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March 11, 2015

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Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

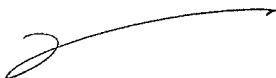
Dear Ms. Walli:

**Re: Union Gas Limited
Burlington-Oakville Expansion Pipeline Project
Board File No. EB-2014-0182**

The Association of Power Producers of Ontario ("APPRO") respectfully submits the attached Interrogatories in the above-referenced proceeding.

Please do not hesitate to contact me should you have any questions or concerns.

Sincerely,



Lisa (Elisabeth) DeMarco

CC: Vanessa Innis (Union Gas Limited)
Crawford Smith (Torys LLP)
David Butters (APPRO)
John Wolnik (Elenchus Research Associates Inc)

Encl.

ONTARIO ENERGY BOARD

IN THE MATTER OF The Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B, and in particular, S. 90.(1) thereof;

AND IN THE MATTER OF The Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B, and in particular, S. 36 thereof;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities in the Town of Milton and the Town of Oakville;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders for approval of recovery of the cost consequences of all facilities associated with the development of the proposed Burlington Oakville Project;

EB-2014-0182

Interrogatories From

The Association of Power Producers of Ontario (APPrO)

March 11, 2015

Question: 1

Reference: i) Exhibit A Tab 3 page 2
ii) EB-2014-0261 Exhibit B.APPrO.4
iii) Exhibit A Tab 7 page 9

Preamble: In Reference i) above, Union indicates that the Burlington Oakville reinforcement is required by November 1, 2016 and in Reference ii), Union indicates that its 60,000 GJ/d TransCanada firm transportation (FT) contract has an expiry of October 31, 2017.

- a) Recognizing that Union's FT contract with TransCanada continues until October 31, 2017, what is the actual capacity shortfall prior to October 31, 2017 that requires this line in service in 2016?
- b) In Reference iii) above, Union indicates that secondary market capacity is not likely to be available after October 31, 2016. Please describe the attempts Union has made to acquire secondary services for the period after November 1, 2016, and explain why such attempts have led Union to this conclusion?
- c) Does Union have standard renewal rights on the 60,000 GJ/d FT contract with TransCanada?

Question: 2

Reference: i) Exhibit A Tab 5 page 6
ii) National Energy Board (NEB) Decision RH-001-2014

Preamble: Union indicates TransCanada was not able to provide additional shorthaul transportation to the Union Central Delivery Area. In light of the RH-001-2014 NEB decision in Reference ii) above, APPrO would like to understand whether TransCanada's ability to provide such service has changed.

- a) Has Union approached TransCanada since the RH-001-2014 decision to see if TransCanada could provide any or all of the shortfall capacity to Burlington and Oakville? If so, please provide the details of any services that TransCanada was able to offer. If Union has not approached TransCanada subsequent to this NEB decision, please explain why it has not.

Question: 3

Reference: i) Exhibit A Tab 7 Table 7-5

Preamble: APPrO would like to better understand the assumptions that were included in the Net Present Value (NPV) analysis. APPrO also wishes to understand the NPV of each of the alternatives assuming that the supply originates at Dawn.

- a) Please provide the annual detail of costs for each of the alternatives shown in Table 7-5. Please include any key assumptions and illustrate the volumes that would be contracted for each year from TransCanada.
- b) For the Burlington Oakville reinforcement alternative, please show the NPV of the proposed reinforcement plus the incremental revenue requirement on the Union Dawn-Parkway system to meet the forecasted market requirements for the same period. Please provide the annual detail and note the capacity and other key assumptions.
- c) Alternative 2) in Table 7-5 shows the NPV for the scenario originating at Kirkwall whereas the Burlington Oakville reinforcement originates at Parkway. In order to compare the alternatives on an equivalent basis, please provide a NPV analysis for alternative 2) originating at Dawn and include the revenue requirement associated with future Dawn-Kirkwall builds for a similar period.

Question: 4

Reference: i) Exhibit A Tab 9 Schedule 2
ii) Exhibit A Tab 9 Schedule 9

Preamble: APPrO would like to understand whether Union's NPV analysis reflected the distribution rate implications to in-franchise customers as a result of the new build costs being allocated to all rate classes.

- a) Did Union include the rate implications to in-franchise distribution customers in the NPV analysis for the new build option? If not, please recalculate the NPV and include these ongoing rate implications.

Question: 5

Reference: i) EB-2012-0092 decision and specifically:
"Any project brought before the Board for approval should be supported by an assessment of the potential impacts of the proposed natural gas pipeline(s) on the existing transportation pipeline infrastructure in Ontario, including an assessment of the impacts on Ontario consumers in terms of cost, rates, reliability and access to supplies."

ii) EB-2014-0261 Union Letter to the Board dated February 6, 2015 indicates:
"The aggregate Contract Demand of all FT contracts with a primary delivery point in Ontario (non-export) is approximately 40% of the total TransCanada Mainline FT Contract Demand (energy-distance basis) as of November 1, 2016."

iii) Exhibit A Tab 7, page 11, Table 7-5

Preamble: APPrO would like to understand how Union has taken into account the Board's requirements in Reference i) above, including the impact of these requirements on the NPV analysis.

- a) Please describe in detail how Union has complied with the Board's requirements in Reference i), above.
- b) Did Union request and/or receive any feedback from TransCanada on its assessment of the implications on its Mainline system from this proposed build? If so, please provide the feedback.
- c) In Reference ii) above, Union indicates that approximately 40% of TransCanada's Contract Demand FT has a primary delivery point in Ontario. Please recalculate the NPV analysis for the scenarios in Table 7-5 and assume that tolls to other Ontario customers will decline by 40% of the revenue that would be paid to TransCanada if Union were to contract for a service from TransCanada and include these benefits in the NPV analysis.