, Section 12, paragraph 17 and Schedule 12-2

For Rate T3, please explain why the reduction in the allocation of overhead costs (indirect costs and taxes) does not offset (let alone “more than offset”) the Dawn-Parkway Easterly Transmission costs “directly attributable to the Project”.

### **A.3 – CCK 3**

Ref: EB-2012-0433, Section 12, paragraph 20

Based on Union’s current outlook of its next regulatory framework, when would base rates be adjusted to reflect the actual revenue requirement associated with the Project?

**Issue B5. Should pre-approval to recover the cost consequences of the proposed facilities be granted?**

### **B.5 – CCK 1**

Ref: EB-2012-0433, Section 12, paragraph 10

- a) In Union South, please quantify the proportion of overall supplies by Union system customers and direct purchase customers, respectively, met by obligated deliveries at Parkway.
- b) How are the obligated deliveries at Parkway met by Union system customers and direct purchase customers?
- c) Union states that “a portion of the Parkway delivery obligation of sales service and direct purchase customers is met through Dawn-Parkway transportation services.” Please quantify the respective portions of the Parkway delivery obligation for sales service and direct purchase customers met through these transportation services. Are the transportation services firm?
- d) If the Dawn-Parkway transportation services used to meet a portion of the Parkway delivery obligation are firm and curtailed by Union, why would Union South in-franchise customers be exposed to providing the curtailed portion of those volumes through the market? Would the impacted customers not be relieved of their

obligation to deliver at Parkway due to Union's curtailment of a firm transportation service underpinning the delivery?