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April 8, 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 enclosed submissions regarding the Motion from the Ontario Greenhouse Vegetable Growers ("OGVG") to Compel Answers from Union Gas in the above-referenced proceeding.

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

Sincerely,

per: 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

April 8, 2015

Submissions from

The Association of Power Producers of Ontario (APPrO)

**Regarding the Motion from the Ontario Greenhouse Vegetable Growers to
Compel Answers from Union Gas**

1. Union filed an application dated December 12, 2014 requesting approval to construct approximately 12 km of NPS 20 high pressure pipeline extending from the Parkway compressor station to Union's existing Bronte Gate Station situated at the corner of Ninth Line and Dundas Street East in the Town of Oakville (the "Facilities").¹ Union currently receives gas at the Bronte Gate Station from the facilities owned and operated by TransCanada. Union indicates that the proposed Facilities are intended to replace the transportation arrangements with TransCanada² and provide additional growth capacity to serve the future natural gas needs of the region.
2. The Association of Power Producers of Ontario ("APPrO") is an intervenor in this proceeding.
3. Union responded to certain Interrogatories from intervenors on March 26, 2015.
4. On April 4, 2015, the Ontario Greenhouse Vegetable Growers ("OGVG") filed a Motion with the Board to compel Union to provide better answers, specifically to Interrogatories Exhibit B.OGVG.10 and Exhibit B.APPrO.2.
5. APPrO also believes that the Interrogatory Responses referred to by OGVG do not provide the Board with sufficient information to fully understand and evaluate the commercial alternative of acquiring ongoing transportation service from TransCanada and therefore discharge its full mandate in accordance with s.90.(1).
6. APPrO is also of the view that Union's response to Interrogatory Exhibit B.APPrO.5 c) is incomplete and requires additional information to understand and evaluate the application. It is clear in this proceeding that Union currently contracts for renewable firm transportation service from TransCanada³ that currently serves the Oakville and Burlington market. TransCanada has existing facilities that parallel the proposed Facilities⁴ and further building the Facilities would displace the existing firm transportation contract on TransCanada, which could potentially result in stranding facilities on TransCanada. In addition to the

¹ Exhibit A Tab 3

² Exhibit A Tab 4

³ Exhibit B.APPrO.1 a)

⁴ Exhibit B.OGVG.1 Attachment 1

existing transportation arrangements between Union and TransCanada, if TransCanada can provide all or a portion of the future growth of this region, it may eliminate or at least defer the need for the Facilities. If Union were to continue to contract with TransCanada for the transportation requirements of this region, the additional revenue received by TransCanada, from the ongoing transportation service, would reduce the tolls paid by all TransCanada shippers including other Ontario natural gas customers, including Union. As such, the implications to TransCanada and the resulting TransCanada tolling impact is both a relevant and an important consideration for the Board to consider in evaluating whether the Facilities are in the public interest.

7. Union relies on the use of net present value ("NPV") analysis as one of the primary measures in evaluating the commercial alternatives to the Facilities.⁵ In the response to APPrO.5 c) Union freely acknowledges that it has made a number of high level assumptions to calculate the impact of the loss of transportation revenue to TransCanada on other Ontario natural gas customers. Union fails to provide any detail about the scale or scope of those assumptions in order for the Board to test the validity of these assumptions. APPrO therefore requests that the Board compel Union to provide full details regarding all of the assumptions made in calculating the NPV, as well as the details of the NPV calculations.
8. In summary, APPrO supports the OGVG Motion to compel Union to provide better answers and further requests that the scope of the Motion be expanded to include a fuller and better response to Exhibit B.APPrO.5 c).

⁵ Exhibit A Tab 7 pages 9 to 17