

**ONTARIO ENERGY BOARD**

**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 to UNION GAS LIMITED (Union)**

**From**

**INDUSTRIAL GAS USERS ASSOCIATION (IGUA)**

***Issue A.1. Are the proposed facilities needed? Considerations may include but are not limited to demand, reliability, security of supply, flexibility, constraints, operational risk, cost savings and diversity as well as the Board's statutory objectives.***

A.1 – IGUA 1:

Union's Brantford-Kirkwall Looping and Parkway D Compressor facilities are put forward as needed in response to incremental demands for Dawn to Parkway capacity totalling approximately 727 Tj/day.

Evidence in Union's 2013 rate case indicates potential turn back of Dawn to Parkway M12 capacity commencing in 2016. Union has forecast "at risk" M12 capacity as follows:

**Deemed at risk for turn back M12 Capacity (Tj) [EB-2011-0210 Exhibit J.D-14-16-8, Attachment 2]:**

	2016	2017	2018	2019	Total
Dawn - Kirkwall	31.7	10.8	262.6	0.0	305.1
Dawn - Parkway	177.8	193.4	116.7	21.6	509.5
Total	209.5	204.2	379.3	21.6	814.6
Cumulative Total	209.5	413.7	793.0	814.6	

- a. Please update the EB-2011-0210 forecast of "at risk" M12 turn back capacity.
- b. Assuming that the applied for facilities are approved, please quantify the incremental rate impact on Union's ex-franchise and in-franchise customers if M12 capacity turn back of the capacity provided in response to part a. is realized in full.

***Issue A.4. What are the alternatives to the proposed facilities? Are any alternatives to the proposed facilities preferable to the proposed facilities?***

**A.4 – IGUA 2:**

Union's Parkway Obligation Working Group, arising out of Union's 2013 rate case [EB-2011-0210], is examining the continued appropriateness of, and alternatives to, the "parkway delivery obligation", under which some of Union's direct purchase customers deliver approximately 548.6 Tj/day of gas to Parkway, at an incremental cost relative to delivery to Dawn. Union delivers approximately 90.5 Tj/day of gas to Parkway on behalf of its system supply customers, also at an incremental cost relative to delivery to Dawn. The Parkway delivery obligation results from capacity constraints between Dawn and Parkway.

- a. Has Union considered sizing its proposed facilities expansions to enable release of its in-franchise direct purchase customers from their current Parkway delivery obligations, and moving all system supply customer deliveries to Dawn?
- b. Can Union indicate the approximate incremental cost of so sizing its proposed facilities, and provide approximate incremental rate impacts by customer class?

TOR\_LAW\ 8175247\1