May 16, 2014

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: EB-2013-0365 - Union Gas Limited – 2014 Rates – Supplemental IR Responses

On February 18, 2014, Union received supplemental interrogatories from Ontario Greenhouse Vegetable Growers ("OGVG") related to the Leamington Expansion Pipeline Project approved by the Board in EB-2012-0431. Please find attached Union's responses to the EB-2013-0365 supplemental interrogatories.

Should you have any questions, please contact me at 519-436-5476.

Yours truly,

[Original Signed by]

Chris Ripley
Manager, Regulatory Applications

cc: Crawford Smith (Torys)
EB-2013-0365 Intervenors

UNION GAS LIMITED

Answer to Interrogatory from
Ontario Greenhouse Vegetable Growers ("OGVG")

Please confirm that Union did not include any customer growth in the residential, commercial or industrial rate classes beyond the load growth attributed to greenhouse customers identified in Attachment 1.

Response:

Confirmed.

UNION GAS LIMITED

Answer to Interrogatory from
Ontario Greenhouse Vegetable Growers ("OGVG")

a) Please describe how recent improvements in energy efficiency for new or expanded facilities were incorporated into the analysis.

Response:

When determining all contractual parameters with the customer, including the minimum annual volume, any energy efficiencies already in place would be reflected in the customer's consumption and thus would be reflected in the contract parameters. Any identified energy efficiencies that will be implemented in the future would also be included in the discussion with the customer when determining the contract parameters, including the minimum annual volume.

UNION GAS LIMITED

Answer to Interrogatory from
Ontario Greenhouse Vegetable Growers ("OGVG")

The interrogatory was seeking understanding of the system design and underlying Union assumptions regarding customer demand on the system and criteria used in designing the project. The response misconstrued the area of inquiry as related to economics of the project. Therefore please provide answers to the original questions:

Please provide the incremental total hourly demand, for each firm and interruptible increases, for each year of the first five years of the project.

a) How were those hourly demands generated (i.e., by historical hourly demand by acre, historical annual demand by acre converted to hourly)?

Response:

As indicated in Union's letter dated December 2, 2013, the Leamington Expansion Pipeline project has firm capacity to provide 48,633 m^3/hour and an additional 10,300 m^3/hr of interruptible capacity. Based on the demand forecast as shown in EB-2013-0365, Exhibit B12.5 Attachment 1, the pipeline is forecast to be fully contracted within the first three years of service (2013-2015). The incremental total hourly demand, for each firm and interruptible increases, for each of the first five years of service are:

Yr 1: 44,233 m^3/h Firm, 6,200 m^3/h Interruptible
Yr 2: 1,200 m^3/h Firm, 2,900 m^3/h Interruptible
Yr 3: 3,200 m^3/h Firm, 1,200 m^3/h Interruptible
Yr 4: 0 m^3/h Firm, 0 m^3/h Interruptible
Yr 5: 0 m^3/h Firm, 0 m^3/h Interruptible

a) Proxy hourly demands of 100 m^3/h per acre for new construction and 125 m^3/h per acre for conversion of interruptible to firm for existing customers are a generalized estimate that reflects a range of demands based on Union's knowledge of its customers' natural gas usage.

UNION GAS LIMITED

Answer to Interrogatory from
Ontario Greenhouse Vegetable Growers ("OGVG")

Similar to Exhibit B12.8, inquiries in B12.9 were focused on understanding system design criteria. Further since Exhibit B12.8 did not answer the system design criteria questions, the references in responses to d) and e) are not responsive to our inquiry. Therefore please provide answers to the following questions:

b) Please provide the pressure design conditions that were used to size the pipe. Specifically, what is the minimum inlet pressure at the Comber Transmission Station and the minimum inlet pressure at the County Road 14 Gate Station1 used to determine the pipe size and resulting capacity.

c) Please provide the specific criteria related to capacities. Is the 48,633 m3/hr the total peak day capacity under design conditions. Under what conditions is the additional interruptible service available?

d) Please provide the hourly load growth forecasted by year for the next five years for the Leamington system served by this pipeline.

e) Based upon the hourly loads for the forecasted attachments and additional hourly loads identified in d), please specify the remaining capacity available for additional potential customers in year 6 and beyond.

Response:

b) The Panhandle Transmission system is designed with supply pressure at Dawn of 6040 kPag and a minimum inlet pressure of 1830 kPag to the Brighton Beach Power plant located in the Windsor area. The minimum inlet pressures along the Panhandle Transmission system change dependent upon the demands being served along the system. Laterals connected to this system (such as the laterals supplying the customers in the Leamington area) can serve demand based on the operation of the Panhandle Transmission system. The Laterals feeding the Leamington area are not regulated (only metered) and as such their inlet pressures also change dependent upon the demands on the system. Specific to the Leamington area, the system is designed to maintain the minimum inlet pressure to the Leamington North Gate station of 2725 kPag and 2760 kPag at County Road 14 Gate Station. Union currently designs the Panhandle Transmission system to maintain an inlet pressure of 3550 kPa at Comber Transmission Station. This minimum inlet is subject to change dependent on future demands and future facility changes. The existing NPS 8 pipeline that the Leamington Expansion Project loops had a very high pressure loss prior to this reinforcement. The installation of the

NPS 12 reduces the pressure loss by shifting a large portion of the existing load to the new pipeline in addition to the growth indentified as part of this project. The NPS 8 pipeline downstream of County Road 14 Gate Station continues to be a bottleneck in the system limiting the flow in the new NPS 12 pipeline. When the bottleneck downstream is removed, the flow through the Leamington Expansion Pipeline will increase. Union is currently considering the feasibility of another loop of the Leamington line to respond to customer demand and relieve the above bottleneck. Feasibility of this looping would be dependent upon customer commitments (minimum annual volume or comparable financial commitment and term of revenue stream) consistent with the loop that is the subject of this interrogatory.

c) The 48,633 m^3/hr is the firm Peak hourly transmission capacity created by the installation of the Leamington Expansion pipeline and available to customers in the Leamington area on design day. On warmer than design day conditions, customer's firm gas requirements decrease and capacity is then available to serve customers on an interruptible basis. Up to 10,300 m^3/hr is available on an interruptible basis in the Leamington area.

d) Please see the response to Exhibit B12.8S.

e) Based upon the hourly loads for the forecasted attachments, there was no remaining capacity available for additional potential customers in year six and beyond.