

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 TRANSCANADA PIPELINES LIMITED (TransCanada)

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.

IGUA A.1 – TransCanada:

TransCanada's Written Evidence (July 5, 2013) addresses, *inter alia*, TransCanada's participation in discussions with Union and EGD regarding the efficient development of natural gas infrastructure in Ontario, and refers specifically to the MOU entered into with EGD regarding Segment A, *"with access to the facilities being provided by*

TransCanada using its portion of the capacity on Segment A in a fair, non-discriminatory way”.

- a. Please explain why, from TransCanada’s perspective, it was essential that Segment A capacity beyond that used by EGD to serve its distribution customers be exclusively reserved for TransCanada’s use, as opposed to TransCanada securing space on Segment A along with other (non-EGD) shippers.
- b. As part of Attachment 2 to Exhibit I.A1.UGL.CCC.7, Union has filed a letter dated June 17, 2013 from Karl Johansson to the Presidents of each of Gaz Métro, Union and EGD. That letter is part of the infrastructure co-ordinating discussions among the utilities addressed in TransCanada’s evidence. That letter refers (second last paragraph) to another letter from TransCanada, dated May 17, 2013, which is cited as presenting a “segmentation proposal” which TransCanada states “*provides a framework to satisfy the LDC’s concerns over access to multiple sources of gas, and future capacity in the EOT [Eastern Ontario Triangle]*”. The May 17, 2013 letter does not appear to be on the record in these proceedings. Please file a copy of this letter so that the “segmentation proposal” apparently described therein as facilitative of diversity of supply in Eastern Canada can be understood.
- c. On July 10, 2013 EGD filed a letter addressed to the OEB regarding EGD’s termination of the EGD/TransCanada MOU. Attached to EGD’s letter to the OEB were copies of EGD’s correspondence to TransCanada regarding the breakdown of the understanding underpinning EGD’s view of the MOU. That attached correspondence (EGD’s July 10, 2013 letter to TransCanada, at the top of page 2) refers to a July 9, 2013 letter from TransCanada to EGD. Please file a copy of TransCanada’s July 9, 2013 letter, to assist in understanding of TransCanada’s most recent views regarding appropriate co-ordination of the construction and use of natural gas transportation infrastructure to serve eastern Canada.