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October 31, 2014

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Our File No. 146022

**VIA RESS, EMAIL AND COURIER**

Ontario Energy Board

2300 Yonge Street

27th Floor

Toronto, Ontario

M4P 1E4

Attention: Kirsten Walli  
Board Secretary

Dear Ms. Walli:

**Re: EB-2014-0271**

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Please find attached BOMA's Interrogatories.

Yours truly,

**FOGLER, RUBINOFF LLP**

A handwritten signature in black ink that reads "Tom Brett per [initials]". The signature is written in a cursive, flowing style.

Thomas Brett

TB/dd

Encls.

cc: All Parties (*by e-mail*)

**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.

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**INTERROGATORIES OF**  
**BUILDING OWNERS AND MANAGERS ASSOCIATION, GREATER TORONTO**  
**(“BOMA”)**

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**October 31, 2014**

## Interrogatories

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**1. *Exhibit A, Tab 2, Page 4***

Union will have customer confirmation by October 31, 2014 (today) of the forecasted turnback for November 1, 2016. Please provide the amounts for Dawn-Parkway and Dawn-Kirkwall, separately.

**2. *Exhibit A, Tab 2, Schedule 1; Appendix B, Page 3 of 7 of the EB-2013-0365, Settlement Agreement ("Settlement Agreement")***

For information purposes, to help BOMA understand the Table on Schedule 1, can Union advise whether the description of the Phase I and Phase II of the PDO Reduction Proposal at Pages 2 and 3 of Appendix B to the Settlement Agreement, Sections (B) and (C) needs to be "modified" by what is being proposed? If so, please draft Union's view of the necessary revisions. BOMA is not requesting any change to the Settlement Agreement, but rather a written explanation of what is depicted in numerical form in Exhibit A, Tab 2, Schedule 1 of this case.

**3. *Exhibit A, Tab 2, Schedule 1***

Please explain in text form each line of the Table on this page; in other words, provide a liberally annotated version of the Table which explains each line and column (each "cell") of the Table.

**4. *Management of Shortfall* – Page 3 of the Settlement Agreement, Appendix B, states that:**

"Between November 1, 2015 and October 31, 2016, there will be a Parkway delivery shortfall of 146 TJ/day."

However, the Table at Schedule 1 of the current case, line 4 shows a "Replacement of Temporary Capacity" of 123 TJ/day, starting November 1, 2015. Please explain the basis of the 123 TJ/day of additional capacity. Please itemize the sources of the additional capacity and explain fully.

**5. *Exhibit A, Tab 2, Page 1, Lines 20-22***

- (a) Please provide details of the turnback of 66 TJ/day of Dawn to Parkway capacity turnback from in-franchise customers that hold M12 capacity.
- (b) When in 2014 was it turned back and why was it not documented in Appendix B to the Settlement Agreement?
- (c) Where are these in-franchise customers located? Provide breakdown among central, eastern, northern, north central, other zones.
- (d) How does that turned back capacity relate, if at all, to the incremental 123 TJ/day capacity available November 1, 2015?
- (e) More generally, please distinguish clearly between the capacity being returned by in-franchise customers without M12 service, in-franchise customers that hold M12 service, and ex-franchise customers that hold M12 service, and TCPL, providing the volumes/dates of return for each amount of capacity.
- (f) Please explain the 28 units of Dawn-Kirkwall capacity that became available from November 1, 2016. Please identify the source of that capacity – Gaz Met, US LDC, etc.

6. *Exhibit A, Tab 2, Page 6; Management Shortfall, Ex-Franchise*

BOMA needs to understand how the shortfall will be managed. In particular, the return Dawn-Kirkwall capacity effective November 1, 2015. Given the two year lead requirement to provide notice of return of capacity, those amounts of capacity must be now firm.

- (a) Which ex-franchise customers have released their capacity? Does that correspond to the 123 TJ/day shown in Schedule 1?
- (b) What is the remaining shortfall for the period commencing November 1, 2015?
- (c) What amount of service will Union need to purchase from a third party? What is the cost of that service? Please provide details. Is there any portion of the new construction that will come into service November 1, 2015 that is available to cover the shortfall? Please provide details.

7. Please relate the answers to questions 1 through 6, above, to the capacities and costs shown on Working Papers, Schedule 20 (Exhibit A, Tab 1). In particular, the separate calculations of the demand costs for 146 TJ/day, 19 TJ/day, 48 TJ/day, 212 TJ/day and 48 TJ/day, for a total net demand cost of \$5,143,000.00 for 2015. What is the origin of each of these numbers and total amount? BOMA is not concerned here so much with the allocation to rate classes as with the amounts of the various tranches. Please relate the amounts (each tranche) to the amounts of capacity discussed at Exhibit A, Tab 2, Pages 1-6, and the amounts shown in Schedule 1.

**8. *Schedule 20; Parkway Delivery Obligation; Working Papers 20***

Appendix B to EB-2013-0365 Settlement Agreement states at B.1(d) that demand costs for 2014 of the Parkway Delivery Obligation reduction of 165 TJ/day (146 + 18) is approximately \$4.763 million. There is no number provided for compressor fuel.

Please reconcile that number to the \$5.143 million shown at Working Papers, Schedule 20 in this case, page 1 of 4. What is the basis of the \$5.145 million? Please explain fully.

What is the current amount for 2014 in the deferral account referenced at paragraph (e) on Page 3 of 7 in Appendix B to EB-2013-0365 Settlement Agreement? What is the expected amount as at December 31, 2014?

**9. *EB-2014-0271; Working Papers***

- (a) Why is the MCC a separate item in Schedule 4, page 10 of 24?
- (b) How is the MCC factored into the same schedule? Please explain the arithmetic.
- (c) Schedule 5 – What is the one-time adjustment of (24) in column (b)?
- (d) Schedule 6 – Why do M1 and M2 classes break out storage and delivery rates, when the large rates do not?
- (e) Schedule 10 – Why are the 2015 capital pass through numbers negative for Union South in-franchise rate classes?

- (f) Schedule 14 – Why do FT-RAM related exchanges contain balances when the FT-RAM program has been terminated? Please explain fully. Please explain the progress of the Schedule from page 1 through page 3.
- (g) Schedule 16 – Please itemize the costs included in the 2015 Gas Supply Administration Charge.

**10. Exhibit A, Tab 1, Pages 11-12**

Please explain further the paragraph beginning at line 12, on page 11. In particular:

- (a) Please explain what costs are collected in the Union North gas supply transportation rates. Please discuss:
  - (i) delivery costs;
  - (ii) commodity costs;
  - (iii) upstream pipeline costs;
  - (iv) upstream Union (M12) costs, if any;
  - (v) other costs, if any.
- (b) Why are NAC volume adjustments less relevant and less material in Union North than they are in Union South? Please explain fully.

- 11. Please confirm that under Rate 25, Union sells the gas to the customer for the same price it acquires the gas, and the same back-to-back approach is used for transportation.

**12.    *Page 17; New Deferral Accounts***

- (a)    Please provide a copy of the Minister's Letter to the Board of November 12, 2013 pertaining to the Energy East Pipeline Project.
- (b)    What amount has Union placed in the deferral account to date?
- (c)    What is the anticipated amount that will be deferred?
- (d)    When did Union first learn of TCPL's intent to seriously consider an Energy East project?