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March 12, 2015

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: EB-2014-0182 – Union Gas Limited
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)

In accordance with Procedural Order No. 1 please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Michael Janigan
Counsel for VECC

Cc: Union – Vanessa Innis - vinnis@uniongas.com

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REQUESTOR NAME	**VECC**
INFORMATION REQUEST ROUND NO:	**# 1**
TO:	**Union Gas Limited**
DATE:	**March 12, 2015**
CASE NO:	**EB-2014-0182**
APPLICATION NAME	**Burlington Oakville Pipeline Project**

Exhibit A

A – VECC - 1

Reference: A/T4pg.4

a) Please explain what investigation was made of the option of building a new gate station on the Dawn Parkway System to the Burlington Gate Station.
b) Please explain if such an alternative would provide for greater long-term supply security in the Burlington-Oakville corridor than the proposed route.

A – VECC - 2

Reference: A/T4pg.4

a) Please provide a map showing the major highways/arteries, the existing NPS 8 and larger Union Gas pipelines and the proposed pipeline as bounded by the Parkway-Bronte-Burlington-Parkway System area.
b) Please provide a detailed road map showing the proposed pipeline path and identifying any required easements and any large commercial/institutional buildings.

A – VECC - 3

Reference: A/T5/pgs. 7-9

Preamble: In EB-2012-0451/EB-2012-0433/EB-2013-0074 TransCanada in its submission of August 16, 2013 made the following statements:

> The major impact that the approval of the Union and Enbridge applications (the "Applications") will have on TransCanada is in the loss of revenue from long-haul firm transportation (FT) service from Empress. **If these applications are approved, the three LDCs have all stated that they will dramatically reduce their currently contracted FT volumes for service from Empress to their franchise areas. These reductions will be replaced with a roughly commensurate amount of short haul service**. The loss of revenue from the reduced long-haul service is roughly eight times the revenue from the replacement short-haul service.
>
> **Another impact on Ontario consumers is that some pipeline company, TransCanada or another, must incur the costs required to build the facilities necessary to provide the increased replacement short-haul service on which the Applications are premised**.
>
> (Emphasis added) TCPL Supplementary Evidence (August 16, 2013)

At Ex A/T5/pgs. 7-9 Union makes the following comment:

> For winter 2014/2015, as was the case noted above, TransCanada was again not able to provide firm short haul transportation capacity to the Union CDA beyond what was already contracted. TransCanada's annual open season held in the spring of 2014 did not offer firm short haul capacity to the Union CDA. Therefore, Union again acquired firm, winter only (November 1, 2014 to March 31, 2015 term), non-renewable Parkway to Union CDA service through the secondary market.
>
> In the future, Union will evaluate its gas supply portfolio and determine whether to continue to hold this 11 TJ/d of firm transportation capacity on the TransCanada Mainline.
>
> Upon completion of the Project, Union plans to turn back the remainder of its TransCanada firm short haul transportation capacity to the Union CDA (new Union ECDA) and will no longer require secondary market transportation services.

a) From these statements it would appear that TransCanada was anticipating a greater demand for firm short haul transportation as result of the "Parkway D-Albion Line" projects. When did TransCanada advise Union that it was unlikely to be able to contract for firm short haul?
b) Please comment on whether the proposed projects is, as anticipated by TransCanada, a consequence of the "Parkway-Albion" projects.
c) Does Union Gas have any reason to believe that available transportation arrangements are being unfairly withheld?

A – VECC – 4
Reference: A/T12/pg.3

a) How many affected individual landowners have been identified from whom (a) easements are/may be required; (b) temporary use/construction access is/may be required?
b) Has Union contacted all these individuals? If so how many have indicated they would not agree to easement/access.
c) Please explain what traffic (pedestrian, cycle or motorized) disruptions are expected along the construction route and how these will be addressed.
d) Please indicate if any commercial or residential building access will be impaired during construction. Please explain the mitigation measures in these cases.

A – VECC - 5
Reference: A/T6/S3 & S4

a) Please provide the real provincial GDP, forecast housing starts, unemployment rates and any other assumptions which underpin the customer load forecasts and forecast customer attachments for the years 2016-2026.
b) Please provide/explain the sensitivity analysis that was undertaken based the low/medium and high forecast customer load attachments. If no such sensitivity analysis was undertaken please explain why not.

A – VECC - 6
Reference: A/T9/S1

a) Please explain how the contingencies costs ($16,374,000 and $3,213,000) were estimated.
b) Are the construction/labour cost estimates based on current tendered contracts or estimate of future contracts.
c) Have the materials for this project been purchased? If not please provide the date by which orders for the NPS 20 pipe must be made in order to meet the proposed schedule.
d) Please amend the Total Estimated Capital Costs table to show land costs separately.

A – VECC - 7

Reference: A/T3/pg.3 & A/T9/S10

Pre-amble: Union Gas is seeking a Deferral account to "*track any variance between the costs approved in rates for the Project and the actual annual revenue requirement of the Project*" (A/T3/pg.3).

a) Please explain what "cost" is being referenced. That is, is Union Gas suggesting the estimated costs of $119,477,000, the actual cost upon completion or something else be used?
b) Please explain what mechanisms/incentives (regulatory or management) are in place or will be in place to ensure the project is completed at the minimum cost possible?

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