

**REF: Exhibit A, Tab 1, page 2-7**

- 1) Why is Union seeking recovery of these 2014 costs in the 2013 deferral accounts disposition proceeding?
- 2) Please provide the end of month targeted and actual storage fill percentage for in-franchise customers.
  - a) Please provide a description of Union's monitoring of weather related consumption (actual and forecast) throughout the winter and resulting adjustments to spot gas purchases including:
    - i) Frequency of review and purchase adjustment
    - ii) Forecast data used
    - iii) Benchmarks to monitor adequacy of supply

Preamble: "The first was Union North Rate 25 consumption variances (0.6PJ) which Union is not seeking recovery..." **(page 2 line 20 to page 3 line 1)**

- 3) Please explain why Union is not seeking recovery.
  - a) To what account was the cost of the 0.6PJ charged?

Preamble: Union is seeking recovery of \$1.801 in the spot gas variance account.**(page 2, line 3)**

- 4) Please provide the Board-approved definition for Account No. 179-107 Spot Gas Variance Account
  - a) Please provide additional definition of what this account captures including a differentiation of costs in the North and the South.
  - b) Please provide a distinction for the requested deferral dispositions from QRAM and the ones sought in this case (i.e., why were these deferrals not sought in QRAM).
  - c) Please elaborate on what potential delivery rate changes **(page 3, lines 22 and 23)** were considered, what were the cost causality underpinnings and why was the ultimate choice made.
  - d) What proceeds did Union receive from the penalty rate imposed on those Direct Purchase ("DP") customers who did not balance? Where do those proceeds accrue?

Preamble: "Union is proposing to recover this \$2.264 million from Union South DP customers who were below the planned BGA balance and drove the need for incremental spot purchases based on Union South DP customer's March 31, 2014 DP Status Report." (**page 6, line 21 to page 7 line 2**)

- 5) Please provide the section of the Bundled Transportation contract that provides Union the authority to render this charge?
- a) Please provide the Unionline or other customer communication that informed DP of Union's expected approach to invoice customer for March 31st imbalances.
  - b) Please clarify that in the case where a DP customer met its February 28th checkpoint but did not match its March forecasted consumption, that customer will receive an invoice for their prorata portion of the Union proposed recovery. Is that the case? If not, please explain.

**REF: Exhibit A, Tab 1, page 7-10 and EB-2013-0202 Settlement Agreement clause 4.7.4**

- 6) Please provide the actual volume variances and resulting price variances by month for the period under consideration.
- a) For the 2013 volumes, please provide the Board order that Union is relying upon to recover volume variances for UFG in base rates.
  - b) For the 2014 volumes, please provide Union's view on the applicability of clause 4.7.4 in the IRM Settlement Agreement.
    - i) Please specify the factors which prohibit applicability of the annual threshold of \$5M impact and specific evidence that supports that view.
    - ii) If there are different reasons than in response to question 1) above, please provide Union's rationale to seek recovery of these 2014 costs in the 2013 proceeding.
- 7) Please confirm that load balancing and system integrity costs are recovered in distribution and/or storage rates.

**REF: Exhibit A, Tab 1, page 10, Table 2**

- 8) For the UFG volumes noted in the table:

- a) Please confirm that these are actual annual volumes. If not, please describe the nature of these volumes.
- b) Please provide the volumes that were included in rates for the same period for each of the respective years.
- c) Please provide the price in rates for each of the respective years if different from the Ontario landed reference price.

**REF: Exhibit A, Tab 1, pages 31-35**

- 9) Please provide the amounts included in rates for GDAR costs in 2011, 2012 and 2013.
  - a) Please confirm the amounts shown in Table 6 are net of the amounts included in rates.

**REF: Exhibit A, Tab 1, page 37 and Appendix A, Schedule 9**

- 10) Please provide the 30 year heating degree day and annual usage data used for the forecast of Annual Use by general rate class.
  - a) Please confirm that it is Union's intent to use the same 50:50 methodology even if the "declining" trend becomes "increasing".
- 11) Please describe how Net Annual Average Delivery Rates used in Schedule 9 are calculated.
  - a) Does the average rate use a volumetrically-weighted monthly average? If not, why not?
  - b) Why is the volumetric rate for storage not included in the calculation?
  - c) Please re-calculate and present the results if a volumetrically weighted average and the rate for storage are included.

**REF: Exhibit A, Tab 1, page 41-43**

- 12) How did Union ensure that Ernst & Young's efforts were devoted solely to this exercise?
  - a) Please provide the original estimate to prepare the audited statements and the resulting estimate from revised exercise.

**REF: Exhibit A, Tab 2, page 7, lines 3-5**

Preamble: "Union's 2013 corporate results include the reversal of a provision for fuel costs related to 2011 and 2012 FT-RAM activity totaling \$1.426 million which has been removed from transportation revenues."

13) Please provide more detail on the nature of this reversal.

- a) Did these provisions affect the dispositions from the respective accounts for those years?

**REF: Exhibit A, Tab 3, page 2, lines 8-10**

14) Please provide the specific Board approval for this approach.

**REF: Exhibit A, Tab 4, page 20**

15) Please confirm that TCPL's notice provision for termination is 24 months.

- a) In the event Union provides notice of termination this November, what is Union's contingency plan if the NEB does not approve the Settlement Agreement and the parties to the Agreement are not able to evolve the Agreement to the satisfaction of the NEB?

**REF: Exhibit A, Tab 4, page 22, Table 3**

16) For customers delivering gas to Union via Panhandle/Trunkline and Panhandle with an obligated delivery point of Parkway, does the customer need to contract for additional Union capacity?

- a) If not, who is paying for the Union capacity to meet the obligation at Parkway?

**REF: Exhibit A, Tab 4, Appendix C, page 7 and page 29**

Preamble: " As discussed in Section 6.7 of this report, the 2013/14 Gas Supply Plan assumes that approximately 90,000 bundled DP customers return to sales service supply relative to what was forecast in the 2013 Board-approved forecast in EB-2011-0210." **(page 7)**

"The Gas Supply Plan includes all bundled DP demand and contracted Daily Contract Quantities ("DCQ"), and assumes that the number of bundled DP customers remains constant as of January 1, 2013. Union is unable to predict customer migration between sales service and bundled DP. Therefore, for the term of the Gas Supply Plan, customers are assumed to remain with the service they had received effective January 1, 2013."**(page 29)**

17) Please reconcile the two statements.

- a) What was the actual migration?  
b) What protocols are in place to monitor actual migration?  
c) Who is at risk for over-forecasting of migration back to sales service?

**REF: Exhibit A, Tab 4, Appendix C, page 14**

18) Please provide additional information on the Use per Customer Factor and the Multiple

Winter Average including:

- a) a brief methodological description
- b) length of data series used
- c) sensitivity analysis used to understand range of outcomes

**REF: Exhibit A, Tab 4, Appendix C, page 15**

19) What were the results of the review of the St.Clair and Bluewater Pipelines.

- a) If not complete, please describe the process to be undertaken.

**REF: Exhibit A, Tab 4, Appendix C, page 16**

Preamble: From page 8 of the Board's decision in EB-2013-0109: *With respect to FRPO's request for further information in relation to UDC mitigation, the Board finds that no additional information is required at this time. At the time that Union's gas supply plan is next reviewed, FRPO can seek information related to UDC mitigation. In regard to FRPO's request for enhancements to the Gas Supply Memorandum, the Board will not require any enhancements at this time. The Board will have an opportunity to review the first filing of that memorandum and determine at that time whether any enhancements are necessary going forward.*"

20) Please provide additional data in the form of table for each TCPL delivery area in Union North and South. Respectfully, given the Board's endorsement above, we are seeking this information for each month of planned or actual UDC of 2012 and 2013. Specifically the request for 2012 is on the basis that the small amount of actual UDC incurred in 2013 would not provide an adequate sample of data.

UNION EDA (for example)

MONTH	PLANNED UDC	TOTAL CAPACITY INCLUDING UDC	CAPACITY DELIVERED FOR SYSTEM	CAPACITY RELEASED TO REDUCE UDC	ACTUAL UDC	AMOUNT USED TO SUPPORT OPTIMIZATION

- a) For each of the months that had planned and actual UDC and capacity used for optimizations:
  - i) please provide the cost of the UDC to ratepayers.
  - ii) please provide the accounting for the optimizations which include revenues, costs and resulting margin.
  - iii) how does Union distinguish between planned UDC capacity and excess capacity available for optimizations?

**REF: Exhibit A, Tab 4, Appendix C, page 17**

Preamble: "Sales service and bundled DP storage requirements that are cycled completely each year in the Plan with storage full on November 1 and empty by March 31 assuming normal weather;"

- 21) Please confirm the plan is not to have storage empty at March 31 but to have some storage to allow for late season deliverability.
  - a) Please provide the target percentage full at March 31st.

**REF: Exhibit A, Tab 4, Appendix C, page 17**

Preamble: "9.5 PJ of system integrity space. This storage space is used in a number of ways to maintain the operational integrity of Union's integrated storage, transmission and distribution systems. The Gas Supply Plan has 6.0 PJ of this space filled with system integrity supply while the remaining 3.5 PJ is left empty as contingency space.

- 22) Please provide a breakdown of usage of system integrity space for the winters of 2012/13 and 2013/14.
  - a) Was the fall contingency of 3.5 PJ left empty? If not, what portion was used?
  - b) How much of the 6.0 PJ of winter contingency space was filled each year?
    - i) When were the purchases made for this space?
    - ii) What was the cost of gas?
    - iii) How was the capacity used?
    - iv) What was the average cost of gas at Dawn in December of each respective year.

**REF: Exhibit A, Tab 4, Appendix C, page 22, Figure 8**

- 23) Is the cost of the TCPL Empress - Union CDA borne in the transportation customers in the Union South or North?
- a) Is there any adjustment for actual utilization for diversions to the North?

**REF: Exhibit A, Tab 4, Appendix C, page 32**

- 24) For Union North customers receiving access to Dawn, how is the cost of Dawn-Parkway system allocated?
- a) Is this allocation handled differently for the Northern T-Service Supply at Dawn?

**REF: Exhibit A, Tab 4, Appendix C, page 34**

- 25) Please provide additional detail on how the settlement of the Parkway Delivery Obligation affects Union's planned Dawn to Parkway Expansion described in Section 7.7.

**REF: Exhibit A, Tab 4, Appendix C, page 35**

- 26) Please provide specific detail on the planned shift of System Supply back to Dawn in 2016 will affect:
- a) Dawn-Parkway capacity
- b) Union North transportation requirements
- i) expected increase in North transportation rates

**REF: Exhibit A, Tab 4, Appendix C, page 36**

- 27) Please provide the cost-benefit analysis of alternatives to the Burlington-Oakville project.
- a) Please include paying TCPL for the service
- b) Please provide the resulting rate impacts

**REF: Exhibit A, Tab 4, Appendix C, Appendix D**

- 28) Please confirm the Receipt and Delivery Points for the Kirkwall to Niagara Falls contract.
- a) Is the capacity available bi-directionally?