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Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27 Floor
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Filed electronically

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

Dear Ms. Walli:

**Subject: Union Gas Limited (Union). – Reduce Certain Penalty Charges Applied to its
Direct Purchase Customers
OEB File No. EB-2014-0154
TransCanada Energy Ltd. (TCE) Interrogatory Responses**

In accordance with the requirements in Procedural Order No. 3 dated July 29, 2014, please find attached TCE's interrogatory responses.

Yours truly,
TransCanada Energy Ltd.

Original signed by

Nadine Berge
Senior Legal Counsel
Energy Law

Attachment

TRANSCANADA ENERGY LTD.

Answer to Interrogatory from
Board Staff

Interrogatory #1

Preamble:

TransCanada Energy Limited ("TCE") filed evidence which set out suggested alternative penalty charges to be levied on Union's customers that did not meet their contractual obligations during the months of February and March 2014. TCE calculated these alternative penalty charges based on Enbridge's methodology for calculating Unauthorized Supply Overrun charges for Rate 125 customers.

Questions:

- a) Please provide the daily prices (150% of highest Dawn Price) that support the graphs on page 4 of TCE's evidence.
- b) Please clarify whether TCE is suggesting that Enbridge's Rate 125 Unauthorized Supply Overrun methodology be used to calculate the penalty charge for the Southern Bundled T-Service customers that did not meet their winter checkpoint balancing obligations in February.
- c) If TCE is suggesting that Enbridge's Rate 125 Unauthorized Supply Overrun methodology also be used to calculate the penalty charge for the Southern Bundled T-Service customers that did not meet their winter checkpoint balancing obligations in February 2014, please specify which daily price would be used to calculate the penalty charge for these customers.

Response:

- a) Please see Attachment 1.
- b) TCE's proposal was made in the context of a generator subject to real-time dispatch by the Independent Electricity System Operator, operating under the terms and conditions of the Union Gas T2 service. TCE understands that the terms and conditions of the T2 service are different than the checkpoint balancing terms for Southern Bundled T-Service. In proposing the Enbridge methodology in this proceeding, TCE reviewed how its failure to balance would be treated under other utility tariffs. Approaches taken by other regulators and utilities sometimes made an "apples-to-apples" comparison difficult. Ultimately, TCE felt that Enbridge's Rate 125 methodology was the most appropriate, given the fact that: (a) Union and Enbridge operate in the same regulated natural gas market; (b) Union and Enbridge share a common regulator; and

(c) where reasonable comparisons could be made with other regulated utilities, most appeared to use a methodology similar to Enbridge's (i.e., penalties were linked to daily prices).

TCE has proposed that the Board use Enbridge's Rate 125 methodology as the most appropriate in the circumstances of T2 customers only. TCE is not familiar enough with the Southern Bundled T-Service (and rates) in order to form an opinion as to whether the Enbridge methodology would be appropriate to use for Southern Bundled T-Service customers.

c) Please see response to (b) above.

Attachment 1

Response to Board Staff Interrogatory 1.a

Flow Date	Highest Dawn Price (C\$/GJ)	150% of Dawn (\$/GJ)
1-Feb-14	\$8.54	\$12.80
2-Feb-14	\$8.54	\$12.80
3-Feb-14	\$8.50	\$12.76
4-Feb-14	\$9.27	\$13.91
5-Feb-14	\$10.68	\$16.02
6-Feb-14	\$50.35	\$75.52
7-Feb-14	\$11.49	\$17.23
8-Feb-14	\$31.33	\$46.99
9-Feb-14	\$31.33	\$46.99
10-Feb-14	\$31.41	\$47.12
11-Feb-14	\$28.74	\$43.10
12-Feb-14	\$19.80	\$29.70
13-Feb-14	\$15.61	\$23.42
14-Feb-14	\$13.11	\$19.67
15-Feb-14	\$15.61	\$23.42
16-Feb-14	\$15.61	\$23.42
17-Feb-14	\$15.61	\$23.42
18-Feb-14	\$15.57	\$23.36
19-Feb-14	\$16.75	\$25.12
20-Feb-14	\$16.79	\$25.18
21-Feb-14	\$17.93	\$26.90
22-Feb-14	\$36.39	\$54.58
23-Feb-14	\$36.39	\$54.58
24-Feb-14	\$36.16	\$54.24
25-Feb-14	\$34.41	\$51.61
26-Feb-14	\$26.87	\$40.30
27-Feb-14	\$30.62	\$45.93
28-Feb-14	\$31.23	\$46.84

Flow Date	Highest Dawn Price (C\$/GJ)	150% of Dawn (\$/GJ)
1-Mar-14	\$78.73	\$118.09
2-Mar-14	\$78.73	\$118.09
3-Mar-14	\$78.85	\$118.27
4-Mar-14	\$52.14	\$78.22
5-Mar-14	\$27.23	\$40.85
6-Mar-14	\$17.67	\$26.50
7-Mar-14	\$13.40	\$20.10
8-Mar-14	\$24.17	\$36.26
9-Mar-14	\$24.17	\$36.26
10-Mar-14	\$24.21	\$36.31
11-Mar-14	\$11.03	\$16.55
12-Mar-14	\$9.50	\$14.24
13-Mar-14	\$9.96	\$14.93
14-Mar-14	\$6.73	\$10.09
15-Mar-14	\$8.14	\$12.22
16-Mar-14	\$8.14	\$12.22
17-Mar-14	\$8.12	\$12.18
18-Mar-14	\$6.72	\$10.09
19-Mar-14	\$6.41	\$9.62
20-Mar-14	\$6.24	\$9.36
21-Mar-14	\$5.84	\$8.75
22-Mar-14	\$7.43	\$11.14
23-Mar-14	\$7.43	\$11.14
24-Mar-14	\$7.44	\$11.16
25-Mar-14	\$8.19	\$12.28
26-Mar-14	\$8.87	\$13.31
27-Mar-14	\$7.02	\$10.53
28-Mar-14	\$5.82	\$8.73
29-Mar-14	\$5.51	\$8.26
30-Mar-14	\$5.51	\$8.26
31-Mar-14	\$5.50	\$8.25

Source: NGX (prices originally in US\$/MMBtu)
 Note: Prices are associated with the gas flow day