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Our File # 339583-000193

By electronic filing

June 12, 2015

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: Union Gas Limited (“Union”)
Burlington Oakville Pipeline**
Board File #: EB-2014-0182

This letter is in response to the letter to the Board dated June 11, 2015, from counsel for Union.

In that letter, counsel reiterates evidence given by Union witnesses at the Technical Conference in an attempt to discredit the alternative to Union’s Burlington Oakville Pipeline Project described in an attachment to Dwayne Quinn’s June 5, 2015 letter to the Board.

It bears repeating that none of the evidence adduced by Union at the Technical Conference addressed the alternative described in the attachment to Mr. Quinn’s June 5, 2015 letter. That alternative is Union’s delivery of its Marcellus gas to TransCanada PipeLines Limited (“TCPL”) at Niagara for contract carriage by TCPL to its Union’s ECDA for use by Union to serve its Burlington/Oakville demand.

This alternative has nothing to do with Union’s Technical Conference evidence about TCPL’s ability to provide Union service to the Burlington/Oakville area without incremental capacity

through supply points “other than Niagara” to which counsel for Union refers in its January 11, 2015 letter.

The material entitled “Potential Alternative to Union’s Burlington Oakville Pipeline Project” attached to Mr. Quinn’s June 5, 2015 letter was prepared by Aggie Cheung who is very familiar with TCPL’s system as is evident from her *Curriculum Vitae* which was enclosed in our letter to the Board dated May 29, 2015. That material states:

“TransCanada’s Greater Golden Horseshoe Facilities Project demonstrates that significantly more gas can be sourced from Niagara/Douglstown (“Niagara”) at minimum incremental capital cost to serve the Ontario market such as the Burlington Oakville demand (designated as Union ECDA on the TransCanada system) and the demands in Hamilton Gate 3 and Kirkwall Dominion (designated as the Amended Union CDA on the TransCanada system).” (emphasis added)

That document also notes:

“Union’s proposal reflects the historic supply and flow of gas. It does not reflect the new reality of gas supply from Niagara facilitated through the approval of TransCanada’s Greater Golden Horseshoe Facilities Project in May 2015.” (emphasis added)

The Union witnesses who testified at the Technical Conference knew little, if anything, about TCPL’s Greater Golden Horseshoe Facilities Project and its effect on TCPL’s ability to carry gas from Niagara to its Union ECDA at minimal incremental capital cost. Moreover, it was conceded that Union never discussed that possibility with TCPL.

The preliminary economic analysis presented in the attachments to Mr. Quinn’s June 5, 2015 letter indicates that the alternative which we are attempting to evaluate is much cheaper than the Union build proposal. That said, the economic evaluation of this alternative is subsidiary to the premise that TCPL has the ability to carry an incremental 276 TJ/day of gas from Niagara to the Union ECDA without incurring any significant incremental costs. This 276 TJ/day is incremental to the service which TCPL has already agreed to provide to Enbridge and to which counsel for Union refers in his June 11, 2015 letter.

Board Staff and everyone else concerned with the construction of unnecessary pipeline infrastructure to serve Ontario should be questioning TCPL’s ability to provide the service Union requires from Niagara at materially less cost than that involved with Union’s proposed build. We need TCPL to answer the four (4) questions listed in Mr. Quinn’s June 5, 2015 letter in order to determine whether our postulated alternative is materially less expensive than Union’s incremental pipeline proposal. Even though Union is obliged to evaluate alternatives, it has not asked TCPL these critical questions.

By separate letter to counsel representing TCPL in this proceeding, we are providing TCPL with an opportunity to respond to the questions contained in Mr. Quinn’s June 5, 2015 letter

without being compelled to do so by the Board through the issuance of a directive. A copy of that letter is enclosed. As stated therein, we can see no reason why TCPL should refrain from providing the requested information.

In these circumstances, we respectfully suggest that we wait to see whether TCPL is willing provide the information without the issuance of a directive before determining the next steps to take in connection with this matter.

Yours very truly



Vincent J. DeRose

enclosure

c. Vanessa Innis (Union)
Charles Keizer (Torys LLP)
Dwayne Quinn (OGVG)
Aggie Cheung
Intervenors EB-2014-0182
Paul Clipsham and Ian Shaw (CME)

OTT01: 7049228: v1

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Our File # 339583-000193

By electronic filing

June 12, 2015

Catherine Davis
Vice-President, Pipelines Law
TransCanada PipeLines Limited
450 – 1st Street S.W.
Calgary, AB T2P 5H1

Dear Ms. Davis

**Re: Union Gas Limited (“Union”)
Burlington Oakville Pipeline**
Board File #: EB-2014-0182

We are writing to you in connection with Dwayne Quinn’s letter to the Ontario Energy Board (“OEB”) dated June 5, 2015. That letter related to a potential alternative to Union’s proposal to construct a new Burlington to Oakville Pipeline.

This alternative is described in the attachment to Mr. Quinn’s letter of June 5, 2015, prepared by Aggie Cheung. The alternative is premised on TransCanada PipeLines Limited’s (“TCPL”) ability to provide a new FT contract to Union for service from Niagara to the Union ECDA for 276 TJ/day.

The alternative is premised on information contained in TCPL’s Greater Golden Horseshoe Facilities Project indicating that, as a result of that project, TCPL can carry significantly more gas from Niagara to the Union ECDA without incurring any material incremental capital costs.

Mr. Quinn’s letter contains four (4) questions for TCPL in order to confirm that premise and asks the Board to direct TCPL to provide the information requested.

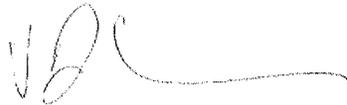
On June 11, 2015, counsel for Union delivered a response to Mr. Quinn’s letter. That response attempts to discredit TCPL’s ability to provide the incremental service from Niagara to Union ECDA at minimum incremental capital costs.

Our response to that letter dated June 12, 2015, advises the Board that we are writing to you to provide TCPL with an opportunity to provide the requested information without being compelled to do so through the issuance of a Board directive to that effect.

Accordingly, could you please advise us by Monday, June 15, 2015 (with copies to the Board and all interested parties in this proceeding) whether TCPL will answer these questions without the issuance of a Board directive. The information TCPL is asked to provide is obviously relevant to this leave to construct proceeding. We can see no good reason why TCPL would refrain from advising the Board and other interested parties whether it can provide the ST service postulated in the questions listed in Mr. Quinn's June 5, 2015 letter which are reproduced in the attachment to this letter.

We assume that you have received electronic copies of Mr. Quinn's June 5, 2015 letter and the June 11, 2015 letter from counsel for Union to the Board. You will be receiving today a copy of our June 12, 2015, response to that letter. Please advise us if you have not received those documents and we will forward copies of them to you immediately.

Yours very truly



Vincent J. DeRose

enclosure

- c. Vanessa Innis (Union)
- Charles Keizer (Torys LLP)
- Dwayne Quinn (OGVG)
- Intervenors EB-2014-0182
- Paul Clipsham and Ian Shaw (CME)

OTT01: 7049604: v1

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.