

October 31, 2014

Kirsten Walli
Board Secretary
Ontario Energy Board
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Toronto ON M4P 1E4

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Dear Ms. Walli:

Re: EB-2014-0271- Union 2015 Rate case on behalf of the Association of Power Producers of Ontario ("APPRO")

We are the solicitors for APPRO in the above mentioned matter. Please find attached Interrogatories on behalf of APPRO with respect to same.

Should you have any further questions on this matter, please do not hesitate to contact us.

Sincerely,

Norton Rose Fulbright Canada LLP



Elisabeth L. DeMarco

Attachments

c. David Butters

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an Application by Union Gas
Limited, pursuant to section 36(1) of the Ontario Energy
Board Act, 1998, for an order or orders approving or fixing
just and reasonable rates and other charges for the sale,
distribution, transmission and storage of gas as of January 1,
2015.

EB-2014-0271

Interrogatories From
The Association of Power Producers of Ontario (APPRO)

October 31, 2014

Question: 1

Reference:

- i. Application Exhibit A Tab 1 page 9, section 4.5 Major Capital Additions
- ii. Appendix G
- iii. Working Papers Schedule 10
- iv. Working Papers Schedule 3

Preamble:

APPrO is interested in better understanding the status and impact of the Brantford to Kirkwall and Parkway D Compressor station projects.

- a) Please confirm that the Parkway D Compressor station is being constructed to accommodate deliveries to Enbridge at Parkway to meet its infranchise needs. If not explain.
- b) Please confirm that the Brantford to Kirkwall section of pipe is being constructed to accommodate deliveries of gas that would ultimately be transported downstream of Parkway into the TCPL system. If not explain.
- c) Please confirm that the construction of the Brantford to Kirkwall section of pipe is dependent on the construction of TransCanada's King's North Pipeline. If not explain.
- d) Please provide an update on the status and the timing of all major approvals required for TransCanada's King's North Pipeline and any related pipeline projects required to accommodate the flows proposed for the Brantford to Kirkwall pipeline.
- e) What is the latest reasonable date that TransCanada could commit to construct the required downstream facilities and Union still construct the Brantford to Kirkwall section of pipe with a high degree of certainty.
- f) Please describe the rate impact if the in-service date of the Brantford to Kirkwall section of pipe does not occur in 2015.
- g) Please describe the implications and the detailed rate impact of the Brantford to Kirkwall section of the pipeline if TransCanada's King's North Pipeline is not constructed (a) in 2015; (b) in 2016; (c) at all.
- h) Please provide Union's projected spending as at December 31, 2014 individually for each of the Parkway D and Brantford to Kirkwall projects.
- i) With respect to Appendix G, page 2, please redo the spreadsheet showing the respective individual costs, revenue and net revenue requirement separately for each of Parkway D and Brantford to Kirkwall projects.

- j) Appendix G, page 2 illustrates the projected Total Revenue Requirement (line 12) and Net Revenue Requirement (line 14) for the above 2 capital projects which are negative \$77,000 and negative \$1,611,000 in 2015, \$14,720,000 and \$5,516,000 in 2016, \$15,433,000 and \$6,229,000 in 2018, in 2017 and \$15,902,000 and \$66,980,000 respectively. The "Overview of Working Papers" Document, Schedule 10 illustrates the 2015 Revenue Requirement adjustment for all capital projects is \$6,296,000 (line 26), including the Parkway West Project amount of \$6,373,000 (footnote 1), which suggests that net amount being proposed for Brantford to Kirkwall and Parkway D is negative \$77,000 which corresponds to the Total Revenue Requirement illustrated in Appendix G. Please explain why Union proposes to use the Total Revenue Requirement rather than the Net Revenue Requirement amount of a decrease of \$1,611,000 (negative \$1,611,000) to make adjustments for the Brantford to Kirkwall and Parkway D projects.

Question: 2

Reference:

- i. Section 4.3 LRAM and Working Papers Schedule 17
- ii. Decision EB-2013-0109

Preamble:

Union is proposing to adjust the volumes associated with contract class to reflect LRAM volume impacts.

- a) Please indicate when the audited 2013 results will be available.
- b) In the event that the audit results will not be available in time for this rate case, please describe how Union proposes to deal with any variances that result from what is proposed in this case and the audited results.
- c) In its EB-2013-0109 decision, the Board expressed concern with the way that Union calculated its energy savings from large industrial custom projects and subsequently reduced Union's amount by 25%. Please explain in detail what changes Union has subsequently made to its methodology to estimate LRAM volumes for Rates 20, Rate 100, T1 and T2, as a result of this decision.