

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.

INTERROGATORY to ENBRIDGE GAS DISTRIBUTION INC. (EGD)

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 – EGD:

[Reference: Exhibit A, Tab 3, Schedule 9] On July 22, 2013 Enbridge updated its application and supporting evidence. Enbridge indicated its termination of the MOU with TransCanada Pipelines Limited (TransCanada), its restoration of the pipe size of Segment A to 42" as originally proposed, and movement of the Segment A receipt point back to Union's system at Parkway West. EGD supports its revised proposal on the

basis, *inter alia*, that a 42" pipe size for Segment A "*would best meet the long term needs of the market for access to short haul transport*", as discussed at paragraphs 4, 5 *et seq.* of the referenced evidence. EGD also comments on the dependency of the Segment A transportation benefits on an Albion to Maple build to take gas off of Segment A, and the National Energy Board (NEB) application for approval of such build that will be required.

Since the filing of EGD's most recent application update, Union Gas and Gaz Métro have initiated an open season in respect of a build from Albion to Maple.

- (a) Please explain the approvals, agreement(s) and/or other processes that will be required for connection of the proposed Union/Gaz Métro project to TransCanada downstream of Segment A. Given TransCanada's current reticence to facilitate short haul transportation from Dawn or Niagara, please provide EGD's initial assessment of issues that may arise in the course of pursuit of such connection and which will require resolution prior to transportation (as distinct from distribution) of gas along Segment A.
- (b) TransCanada has publicly indicated that it will propose to transfer existing TransCanada gas transportation assets, including assets between North Bay and Iroquois, for use in its Energy East oil pipeline project, and that as a result capacity east of Maple on the TransCanada system will or may be constrained, absent expansion. Please explain EGD's understanding of the approvals, agreements and/or other processes that will be entailed in pursuit by TransCanada of its Energy East project, insofar as those processes will resolve issues regarding the adequacy of transportation capacity downstream of Segment A.

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