Aiken & Associates
578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624
E-mail: randy.aiken@sympatico.ca

November 11, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

RE: EB-2012-0433/EB-2012-0451/EB-2013-0074 - Written Submissions of the London Property Management Association

Please find attached the Written Submissions of the London Property Management Association in the above noted applications.

Sincerely,

Randy Aiken

Randy Aiken
Aiken & Associates

Encl.

cc: Karen Hockin, Union Gas (e-mail)
Norm Ryckman, Enbridge Gas Distribution (e-mail)

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.

ARGUMENT OF THE LONDON PROPERTY MANAGEMENT ASSOCIATION

I. INTRODUCTION

This is the argument of the London Property Management Association ("LPMA") on the issues related to the Enbridge GTA Project (EB-2012-0451), the Union Parkway West Project (EB-2013-0433) and the Union Brantford-Kirkwall/Parkway D project (EB-2013-0074).

The Ontario Energy Board ("Board") combined these three proceedings because of the interrelated nature of the projects.

The Enbridge GTA project deals with a leave to construct for two segments of pipeline and associated facilities, at a total cost of about $686.5 million. Segment A of the project involves the construction of a 27 km NPS 42 XHP steel pipeline from the proposed Parkway West Station to an expanded Albion Road Station. This proposed pipeline is shown in Appendix A to Enbridge's Argument-in-Chief dated October 21, 2013.

Segment B of the proposed project involves the installation of a 23 km NPS 36 XHP steel pipeline from the Keele/CNR Station to the Buttonville Station and then south to the to a point near Sheppard Avenue where it would tie in with an existing NPS 36 pipeline. Segment B, which also includes an expansion of the existing Jonesville Station, is shown in Appendix B of Enbridge's Argument-in-Chief.

In addition to Segments A and B, the Enbridge GTA Project includes proposed facilities at Parkway West that include a new gate station, a short 37 NPS steel pipeline to connect the Parkway West Station to the existing NPS 36 Parkway North Line and new regulation to tie the Parkway North Line to the Mississauga South Line. These facilities are illustrated in Appendix C to the Enbridge Argument-in-Chief.

Union's Parkway West Project involves the construction of facilities on a new site, immediately west of Highway 407, across from the existing Parkway Station. This project includes a loss of critical unit ("LCU") compressor for the discharge volumes that flow through the Parkway Station, the provision of an additional pipeline connection to Enbridge and upgrades to existing Union transmission pipelines and other infrastructure. The cost of this project is approximately $219.4 million.

The Union Brantford-Kirkwall/Parkway D Project, at an estimated total cost of about $204 million, is composed of two parts. The first is the construction of about 14 km of NPS 48 pipeline from the existing Brantford valve site to the Kirkwall Custody Transfer Station on Union's Dawn to Parkway system. The second component of the project is in the Parkway D compressor that is to be located on the new Parkway West site.

All of the three projects noted above are interrelated. In addition, TCPL's King's North Project is linked to both Segment A of the Enbridge GTA Project and to Union's Brantford-Kirkwall/Parkway D Project.

II. ARGUMENT

The balance of this argument is structured based on the Board's Issues List as provided in Appendix A of Procedural Order No. 2 and Decision on Issues List and Cost Eligibility date May 8, 2013.

LPMA members are not directly impacted by the GTA project (EB-2012-0451). As a result, LPMA has not provided any submissions with respect to Issues D1 through D6 that deal specifically with the Enbridge GTA Project.

LPMA has made submissions with respect to the Related Issues A1 through A5, although most of these submissions are focused on the two Union Gas projects.

However, LPMA submits that the Union Gas projects and Segment A of the GTA project in aggregate are in the public interest and should be approved. The proposed facilities have an immediate and positive impact on the cost of gas for Union North, Enbridge and Gaz Metro customers as they will now have access to gas at Dawn. This lessens the reliance on Western Canadian gas and long haul TCPL tolls.

With this increased take away capacity from Dawn, through Parkway, it is likely that trading activity at Dawn will increase. This increase in activity should result in additional liquidity at Dawn, resulting in more competitive pricing that would benefit all Ontario customers.

LPMA submits that greater access to diverse supply basins is important for Ontario consumers going forward. Evidence in this proceeding has shown that price differentials between different supply basins have changed significantly over the past few years as the dynamics of the North American gas supply market have changed significantly.

A number of parties to this proceeding have expressed their opinions and views on what these price differentials will look like on a going forward basis. LPMA submits that trying to forecast prices, let alone price differentials, is a risky venture. In order to minimize the impact on Ontario consumers of changes in future prices and price differentials, the province needs to have access to as many supply basins through as many different pipeline transportation routes as is practical. Any constraints on the ability to shift future volumes in reaction to changing price differentials could have significant negative impacts on costs for Ontario consumers, not just of natural gas, but also of electricity, given the increased reliance on gas fired generation plants in the province. Constraints hamper economic efficiency and increase costs.

The combined projects of Union and Enbridge that were the subject of this proceeding, along with the proposed King's North project of TCPL, work together to reduce constraints and increase transportation and supply basin diversity. This is a benefit to all Ontario consumers and is supported by LPMA.

LPMA notes that Union and Enbridge filed updates to a number of undertakings on November 7, 2013. These undertakings were updated to reflect the impacts on the economics of the projects based on better information that resulted from the filing of the final Settlement Agreement between Union, Enbridge, Gaz Metro and TCPL on October 31, 2013. LPMA has reviewed these updates and submits that the updated impacts have not altered its' views with respect to the proposed projects.

A. RELATED ISSUES

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.

EB-2012-0451 - Enbridge GTA Project

As indicated above, LPMA submits that the facilities in the GTA project are needed in order to enhance security of supply, diversity of supply basins and diversity of transportation routes into Ontario.

EB-2012-0433 - Union Parkway West Project

LPMA submits that the Parkway West Project is needed for the reliability and security of supply that would be provided to customers downstream of Parkway.

While a supply disruption on the Enbridge system of the potential magnitude discussed throughout this proceeding would not likely have any impact on the availability of gas for customers in Union South, the consequences would still be felt in Union South.

First, electricity generation could be adversely impacted if there was a failure at Parkway and there was a supply disruption. This could impact electricity consumption in several parts of the province as well as have a negative impact on prices.

Second, a disruption of the potential magnitude discussed during the hearing would impact residential, commercial, institutional and industrial customers. This would have significant economic consequences to the province and to Canada. These consequences would not be limited to the greater Toronto area. They would be felt well beyond the GTA.

EB-2013-0074 - Union Brantford-Kirkwall/Parkway D Project

The evidence in this proceeding is clear. The expansion of the Brantford-Kirkwall line and the addition of the Parkway D compressor are needed to serve additional demands in Enbridge, Union North and Gaz Metro.

This project provides gas cost savings and diversity of gas supply to the customers served over the Dawn to Parkway system. LPMA members have benefited for many years as a result of the gas cost savings that have resulted from Union South customers having access to multiple production basins and transportation routes into Dawn. Providing these benefits to other customers in Ontario and Quebec is not only reasonable, it is the right thing to do.

Furthermore, LPMA submits that the expansion of the Dawn to Parkway system and increasing the flow through Parkway enhances the competitive market for natural gas at Dawn. All customers benefit from this enhancement.

2. 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?

<u>EB-2012-0451 - Enbridge GTA Project</u>

LPMA makes no submissions on whether or not the proposed facilities meet the Board's economic tests as outline in the Filing Guidelines on the Economic Tests for Transmission Pipeline Applications dated February 21, 203 and E.B.O. 188.

<u>EB-2012-0433 - Union Parkway West Project</u>

LPMA submits that there are no issues with respect to this project in terms of the economic test.

As shown in Schedule 12-2 Updated (2013-08-23), the impact on in-franchise customers is a reduction of $882,000 in distribution rates. Some in-franchise rate classes will see increased costs, but these increases are extremely small with the largest increase of only $125,000 in the M2 rate class. On the other hand, the M1 rate class will see a reduction of more than $1,000,000.

The project is essentially being paid for by ex-franchise customers. The three largest of these ex-franchise customers - Enbridge, TCPL and Gaz Metro - have all indicated their support of the project.

<u>EB-2013-0074 - Union Brantford-Kirkwall/Parkway D Project</u>

LPMA notes that there was considerable discussion in this proceeding centered around the profitability index ("PI") for this project. The PI is the result of a discounted cash flow ("DCF") calculation. The costs and benefits in this calculation are specific to Union Gas and does not include any costs or benefits that flow to others.

As discussion in Union's evidence (Section 9), the original forecast of the PI for this project was 1.46 and was based on gas cost savings of $28.2 million over the first 10 years of the project (Schedule 9-3A). In the response to Exhibits J4.5 and J4.6, Union provided the DCF calculations based on lower gas cost savings. In the scenario with the lowest gas cost savings of $9.6 million per year for the first 15 years, the PI was 1.01. Previously in this argument, LPMA has noted that trying to forecast natural gas prices and price differentials is a risky venture. Using forecasted gas cost savings in the DCF analysis is also risky. This is apparent in this application as identified by Union in Section 9 of their evidence where it is identified that if there are no gas cost savings, the PI drops from 1.46 to 0.71.

However, LPMA submits that the response to Exhibit J4.6 which results in a PI of 1.01 is based on an appropriately conservative estimate of gas cost savings of $9.6 million per year. LPMA submits that the Board should accept that the project is economic based on this calculation.

LPMA further submits that even if the PI is below 1.0, the DCF analysis is only the Stage 1 test of a three stage test employed by Union Gas to assess the economic feasibility of projects. This three stage test is in accordance with the Board's E.B.O. 134 Report on System Expansion.

A Stage 2 analysis can be undertaken if the Stage 1 PI is less than 1.0. As Union notes in their Argument-in-Chief (page 22), most of Union's transmission related expansion projects have had a PI less than 1.0. While Union has not done a Stage 2 analysis in this proceeding, it is clear to LPMA that the savings to customers of Enbridge and Gaz Metro are substantial and more than enough to make the project economic.

Stage 3 benefits also need to be taken into account. These benefits are outlined in the Union's Argument-in-Chief (pages 22-26) and are not repeated here. LPMA supports Union's argument with respect to these benefits.

3. Are the costs of the facilities and rate impacts to customers appropriate?

<u>EB-2012-0451 - Enbridge GTA Project</u>
LPMA makes no submissions with respect to the cost of the facilities and the rate impacts on Enbridge customers.

EB-2012-0433 - Union Parkway West Project

As shown in Schedule 11-1 Updated (2013-08-23), the cost of the Parkway West Project is $219.43 million. The projected maximum annual revenue requirement is $17.737 million (Schedule 12-1 Updated 2013-08-23).

There was little cross examination focused the cost estimates for this project. There was some discussion of whether or not some of the development costs should be shifted from the Parkway West Project to the Brantford-Kirkwall/Parkway D Project. However, as noted by Mr. Tetreault, the expected impact of this shift would be "virtually nothing" (Tr. Vol. 4, pages 66-67).

LPMA notes that any variances in actual capital costs from the forecasted amount will be tracked in a variance account and will be reviewed and disposed of on an annual basis as part of Union's annual non-commodity deferral account proceeding.

As a result, LPMA has no issues with respect to the cost of the facilities.

With respect to the impact on rates, LPMA submits that Union's proposal to allocate the costs based on the current Board-approved cost allocation methodology is appropriate. That allocation methodology results in approximately 16% of the costs being allocated to in-franchise rate classes with the remainder to allocated to ex-franchise rate classes.

The impact on rate classes for each of 2014 through 2018 is shown in Schedule 12-8 Updated (2013-08-23). The impacts for the in-franchise rate classes are very minimal and range from small decreases in some years to small increases in other years relative to the EB-2011-0210 rates. The rate classes that LPMA members are served by (Rates M1, M2 and M4) show a range of changes from a decrease of 0.2% in some years to an increase of 0.3% in other years.

Given the small impact on in-franchise rate classes over the 2014 through 2018 period, LPMA submits that the rate impacts are acceptable.

EB-2013-0074 - Union Brantford-Kirkwall/Parkway D Project

The cost of the two components of this project are forecast to be $96 million for the Brantford-Kirkwall line (Schedule 9-1) and $108 million for the Parkway D compressor (Schedule 9-2). No party has raised any significant issues with the proposed costs and LPMA submits that the Board should accept them as reasonable.

Union has provided the estimated annual revenue requirement associated with this project in Schedule 10-1 which shows that highest requirement is $15.902 million in 2018. As with the allocation of the Parkway West costs, Union is not proposing any change to the Board-approved allocation methodology of the Dawn to Parkway transmission costs as a result of this project. The allocation of the 2018 increase in costs is shown by rate class in Schedule 10-2. As shown in that schedule, there is a net reduction in the costs allocated to the Union South in-franchise rate classes with the exception of 2 rate classes, where the increases are minimal. The costs of this project will be paid for by Union North and ex-franchise customers. LPMA submits that this allocation is appropriate since the project is designed to provide benefits to those that will pay for it.

EB-2012-0433 & EB-2013-0074 Rate Impacts

LPMA notes that impact on its members of both of the Union Gas projects on projected 2018 rates is negligible under rates M1, M2 and M4. By combining the cost allocation impacts from both projects - Schedule 12-2 Updated (2013-08-23) in EB-2012-0433 and Schedule 10-2 in EB-2013-0074, the impact is as follows. The reduction in costs allocated to the M1 rate class is \$2.5 million. The increase in costs allocated to the M2 rate class is \$4,000, while for the M4 rate class, the increase is \$10,000. The result impacts are a decrease in 2018 in the cost for an average M1 customer of just under \$2 per year and virtually no change in the cost to the M2 and M4 customers.

In summary, LPMA submits that the allocation of costs of both Union Gas projects, as proposed by Union, and the resulting rate impacts on in-franchise customers are appropriate.

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

EB-2012-0451 - Enbridge GTA Project

LPMA makes no submissions with respect to the alternatives to the proposed project. In particular, it appears to LPMA that no alternatives to Segment A of the project have been suggested by parties to this proceeding.

EB-2012-0433 - Union Parkway West Project

As shown in the evidence (Section 10), Union investigated a number of alternatives to the Parkway West Project. Each of these alternatives was discussed and reviewed in detail. Some of the alternatives were dismissed because they did not provide true loss of critical unit protection or space was not available at the current Parkway site. Other alternatives would be more costly than the project proposed by Union.

LPMA submits that there have not been any cost effective alternatives provided that would result in the equivalent protection afforded by the loss of critical unit protection provided by this project.

EB-2013-0074 - Union Brantford-Kirkwall/Parkway D Project
In Section 8 of the evidence, Union describes a number of alternatives that it considered. In addition, a number of scenarios were proposed by parties (for example, Exhibit I.A1.UGL.FRPO.22 and Exhibit J4.2). In all cases, the proposed project had the lowest capital cost per unit of capacity.

As a result, LPMA submits that the project as proposed is preferable to any of the alternatives discussed.

5. Is the proposed timing of the various components of the projects appropriate?

EB-2012-0451 - Enbridge GTA Project
LPMA makes no submissions with respect to the proposed timing of this project. However, the timing of this project has a direct impact on the timing of the Union Brantford-Kirkwall/Parkway D Project, as discussed below.

EB-2012-0433 - Union Parkway West Project
LPMA submits that this project is independent of the other projects dealt with in this proceeding as well as TCPL's King's North project. This project, is strictly a reliability project. The reliability to be provided by this project is primarily for volumes destined for the Enbridge system, but would also provide increased reliability for other customers that take gas through the Parkway compressors.

This project provides loss of critical unit coverage for the compression at Parkway along with another interconnection with Enbridge. As Union's evidence states, the Board has approved loss of critical unit protection for other compressors on the Dawn to Parkway transmission line.

LPMA supports the timing for this project as proposed by Union.

EB-2013-0074 - Union Brantford-Kirkwall/Parkway D Project
As discussed in more detail under Issue 7 in Section C below, LPMA believes that the timing of this project needs to be tied to the approval of the GTA project and the TCPL's King's North project. This project should not proceed until approval has been received for these projects. The specific requirements are discussed in Section C, Issue 7 as there

are different requirements for the Brantford-Kirkwall line and the Parkway D compressor.

In addition, LPMA submits that in addition to approval, Union should receive assurances from Enbridge and TCPL that their projects will be built and around the timing of those builds. Regulatory approval of a project does not guarantee that it will be built. As the Board is aware, circumstances can change significantly over a period of just a few years.

Assuming the GTA and King's North projects proceed as planned, LPMA has no issues with the proposed timing of Union's project.

B. Union Gas Limited - Parkway West (EB-2012-0433)

1. Do the facilities address the OEB Environmental Guidelines for Hydrocarbon Pipelines as applicable?

Union Gas has many years of experience dealing with construction of major projects to ensure that no significant environmental impacts occur. Union's evidence is that it will follow its standard construction practices and when the project is constructed, it will follow the most current construction practices.

Union Gas has committed to ensuring that the recommendations provided in the Environmental Reports prepared by Stantec Consulting, the commitments and the conditions of approval are followed. Union has also indicated that an environmental inspector will monitor construction activities to ensure that all activities comply with the conditions of approval.

Based on this commitment from Union Gas, LPMA submits that the facilities do address the OEB Environmental Guidelines for Hydrocarbon pipelines. The Board should ensure that Union follows adheres to its commitments in the conditions of approval.

2. Are there any outstanding landowner matters for the proposed facilities' routing and construction? For greater clarity, landowners include parties from whom permits, crossing agreements and other approvals are required.

The evidence with respect to the Parkway West Project is that the property required for the station has been purchased and there are no outstanding landowner concerns. As a result, LPMA has no submissions on this issue.

3. Are the proposed facilities designed in accordance with current technical and safety requirements?

As indicated in the pre-filed evidence (Section 13), the design, installation and testing of the pipeline and station facilities will be in accordance with the requirements of Ontario Regulation 201/01, Oil and Gas Pipeline Systems under the *Technical Standards and Safety Act, 2000*.

LPMA has no concerns related to this issue.

4. Has there been adequate consultation with any affected First Nations or Metis communities?

LPMA makes no submissions on this issue, as there does not appear to be any outstanding issues.

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

Union Gas has requested pre-approval to recover the cost consequences of the proposed Parkway West facilities. Union has provided three reasons why it believes that the Board should provide pre-approval of the cost consequences.

First, the project is the single largest project in Union's history and since it is based on reliability and not on incremental revenues, the total annual revenue requirement associated with the project, approximately $17.7 million, must be recovered through higher rates.

Second, Union has stated that it would not be able to proceed with the project without reasonable certainty of cost recovery. The project will be paid for primarily by ex-franchise customers. These customers need to know the rate impacts as soon as possible.

Finally, Union submits that the Board's determination of the cost consequences and pre-approval to recover these costs in this proceeding is an efficient use of regulatory time and resources.

LPMA supports Union's request for pre-approval to recover the cost consequences of the proposed project. LPMA generally agrees with the reasons provided by Union.

Moreover, LPMA supports the request because Union has also proposed a deferral account to capture the variance between the forecasted and actual costs associated with the project. The balance in the deferral account would be subject to review and disposition as part of the annual disposition of non-commodity deferral account balances (Tr. Vol. 4, page 57).

LPMA also notes that the Parkway West Project meets the criteria for Y factor treatment during the 2014 to 2018 IRM period. The Board approved the Settlement Agreement for a multi-year IRM in EB-2013-0202 on October 7, 2013 that set out the criteria for Y factor treatment. Further, the Parkway West Project is identified on page 18 of the IRM Settlement Agreement as an example of a project that would be evaluated based on the Y factor criteria during the IRM period.

6. If the Board approves the proposed facilities, what conditions, if any, are appropriate?

Board Staff have proposed standard conditions of approval as set out in Exhibit I.B6.UGL.Staff.25 and I.B6.UGL/Staff.26. Union has accepted those conditions, with the exception of a correction in the date to December 31, 2015 as indicated in the response to I.B6.UGL/Staff.25. LPMA supports the standard conditions as proposed by Board Staff with the correction to the date as noted above.

As indicated in the response to Exhibit I.A1.UGL.LPMA.1 and I.A1.UGL.Staff.7 and confirmed by the Union panel (Tr. Vol. 2, pages 145-147), the need for the Parkway West Project is driven by the need for reliability and is not impacted by a lack of take away capacity downstream of Parkway (i.e. Enbridge's GTA Project or elimination of the Parkway to Maple bottleneck). Similarly the Parkway West Project is independent of whether or not the Brantford-Kirkwall/ Parkway D Compressor is approved.

As a result, LPMA does not believe that approval of the Parkway West Project should be conditional on approval or timing of any of the other projects in this combined proceeding. It is a standalone project and should be treated as such.

<u>C. Union Gas Limited - Brantford-Kirkwall / Parkway D (EB-2013-0074)</u>

1. Do the facilities address the OEB Environmental Guidelines for Hydrocarbon Pipelines as applicable?

LPMA's submissions with respect to this issue are the same as provided at Issue 1 in Section B above related to the Parkway West project.

2. Are there any outstanding landowner matters for the proposed facilities' routing and construction? For greater clarity, landowners include parties from whom permits, crossing agreements and other approvals are required.

Union has indicated that there are no outstanding land owner matters.

LPMA submits that the Board should direct Union to implement a comprehensive program to provide landowners, tenants and other interested parties with information regarding the Brantford to Kirkwall pipeline, as has been Union's practice on other projects.

3. Are the proposed facilities designed in accordance with current technical and safety requirements?

As indicated in the pre-filed evidence (Section 12), the design, installation and testing of the pipeline and station facilities will be in accordance with the requirements of Ontario Regulation 201/01, Oil and Gas Pipeline Systems under the *Technical Standards and Safety Act, 2000*.

LPMA has no concerns related to this issue.

4. Has there been adequate consultation with any affected First Nations and Metis communities?

LPMA makes no submissions on this issue, as there does not appear to be any outstanding issues.

5. Should the request for pre-approval to recover the cost consequences of the proposed facilities be granted?

As noted in Issue 5 in Section B above, LPMA notes that projects of this type were contemplated in Union's EB-2013-0202 IRM Settlement Agreement that was approved by the Board.

LPMA supports the use of a deferral account to capture the variance between the forecasted and actual costs associated with this project. The balance in the deferral account would be subject to review and disposition as part of the annual disposition of non-commodity deferral account balances (Tr. Vol. 4, page 57).

This account would also record any differences in the timing of expenditures, if they were to differ from that proposed by Union in this application.

6. Should pre-approval of the cost consequences of two long term transportation contracts be granted?

LPMA notes that the two long term transportation contracts for which Union is seeking pre-approval would not have any impact on Union South where the LPMA members are customers. However, as noted elsewhere in this argument, LPMA supports diversity of supply in serving markets. As a result LPMA supports pre-approval of the long term transportation contracts as requested by Union.

7. If the Board approves the proposed facilities, what conditions, if any, are appropriate?

In addition to the standard conditions noted under Issue 6 in Section B above, LPMA supports conditions related to the need for the Brantford to Kirkwall line and the Parkway D Compressor.

In particular, Union has indicated that the without the removal of the bottleneck between Parkway and Maple, it would not need to construct the Brantford to Kirkwall pipeline (Tr. Vol. 2, pages 143-145 & Exhibit I.A1.UGL.Staff.7). This means that both the King's North project of TCPL and Segment A of Enbridge's GTA project would need to be in place before the Brantford to Kirkwall pipeline is needed.

Union has indicated that Compressor D would still be required to meet the gas supply needs of Enbridge (Exhibit I.A1.UGL.Staff.7), but further indicated that the compressor would not be needed if the Enbridge GTA project did not get approved and built (Exhibit I.A1.UGL.Staff.8 & Tr. Vol. 2, pages 143-145).

If the Board approves the GTA Project, then LPMA submits that no additional conditions need to be applied to Compressor D. However, Compressor D should be approved on the condition that the GTA Project is both approved and built in the event that circumstances change and Enbridge delays the GTA Project.

With respect to the Brantford to Kirkwall pipeline, LPMA submits that two additional conditions should be imposed on Union. First, both the Enbridge GTA Project and TCPL's King's North Project should receive approval from their respective regulators before Union undertakes any construction activities. Second, Union should also receive assurances from Enbridge and TCPL, after they obtain approval and before Union starts construction, that both projects will be built on schedule. Any delays in their schedules should be taken into account by Union in their schedule.

<u>III. COSTS</u>

LPMA requests that it be awarded 100% of its reasonably incurred costs for participating in this proceeding. LPMA only attended the oral hearing when it was required to do its cross-examination. The remaining of the hearing was monitored through the transcripts and the internet broadcast.

All of which is respectfully submitted this 11th day of November, 2013.

*Randall E. Aiken*_

Randall E. Aiken
Consultant to
London Property Management Association