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Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

**Attention: Ms. Kirsten Walli
Board Secretary**

Dear Ms. Walli:

**Subject: Enbridge Gas Distribution Inc. (EGD) – Greater Toronto Area Project
(GTA)
Union Gas Limited (Union) – Parkway West Project
Union – Brantford-Kirkwall/Parkway D Compressor Station Project
OEB File Nos: EB-2012-0451, EB-2012-0433, and EB-2013-0074
TransCanada PipeLines Limited (TCPL)
Interrogatories to Enbridge Gas Distribution Inc. (EGD)**

In accordance with the requirements in Procedural Order No. 6 dated July 23, 2013, please find attached TCPL's Interrogatories to Enbridge Gas Distribution Inc. (EGD).

Sincerely,
TransCanada PipeLines Limited

Original Signed by Jim Bartlett on behalf of

Catharine Davis
Vice President
Pipelines Law

ONTARIO ENERGY BOARD
EB-2012-0451, EB-2012-0433, and EB-2013-0074

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

AND 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.

To: Ms. Kirsten Walli

Board Secretary

Ontario Energy Board

TRANSCANADA PIPELINES LIMITED
INTERROGATORIES TO ENBRIDGE GAS DISTRIBUTION INC.

IR No. A.1 – TransCanada 1 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 1, Page 8, Paragraph 21

Preamble EGD states that the GTA project will increase supply diversity to the EGD franchise.

Request (a) Please complete the following tables with gas supply volume information for the time period 1999-2012:

	1999/2000	1999/2000	2000/2001	2000/2001
	Peak Day Supply (GJ/d)	Annual Supply (GJ)	Peak Day Supply (GJ/d)	Annual Supply (GJ)
Mainline LH				
Mainline SH				
Total Mainline				
Union				
Grand Total				

	1999/2000	1999/2000	2000/2001	2000/2001
	Peak Day Supply % of Total	Annual Supply % of Total	Peak Day Supply % of Total	Annual Supply % of Total
Mainline LH				
Mainline SH				
Total Mainline				
Union				
Grand Total				

(b) Please provide tables in the same format as (a) for the years 2015 and 2016.

IR No.	A.1 – TransCanada 2 (EGD Update)
Reference(s)	<ul style="list-style-type: none">(i) Exhibit A, Tab 3, Schedule 9, Attachment 1, Page 3, Table A3: Commodity Price Assumptions(ii) Exhibit E, Tab 1, Schedule 1, Page 9 of 9(iii) Exhibit A, Tab 3, Schedule 9, Attachment 1, Pages 4-6
Preamble	EGD's calculation of gas supply savings is directly dependent on the gas commodity price assumptions. TransCanada wishes to better understand how EGD's future gas prices are derived and the impact that a larger Empress to Dawn gas price spread has on the calculation of total transportation savings and the net present value of the GTA project.
Request	<ul style="list-style-type: none">(a) Please explain how EGD (or its sources) has developed the commodity price assumptions in reference (i).(b) How are the long term commodity prices shown in reference (i) derived given that forward price trades only extend out for a 5 year period, for example on exchanges such as NGX and ICE.(c) Please confirm the prices in \$/GJ provided in reference (i) are in Canadian Dollars per GJ. If not, what currency and unit of energy is it in?(d) Please provide background information on OpenLink explaining their qualifications and reliability.(e) Did EGD consider any other sources for providing commodity price forecasts? If so, please provide those forecasts and explain why EGD decided to use OpenLink. If EGD did not consider any other price forecast sources, why not?(f) How does the Empress-Dawn basis shown in reference (i) compare to the Empress-Dawn basis used by Union in EB-2013-0074 at Schedule 11-4, page 1?(g) How much does an Empress-Dawn basis change of \$0.10/GJ change

EGD's Project Benefits calculations shown in reference (iii)?

- (h) Please calculate the Project Benefits using the same average Empress-Dawn basis differential used by Union in their Schedule 11-4 and provide the resulting information in tables similar to reference (iii).
- (i) Please calculate the Project Benefits using an Empress-Dawn basis differential of \$1.50/GJ and provide the resulting information in tables similar to reference (iii).
- (j) Please add a column to the table in reference (i) that shows the Empress – Dawn basis
- (k) Please compare the resulting average Empress-Dawn average basis with the average Empress-Dawn basis number used in Union's evidence in EB-2013-0074, Schedule 11-4, Page 1.
- (l) Please explain the reason for the large swing in the Empress-Dawn basis from 2017 to 2018 to 2019, in reference (i)
- (m) Is this the reason for the savings calculations in reference (iii) spiking in 2018? If not please explain the savings spikes in 2018.
- (n) Please confirm if the prices shown in Table A3 are Calendar or Contract years (November – October)
- (o) Please confirm if the GTA Project Benefit Calculations shown in Tables A4, A5, and A6 are Calendar Years or Contract years (November - October)

IR No. A.1. – TransCanada 3 (EGD Update)

Reference(s) (i) Exhibit E, Tab 3, Schedule 5, Page 26, Paragraph 55, May 15, 2013 Update

Preamble In the May 15 update, EGD stated that “Planning for [Mainline] discretionary services would not be a prudent course of action

Request (a) The referenced statement has been removed in subsequent updates. Please explain why. Does EGD still believe that this statement is valid.

- (b) Has EGD contracted for all of its requirements on the Mainline? If not, please state the amounts that EGD will serve with discretionary service and with firm service (FT and/or FT-NR).

IR No. A.1. – TransCanada 4 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 9 Attachment 1, Pages 4-6, Table A4 through Table A6: GTA Project Benefit Calculations, July 22, 2013 Update

Preamble TransCanada notes that in reference (i) Tables A4, A5 and A6, the contracts for the “Increased Firm Transportation Scenario” is the same in all cases, with 600,000 TJ/d of contracts serving the EGD CDA. However, also in Tables A4, A5 and A6, the contracts for the “Expected Contracting with GTA Project Facilities Approved” is not the same in all cases, with Table A4 showing a total contract amount feeding into the EGD distribution system of 800,000 GJ/d but in Tables A5 and A6, showing a total contract amount feeding into the EGD distribution system of 600,000 GJ/d.

Request (a) For each of the contracts stated in Tables A4, A5 and A6, for both the “Increased Firm Transportation Scenario” and the “Expected Contracting with GTA Project Facilities Approved”, please provide, by year, the expected annual volume (GJs) that supports the calculations.

IR No. A.1. – TransCanada 5 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 5, Page 20, April 15 Update

Preamble EGD states that the GTA profitability index includes those benefits attributable to the contracting shift contemplated by the Company and the benefits from the DP delivery point shift. TransCanada wishes to understand how sensitive the PI of the GTA project is on the projected gas supply cost benefit.

Request (a) Please recalculate the PI for the GTA project assuming the gas supply benefit is zero.

IR No. A.1. – TransCanada 6 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, Page 9

Preamble EGD states that in Scenario 1 (previous Base Case) it assumes that in addition “This scenario also assumes that Direct Purchase customers would contract for approximately 158,000 GJ/d of long haul firm transportation capacity from Empress and continue to receive an assignment from the Company of approximately 42,000 GJ/d of short haul firm transportation capacity from Dawn to the Enbridge CDA absent the GTA Project facilities.”

Request

- (a) How much long haul firm transportation capacity has been contracted by Direct Purchase customers to date? When does EGD expect direct purchase customers to contract for long haul firm transportation capacity for the full 158,000 GJ/d? Please provide the basis for the answer.
- (b) Please explain the effects, including financial, on EGD’s system supply customers if EGD took back the 42,000 GJ/d of assigned short haul capacity & used it for system gas customers and Direct Purchase customers were obligated to supply their requirements to EGD using long haul firm transportation capacity.
- (c) Please explain the effects, including financial, on EGD’s system supply customers if, in addition to the actions in b) above, EGD obligated the Direct Purchase customers to supply the 158,000 GJd of requirements to EGD using long haul firm transportation capacity beyond November 2015.
- (d) Please identify which TransCanada contract the 42,000 GJ/d that is assigned to Direct Purchase customers is assigned from.
- (e) What quantity is forecast to be assigned to the Direct Purchase shippers for November 1, 2014, November 1, 2015, and November 1, 2016?

- (f) Does EGD plan to renew this contract beyond 2015 or 2016 and if so, how much of this contract will be renewed?

IR No. **A.1. – TransCanada 7 (EGD Update)**

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, Page 10 of 16
Project Rationale

Preamble Under “Scenario 3” in the Gas Supply Benefits section of the application, EGD states that it “...included this scenario as a point of reference to demonstrate that the expected gas supply benefits do not change materially over the 2015 to 2025 timeframe if supplies are not sourced from Niagara Falls. However, due to increased diversity of supply the Current Base Case is the preferred supply and contracting arrangement”.

- Request** (a) Does Enbridge agree that the path from Niagara Falls to Parkway Enbridge CDA provides not only supply diversity but transportation path diversity as well?
- (b) Does Enbridge agree that in addition to supply diversity, firm transportation path diversity is also important to ensuring reliability to the GTA? If not, why not?
- (c) To what extent did EGD consider firm transportation path diversity when determining its Gas Supply Benefits? Did EGD perform any kind of risk assessment beyond commodity price risk related to its proposed gas supply contracting decisions?

IR No. **A.1. – TransCanada 8 (EGD Update)**

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, Page 13 of 16

Preamble The GTA Project allows the Company to maintain minimum system pressures on the XHP system which may be violated without additional

facilities in place by winter 2015/2016.

- Request** (a) Which facilities are necessary to be installed in order to avoid violation of the forecast minimum pressures on the XHP system. Please indicate whether these are part of Segment A or Segment B.

IR No. A.1. – TransCanada 9 (EGD Update)

- Reference(s)** (i) Exhibit A, Tab 3, Schedule 9, Pages 8 - 10
- (ii) Exhibit A, Tab 3, Schedule 5, Page 28 Table 1 (from 2013-05-15 Update)
- (iii) Exhibit A, Tab 3, Schedule 9, Attachment 1, Page 4-6.

Preamble TransCanada wishes to better understand EGD's calculation of gas supply benefits. Three gas supply scenarios are presented for comparison reference (iii).

At 1.A1.EGD.BOMA.1 pg.5, EGD provides existing contractual details with TransCanada and Union. In reference (ii), EGD provides its forecasted Peak Day Supply/Demand balance. TransCanada wishes to understand EGD's forecasted contractual changes between the two scenarios.

- Request** (a) Please verify that the data in reference (ii) includes volumes for both Enbridge CDA and Enbridge EDA.
- (b) Please update the Peak Day Supply / Demand Balance for 2016 Table (reference ii) for the July 22, 2013 Update which includes the two new scenarios from reference (i) and (iii) and break out all columns by Enbridge CDA and Enbridge EDA.

IR No. A.1. – TransCanada 10 (EGD Update)

- Reference(s)** (i) Exhibit A, Tab 3, Schedule 9, Page 5 of 16

Preamble The application states that the GTA Project will provide entry point

diversity... TransCanada wishes to better understand this diversity.

- Request**
- (a) Please explain how EGD gains entry point diversity by moving additional gas supply through an alternative meter at the end of the same pipeline.
 - (b) Please provide a description of the additional facilities required and the capital costs associated with these facilities proposed to reduce dependency on the Parkway Gate Station.

IR No. **A.1. – TransCanada 11 (EGD Update)**

Reference(s) (i) Exhibit A, Tab 3, Schedule 3

Preamble EGD discusses reliability issues throughout the 24 pages of this schedule. TransCanada wishes to better understand EGD system reliability.

- Request**
- (a) For the years 2006 to 2012, please provide the following for all EGD meter station connections with the TransCanada Mainline in the GTA:
 - Peak daily demand
 - Annual average daily demand by month
 - (b) Please provide the same information as in question (a) that is forecast for 2015 and 2016.

IR No. **A.1. – TransCanada 12 (EGD Update)**

Reference(s) (i) Exhibit A, Tab 3, Schedule 5 page 28 of 30 (2013-05-15 Update)

(ii) Exhibit A, Tab 3, Schedule 9 Page 8 – 10 of 16

Preamble Table 1: Peak Day Supply / Demand Balance for 2016 (TJ/d)

- Request**
- (a) Please describe all of the contractual changes that Enbridge forecasts will occur between the current contractual status (November 1, 2012)

and the Status Quo Scenario listed in reference (i)

- (b) Please describe all of the contractual changes between the Status Quo Scenario and the Long Haul scenario
- (c) Please describe all of the contractual changes between the Long Haul Scenario and the GTA Project Scenario (under the three scenario's described in Exhibit A, Tab 3, Schedule 9, Pages 8-10).

IR No. A.1. – TransCanada 13 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3 Schedule 5 Page 28 of 30 (2013-05-15 Update)

Preamble Table 1: Peak Day Supply / Demand Balance for 2016 TJ/d

Request (a) Please explain the increase in EGD's forecast of STFT requirements between the peak month that was contracted in January 2013 and that forecast for 2016.

IR No. A.1. – TransCanada 14 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 5, Page 28, Table 1, updated: 2013-05-15

Preamble At 1.A1.EGD.BOMA.1 pg.5, EGD provides existing contractual details with TransCanada and Union. In reference (i) EGD provides its forecasted Peak Day Supply/Demand balance for 2016. TransCanada is trying to understand EGD's forecasted contractual changes between the two time periods.

Request (a) In a table similar to the table provided in the response to BOMA.1 referenced above, along with the existing contractual demands shown in the BOMA table, please provide the expected contract demand volumes for each of the contracts shown for the contractual years starting Nov2013, Nov2014, Nov2015 and Nov2016.

(b) Please explain any differences from the contract volumes in the table requested in a) above with the total contract volumes shown in reference (i).

IR No. A.1. – TransCanada 15 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 6

Preamble TransCanada wishes to understand the relationship of the existing EGD distribution facilities and the proposed construction of Segments A and B

Request (a) Please describe EGD's current system capability to transport gas from TransCanada's system at Victoria Square to Albion utilizing the Don Valley Pipeline and other existing EGD infrastructure.

 (b) Please describe EGD's current system capability to transport gas from Albion to the Don Valley line.

 (c) Does the answer to (a) and (b) change with the construction of Segment A and B? If so, by how much?

IR No. A.1. – TransCanada 16 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, Attachment 1, Page 1, Table A1, and Pages 4-6, Tables A4, A5, and A6.

Preamble TransCanada wishes to better understand the calculation of EGD peaking supplies cost and how the proposed replacement of this supply affects TransCanada.

Request (a) Please provide the detailed calculations of each component of the annual peaking supplies cost including contract demand volumes used to calculate each part of the demand and the volumes used to calculate each component of the commodity charges in the Tables included in reference (i).

 (b) Please explain how each of the peaking arrangements described in Table A1 in the reference is delivered to EGD and provide details of the daily and annual volumes associated with those arrangements by delivery area. Also please describe what transportation services or arrangements are used to deliver these supplies to EGD.

IR No. A.1. – TransCanada 17 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 5, Page 28

Preamble TransCanada wishes to better understand the direct purchase market.

Request (a) Please provide the current contract demand for the direct purchase market.

 (b) Please provide the details of what transportation path the direct purchase customers are currently using to supply their market, either via assignment from EGD or via their own arrangements.

IR No. A.1. – TransCanada 18 (EGD Update)

Reference(s) (i) Exhibit A, Tab 2, Schedule 1, Page 3 of 11 Paragraph 9

Preamble TransCanada seeks to understand the design parameters underpinning the proposed Segment A pipeline.

Request (a) Please provide all inputs and design parameters (including inlet/outlet pressure, temperature, design season) that determine the maximum daily design capacity of 2,000 TJ/d that would allow a third party to review and confirm this capacity.

IR No. A.1. – TransCanada 19 (EGD Update)

Reference(s) (i) Exhibit A, Tab 2, Schedule 1, Pages 1-2

Preamble EGD states that the purpose of the GTA Project is to: ... iii) diversify gas supply entry points into the EGD distribution system; iv) reduce operational risks; and (v) provide improved reliability, risk mitigation and costs savings for upstream gas supply.

- Request**
- (a) For each of the scenarios outlined in Exhibit A, Tab 3 Schedule 9 under Gas Supply Benefits, please list the entry points into the EGD distribution system along with the capacity in GJ/d and expected flows in GJ of each entry point for 2015.
 - (b) Please comment on how Update No. 6 reduces operational risk and improves reliability especially when compared to the previously proposed connection to TransCanada at Bram West.

IR No. A.1. – TransCanada 20 (EGD Update)

- Reference(s)**
- (i) Exhibit A, Tab 3, Schedule 3, Page 22
 - (ii) Exhibit A, Tab 3, Schedule 5, Page 13-17

Preamble Enbridge states in reference (i) that:

“the Company is witnessing a significant decline in production and exports from Alberta...”

- Request**
- (a) Please provide the specific WCSB supply forecast used by EGD in support of the contention that the WCSB production is on the decline.
 - (b) Please provide a copy of all publicly available forecast of WCSB supply (conventional and unconventional), prepared by EGD or its parent company over the last five years.

IR No. A.2. – TransCanada 21 (EGD Update)

- Reference(s)**
- (i) Exhibit E, Tab 1, Schedule 1, Page 9 and 9, May 15, 2013 Update
 - (ii) Exhibit E, Tab 1, Schedule 1, Page 9 and 9, July 22, 2013 Update

Preamble TransCanada seeks to understand the economic analysis provided in the May 15, 2013 update in comparison to the economic analysis provided in the July 22,

2013 Update.

Request

- (a) Please complete the following table by providing variances and the explanations for those variances:

	May 15, 2013 Update	July 22, 2013 Update	Variance	Explanation of Variance
Capital Investment				
Mains	(redacted)	(redacted)		
Stations	(redacted)	(redacted)		
Land Rights/Total	(redacted)	(redacted)		
Total	\$595,280,523	\$652,144,124		
Future Reinforcement Projects				
2017	\$21,000,000	\$21,000,000		
2018	\$16,400,000	\$16,400,000		
2019	\$13,000,000	\$13,000,000		
2020	\$250,000	\$250,000		
Capital Maintenance Costs	\$5,218,238	\$5,230,240		
Services	\$396,820,220	\$379,533,696		
Total Capital	\$1,047,968,98 1	\$1,087,558,060		
Total Transportation Savings	\$1,632,014,61 5	\$1,732,650,739		
Total Transportation Services Charge	\$388,604,339	\$471,256,624		
Net Present Value (40 years)	\$659,207,816	\$667,432,377		
Profitability Index (40 years)	1.76	1.73		

- (b) For the May 15, 2013 update and the July 22, 2013 update, please provide the breakdown of capital costs between Mains, Stations and Land Rights, which were redacted in references (i) and (ii), or explain why these amounts cannot be provided.
- (c) Please reconcile the capital cost of \$686.5 million provided in Exhibit C, Tab 2, Schedule 1, Page 1 with the \$652.1 million capital cost provided in Exhibit E, Tab 1, Schedule 1, page 9 and 9 (both in the July 22, 2013 update).
- (d) Please provide the formula used by EGD to calculate the profitability index.

- (e) Please provide the discount rate used to calculate the net present value and explain why that discount rate was chosen.
- (f) Please provide an economic analysis in table format similar to reference (i) and (ii) for scenarios 1, 2, and 3 as listed in Exhibit A, Tab 3, Schedule 9, Pages 8-11.

IR No. **A.2. – TransCanada 22 (EGD Update)**

Reference(s) (i) Exhibit E, Tab 1, Schedule 1, Page 9 of 9

Preamble TransCanada wishes to better understand EGD's economic analysis of the GTA Project.

- Request**
- (a) The referenced analysis includes a net present value over 40- years. Was this determined by assessing each input over 40 years or were the results over (2015-2025) extrapolated?
 - (b) What TransCanada Mainline tolls did EGD assume in determining these net present values?
 - (c) How were future Mainline tolls determined?

IR No. **A.3. – TransCanada 23 (EGD Update)**

Reference(s) (i) Exhibit A, Tab 3, Schedule 6

Preamble TransCanada would like to understand the differences in capital and resulting annual revenue requirements and tolls for the various options for a Segment A build.

- Request**
- (a) Please provide, in a summary table, what the total capital costs and associated resulting capacity (in TJs/day) would be for Segment A if it were built as:

- (i) Parkway to Albion at NPS 24 pipe size
- (ii) Parkway to Albion at NPS 30 pipe size
- (iii) Parkway to Albion at NPS 36 pipe size
- (iv) Parkway to Albion at NPS 42 pipe size
- (v) Bram West to Albion at NPS 24 pipe size
- (vi) Bram West to Albion at NPS 30 pipe size
- (vii) Bram West to Albion at NPS 36 pipe size
- (viii) Bram West to Albion at NPS 42 pipe size

When providing this information, please differentiate the capital costs for each option into separate line items for pipe, compression, metering, odorization, and any other capital costs, as well as grand totals.

- (b) Are there any other build options that EGD has been considering for Segment A? If so, please describe these options and provide each of those options as well in the summary table for response (a).
- (c) Please confirm the in service date for all of these scenarios in response (a) and (b) would be November 1, 2015. If not confirmed, please provide the in service dates for each scenario in response (a) and (b), and explain why the dates are not the same in all scenarios.
- (d) For each of the Segment A build options (i) through (viii) in question (a) above, and any other build options considered by EGD in response (b) above, please provide the detailed annual rate base and annual revenue requirement calculations (by individual cost item) for each year of 15 years starting at the November 1, 2015 in service date. The annual revenue requirement calculations should provide separate line items for all expected costs associated with these facilities, including but not limited to depreciation expense, debt return, equity return, income tax, operations and maintenance, pipeline integrity costs, municipal and other taxes. Also please provide all the assumptions used in these calculations, such as depreciation rates for each type of facilities, income tax rate, CCA rate, return on equity %, debt rate, debt to equity ratio, and any escalation factors or inflation rates used.
- (e) For each of the Segment A build options (i) through (viii) in question (a) above, and any other build options considered by EGD in response (b) above, and using the annual revenue requirements in (d) above,

please provide the resulting annual tolls for Segment A in each year for 15 years starting November 1, 2015 if:

- (i) Only 800 TJ/d of Segment A capacity is subscribed by EGD
- (ii) All of Segment A capacity is subscribed (i.e. 800 TJ/d by EGD is subscribed and remaining capacity is fully subscribed by other shippers).

IR No. **A.3. – TransCanada 24 (EGD Update)**

- Reference(s)**
- (i) Exhibit A, Tab 3, Schedule 1
 - (ii) Exhibit A, Tab 3, Schedule 6

Preamble TransCanada would like to better understand the specific market requirements and associated capacity for the EGD distribution system.

- Request**
- (a) Please provide what capacity (TJ/d) is required on Segment A to meet:
 - (i) Only the current market requirement for EGD distribution purposes
 - (ii) current and expected growth in market requirement for EGD distribution out to 2025, itemized by categories such as degree day requirements or other specific requirements
 - (b) Please confirm that the difference between the capacity requirement (TJ/d) for (i) and (ii) in response (a) is the expected market growth for EGD distribution out to 2025. If not confirmed, please explain why not.
 - (c) Please provide the minimum facilities and design parameters (including temperatures and inlet/outlet pressure) required and associated capital cost that EGD would need for Segment A to serve only its market requirements for distribution purposes and nothing else for the capacity requirements (TJ/d) indicated for each of (i) and (ii) in response (a).

When providing this information, please differentiate the capital costs into separate line items for each of pipe, compression, metering, odorization, and any other capital costs, as well as the grand total.

- (d) For the two facilities sets for Segment A provided in response (c), please provide the detailed annual rate base and annual revenue requirement calculations (by individual cost item) for each year of 15 years starting at the November 1, 2015 in service date. The annual revenue requirement calculations should include all expected costs associated with these facilities, including but not limited to depreciation expense, debt return, equity return, income tax, operations and maintenance, pipeline integrity costs, municipal and other taxes. Also please provide all the assumptions used in these calculations, such as depreciation rates for each type of facilities, income tax rate, CCA rate, return on equity %, debt rate, debt to equity ratio, and any escalation or inflation rates used.

IR # A.3. – TransCanada 25 (EGD Update)

- Reference(s)** (i) Exhibit A, Tab 2, Schedule 4, Pages 5-6
- (ii) Exhibit C, Tab 2, Schedule 1, Table 1

Preamble TransCanada is trying to understand the differences between the various GTA project proposals.

- Request** (a) Please list all of the Segment A facility changes and associated capital costs associated with the updated evidence filed on July 22, 2013.
- (b) Please provide a table similar to reference (ii) showing the capital costs associated with the GTA project in columns for the following scenarios:
- i) Evidence filed December 21, 2012
- ii) Update No. 1 as amended February 12, 2013
- iii) Update No. 2 as amended Apr15 , 2013
- iv) Update No. 3 as amended May 15, 2013
- v) Update No. 4 as amended June 3, 2013
- vi) Update No. 5 as amended June 3, 2013
- vii) Update No. 6 as amended July 22, 2013

Please include a written description of each scenario. The description should include the major pipeline facilities, metering facilities,

odorization facilities, etc. including pipe size for each scenario.

- (c) Please provide the total annual revenue requirement for each scenario by year for 15 years starting November 1, 2015.

IR No. **A.3. – TransCanada 26 (EGD Update)**

Reference(s) (i) Exhibit A, Tab 2, Schedule 1, Page 2

Preamble EGD states that they will construct a new station, the Parkway West Station, to receive gas delivered on the Union Gas' Dawn to Parkway transmission system and that this station will be on land leased from Union Gas.

- Request** (a) How much land owned or leased by Union Gas is required for this Station?
- (b) What is the cost of the leased land?
- (c) Is this cost included in the GTA Project? If so, please explain and provide references.

IR No. **A.3. – TransCanada 27 (EGD Update)**

Reference(s) (i) Exhibit A, Tab 3, Schedule 1, paragraphs 9 and 10.

Preamble EGD discusses its plans to hold a New Capacity Open Season to allocate capacity for the transportation element of Segment A and discusses the rate to be charged for this service.

- Request** (a) What is the minimum term requested in the open season?
- (b) Will successful bidders be obligated to renew their contracts beyond the initial term of the contract? If so, what are the terms and conditions and rate to be charged for this service?

- (c) Are there any obligations regarding the remaining NBV of the Segment A facilities at the end of the term of the contract if it is not renewed?
- (d) Please compare this commitment to pay for costs on Segment A with the commitment made by TransCanada in the MOU.

IR No. A.3. - TransCanada 28 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, paragraph 6.

Preamble EGD discusses the cost of a larger diameter pipeline for Segment A. “The approximately \$55 million cost of a larger diameter pipeline is less than the potential monetary benefits for distribution ratepayers of approximately \$133 million in the first year alone.”

Request (a) Please provide the details including pipe, compression, metering, odorization, land, any other capital costs, and operating costs supporting the \$55 M additional cost.

 (b) Is this \$55 M additional cost incremental to the additional cost of changing the origin of Segment A from Bram West to Parkway? If yes, please provide the details of these costs including pipe, compression, metering, odorization, land, any other capital costs, and operating costs?

IR No. A.3. – TransCanada 29 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, Paragraph 8

Preamble EGD discusses the open season for Segment A and states:” ...60% of the revenue requirement for the Segment A pipeline will be allocated to the transportation service and 40% will be allocated to distribution. In the event there are no shippers for the transport service, distribution ratepayers will be allocated the entire revenue requirement.”

- Request**
- (a) Please confirm that the total annual revenue requirement for Segment A is estimated to be approximately \$33 M. If not please explain & provide the correct amount.
 - (b) Please confirm that EGD has allocated 60% of the total cost of Segment A to transportation service and that the annual costs allocated would be approximately \$20 M. If not confirmed please explain and provide the correct amounts.
 - (c) Please provide the methodology for allocating Segment A costs to transportation service shippers if less than 100% of the available capacity is subscribed.
 - (d) In addition to the 40% of Segment A costs being allocated to distribution customers, please provide the annual \$ amounts that will be allocated to distribution customers if the Segment A capacity offered in the open season is totally unsubscribed, 10% subscribed, 25% subscribed, 50% subscribed, 75% subscribed and 90% subscribed.
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IR No. **A.3. – TransCanada 30 (EGD Update)**

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, Paragraph 9

Preamble EGD discusses the open season for Segment A and Financial Backstopping Agreements (“FBAs”) and that shippers are expected to bear some of the risk on upfront costs associated with Segment A.

- Request**
- (a) Please explain what EGD means by the “risk on upfront costs”
 - (b) Please define the term “some” of the risk. Please quantify the upfront costs and the amount of these costs shippers are expected to bear.
 - (c) Would costs associated with FBAs only materialize if the party fails to contract on a firm basis.
 - (d) Do the FBAs contain any conditions precedent? If so, please list them.

IR No. **A.3. – TransCanada 31 (EGD Update)**

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, Paragraph 9

Preamble Do the proposed facilities meet the Board’s economic tests as outlined in the Filing Guidelines on the Economic Tests for Transmission Pipeline Applications, dated February 21, 2013 and E.B.O. 188 as applicable?

Request (a) Does EGD acknowledge that since Segment A provides open access transportation services to ex-franchise customers, the Segment A expansion is subject to the Board’s Guidelines mentioned above? Please explain in full.

 (b) Please provide the evidence references to EGD’s assessment of the impact of the GTA project on existing transportation infrastructure in Ontario and the impacts on Ontario customers in terms of costs, rates, reliability, and access to supplies.

IR No. **A.3. – TransCanada 32 (EGD Update)**

Reference(s) (i) Exhibit A, Tab 2, Schedule 1, Page 9 of 11

Preamble In its evidence, EGD requests the Board to issue an Order(s) granting leave to construct the Segment A and Segment B facilities

Request (a) Please confirm that EGD is seeking full cost recovery of the facilities applied for in this application

 (b) In the absence of full cost recovery for any portion of the GTA Project, will EGD proceed with the installation of the facilities it has requested approval for?

IR No. A.3. – TransCanada 33 (EGD Update)

Reference(s) (i) Exhibit A, Tab 2, Schedule 1, Page 8 of 11 Paragraph 27

Preamble EGD states the “updated estimated cost of the GTA project is \$686.5M

Request (a) Please provide a breakdown of this cost by each proposed segment. i.e Segment A, Segment B, tie in costs, metering costs, odorization, and other costs. (please specify)

IR No. A.3. – TransCanada 34 (EGD Update)

Reference(s) (i) Exhibit A, Tab 3, Schedule 9, Page 2 of 16

Preamble The shared usage of the Segment A pipeline for distribution and transmission, and also the path through Albion, is a preferred path for regional infrastructure development. This has been supported by both Union and TransCanada as compared to other alternatives for elimination of the Parkway to Maple constraint.

Request (a) Please confirm that TransCanada’s support for the shared usage and build out of the path between Bram West and Albion involved TransCanada as either an owner or proponent in the infrastructure build and provided TransCanada with transportation contracts between Parkway and Bram West.

IR No. A.3. – TransCanada 35 (EGD Update)

Reference(s) (i) Exhibit A, Tab 2, Schedule 1, Page 3, Paragraph 9

 (ii) Exhibit A, Tab 3, Schedule 8, Page 5, Paragraph 12

Preamble EGD states it will hold an open season for Segment A, which has been sized

assuming that it will be used to serve needs beyond those of EGD.

- Request**
- (a) Please provide a copy of the open season for service from Parkway to Albion, and the supporting documents including the associated precedent agreements which will be used.
 - (b) Please itemize and describe the conditions precedent which are in the Precedent Agreement.
 - (c) Please provide any presentations, meeting notes, e-mails or marketing materials to any potential bidders or to industry, and any internal presentations with respect to Segment A.

IR No. **A.3. – TransCanada 36 (EGD Update)**

Reference(s) (i) EGD EB-2013-0074 Application

Preamble TransCanada wishes to be better able to follow changes made to the initial EGD application.

Request (a) Please provide a blackline version of the EB-2012-0451 Application which tracks all changes since the original application was filed.