

VIA E-MAIL & COURIER TO THE BOARD

June 5, 2015

Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

Attn: Kirsten Walli, Board Secretary

**RE: EB-2014-0182 Union Gas Ltd. – Burlington Oakville Pipeline**

This letter is further to the joint letter of Canadian Manufacturers & Exporters ("CME") and the Ontario Greenhouse Vegetable Growers ("OGVG") dated May 29, 2015, pertaining to the efforts of Ms. Cheung to identify and evaluate whether a potential "no build" alternative to the Burlington to Oakville Pipeline proposed by Union is available under the auspices of a tariff service from TransCanada PipeLines Limited ("TCPL").

Ms. Cheung now advises us that a cheaper "no build" alternative likely exists. That alternative is a new FT contract between Union and TCPL for 276 TJ/day of service from Niagara to the CDA.

Ms. Cheung has prepared the attached Preliminary Cost Comparison to illustrate the range of savings which this alternative is likely to generate in 2018 (excluding fuel) compared to Union's proposed pipeline.

The savings estimates in 2018 are substantial and range from about \$4 M, using current Union rates, to some \$12.78 M using incremental capacity rates for Union derived from Union's UPDATED response to Ontario Greenhouse Vegetable Growers ("OGVG") Interrogatory No. 4.

We appreciate that these savings estimates will need to be broadened and finalized to include fuel and cover a period of more than one year.

Essential to a more fulsome evaluation of the total savings associated with the "no build" alternative are answers from TCPL to the questions listed below. We respectfully request the Board to direct TCPL, as an Intervenor and party to this proceeding, to provide responses to these questions related to the "no build" alternative which the evidence indicates is physically available from TCPL.

## Questions for TCPL

- 1) If Union seeks a new FT contract from Niagara to ECDA totalling 276 TJ/day:
  - a) Please confirm that TCPL will not need to build any new pipeline or compression facilities between Niagara and ECDA to provide the new FT service; and
  - b) Please provide a high level cost estimate for modifications required to provide the new FT service.
  - c) If the estimated costs are significant, how much of the 276 TJ/day could be provided without any significant costs?
- 2) Will TCPL be able to provide the new FT contract beginning November 1, 2016?
- 3) If TCPL is unable to provide the new FT contract beginning November 1, 2016:
  - a) Please provide the earliest date the new FT contract can begin; and,
  - b) Please confirm that a temporary bridging mechanism can be discussed between TCPL and Union for the period between November 1, 2016, and the earliest date the new FT contract can begin.
- 4) Please provide the MAOP of the Domestic Line between MLV 209 and MLV 207.

In responding to these questions, please use TCPL's Greater Golden Horseshoe Facilities Project Application submitted to the National Energy Board ("NEB") in February 2015 as the starting point. If TCPL wishes to use a different starting point, then please provide an explanation for a starting point different from the information contained in that Application.

Also, please answer these questions from a physical perspective. If there are elements of the Mainline Settlement Agreement which operate to inhibit what is physically available, then please identify the stipulations in that Agreement which have that effect.

Please contact the undersigned if any further information is required in connection with the request that TCPL be directed to respond to the further questions contained in this letter by a deadline date to be established by the Board.

Respectfully submitted on behalf of OGVG,



Dwayne R. Quinn  
Principal  
DR QUINN & ASSOCIATES LTD.

c. V. Innis (Union), C. Keizer (Torys LLP), BLG lawyers (CME), Aggie Cheung, Interested Parties