

BOARD STAFF INTERROGATORIES**Union Gas Limited****EB-2015-0041**

1. Ref: Application page 7, lines 8-10

Preamble:

Union has indicated that it did not conduct a Discounted Cash Flow (DCF) analysis for the proposed project. The evidence does not include information on economic feasibility of the project. Union noted that no new contracts are associated with the expansion. Union stated the proposed project is needed to satisfy the CSA Z662 pipeline class location requirements and increase the capacity on the Panhandle Transmission System.

Questions:

- a) Please explain in more detail the rationale for not conducting a DCF analysis?
 - b) Please describe the method Union applied to determine economic feasibility of the project?
 - c) What is the economic feasibility of the project?
 - d) Please indicate the timing and the method for recovery of the construction costs of the project?
2. Ref: Application page 13, lines 11-15 and Schedule 12 Environmental Report

Preamble:

Union submitted the Environmental Report (ER) for review to the Ontario Pipeline Coordinating Committee, local municipalities, and First Nations and Metis. According to Union a summary of comments and Union's responses will be filed when received as Schedule 13.

Question:

Please file a summary of comments and concerns received to date and Union's responses and planned actions to mitigate each of the issues and address each of the concerns.

3. Ref: Ref: Application page 2, lines 14-17

Preamble:

Union stated that it had all necessary private land rights but is still working with The Hydro-Electric Power Commission and Hydro One Networks Inc. to finalize acquisition of the land rights.

Question:

Please describe the status of negotiations and prospects of acquiring all of the rights from The Hydro-Electric Power Commission and Hydro One Networks Inc. in time to adhere to the planned construction schedule for the pipeline.

4. Ref: Application pages 14-16

Preamble:

Union notified by letter First Nations and Metis Nations potentially affected by the project. Union stated that it would continue to consult with the First Nations and Metis organizations.

Question:

Please provide an update on Aboriginal consultation undertaken since the application was filed. Identify any concerns raised in the consultation and describe how is Union planning to address the concerns raised by First Nations and Metis affected by the proposed project.

5. Ref: Application page 1, paragraph 1

Preamble:

Union applied for OEB order for leave to construct facilities-under section 90(1) of the OEB Act.

Question:

Please comment on the attached Board staff proposed draft conditions of approval. Please note that these conditions are draft version subject to additions or changes.

Draft
Leave to Construct Conditions of Approval
Application under Sections 90 of the OEB Act
Union Gas Limited
EB-2015-0041

1. Union Gas Limited (Union) shall construct the facilities and restore the land in accordance with the Board's Decision and Order in EB-2015-0041 and these Conditions of Approval.
2. (a) Authorization for leave to construct shall terminate 12 months after the decision is issued, unless construction has commenced prior to that date.

(b) Union shall give the Board notice in writing:
 - i. of the commencement of construction, at least ten days prior to the date construction commences;
 - ii. of the planned in-service date, at least ten days prior to the date the facilities go into service;
 - iii. of the date on which construction was completed, no later than 10 days following the completion of construction; and
 - iv. of the in-service date, no later than 10 days after the facilities go into service.
3. Union shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
4. Union shall advise the Board of any proposed change to Board-approved construction or restoration procedures. Except in an emergency, Union shall not make any such change without prior notice to and written approval of the Board. In the event of an emergency, the Board shall be informed immediately after the fact.
5. Union shall file, in the proceeding where the actual capital costs of the project are proposed to be included in rate base, a Post Construction Financial Report, which shall indicate the actual capital costs of the project and shall provide an explanation for any significant variances from the cost estimates filed in this proceeding.
6. Both during and after construction, Union shall monitor the impacts of construction, and shall file with the Board one paper copy and one electronic (searchable PDF) version of each of the following reports:
 - a) a post construction report, within three months of the in-service date, which shall:
 - i. provide a certification, by a senior executive of the company, of Union's adherence to Condition 1;

- ii. describe any impacts and outstanding concerns identified during construction;
 - iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction;
 - iv. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions; and
 - v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project.
- b) a final monitoring report, no later than fifteen months after the in-service date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:
- i. provide a certification, by a senior executive of the company, of Union's adherence to Condition 3;
 - ii. describe the condition of any rehabilitated land;
 - iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction;
 - iv. include the results of analyses and monitoring programs and any recommendations arising therefrom; and
 - v. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions.