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August 9, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli,

RE: EB-2015-0166/EB-2015-0175 - Interrogatories of London Property Management Association

Please find attached the interrogatories of the London Property Management Association for Union Gas in the above noted application.

Sincerely,

Randy Aiken

Randy Aiken
Aiken & Associates

Encl.

cc: Karen Hockin, Union Gas Limited (e-mail)

EB-2015-0166/EB-2015-0175

Union Gas Limited
Enbridge Gas Distribution Inc.

Applications for pre-approval of the cost consequences of long-term natural gas transportation contracts with NEXUS Gas Transmission

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INTERROGATORIES OF LONDON PROPERTY MANAGEMENT ASSOCIATION

<u>T1.Union.LPMA.1</u>

Ref: Exhibit A, page 1

a) The evidence states that the NEXUS contract will <u>maintain</u> liquidity at Dawn (line 10). Please confirm that the NEXUS will not <u>increase</u> liquidity at Dawn. Please explain fully if this is not the case.

b) In the absence of the NEXUS project, would the liquidity at Dawn decrease? Please explain fully.

c) What would be the impact on Dawn liquidity if the NEXUS project volume was decreased with the reduction in volumes brought into Ontario at other points, such as Niagara? Please explain fully.

d) How much gas could be sourced through Niagara rather than as part of the NEXUS project and have no impact on Dawn liquidity? Please explain fully.

<u>T1.Union.LPMA.2</u>

Ref: Exhibit A, page 3

a) How much of Union's system gas supply for the southern and northern operation areas does the 158,258 GJ/day represent?

b) Will the 158,258 GJ/day be used solely to purchase gas for system gas customers in Union's South and/or North operating areas? Please explain fully.

c) Will the addition of this project require any capital expenditures by Union to:
i) increase transportation capacity to Dawn; and/or
ii) increase transportation capacity away from Dawn?
If yes, please explain fully and provide the expected capital costs.

d) Will the addition of this project result in the need for any incremental storage related capital expenditures for injections, withdrawals, space, etc? If yes, please explain fully and indicate whether these additional costs would be part of the regulated or unregulated storage assets.

<u>T1.Union.LPMA.3</u>

Ref: Exhibit A, page 5

Given that Union is not likely to receive pre-approval for the contract on or before October 1, 2015, please confirm that Union will not commit to the NEXUS capacity.

<u>T1.Union.LPMA.4</u>

Ref: Exhibit A, page 7

a) Please confirm that the reference in footnote 11 should be EB-2014-0261.

b) Please confirm that the reference to further growth planned for 2017 is in reference to the EB-2015-0200 application.

T1.Union.LPMA.5

Ref: Exhibit A, page 28

a) What is the forecast annual cost savings impact of being an anchor shipper?

b) Please explain why Union negotiated a unique path for the NEXUS pipeline for the DTE delivery route from Willow Run to the St. Clair Interconnect rather the Vector route to Dawn.

c) What is the expected annual cost savings of this unique path as compared to the Vector path? Please show all calculations and include the impact of the $2 million per year costs associated with the St. Clair to Dawn charge noted on page 35 in the analysis.

T1.Union.LPMA.6

Ref: Exhibit A, pages 34-35

Please confirm that no direct purchase customers will be allocated any of the St. Clair to Dawn capacity that is to paid through the gas supply commodity rates from system sales service customers only.

T1.Union.LPMA.7

Ref: Exhibit A, Schedule 5

How would changes in the foreign exchange rate affect the difference between the prices shown in Schedule 5? If there is a difference, please provide a schedule showing the prices based on the current exchange rate.

T1.Union.LPMA.8

Ref: Exhibit A, Schedule 3, pages 35-36

The heading at the bottom of page 35 implies that NEXUS will enhance Dawn liquidity. Given that the NEXUS contract will replace two other contracts associated with the same volumes being delivered to Dawn, please explain how this "enhances" Dawn liquidity as opposed to maintaining the current level of Dawn liquidity.

T1.Union.LPMA.9

Ref: Exhibit A, Schedule 3, page 41

Improved liquidity at Dawn is based on the assumption that the volume of gas available to be purchased at Dawn will increase. Given that the NEXUS contract is replacing two existing contract that total the same amount, please explain how the volume of gas available to be purchased at Dawn will increase as a result of the NEXUS project.

<u>T3.Union.LPMA.10</u>

Ref: Exhibit A, Schedule 3, page 36

Did Sussex consider the impact of delivery point diversity in Ontario as part of its review of the risks associated with the NEXUS project? If not, why not? If yes, did Sussex include a review of adding more diversity to delivery points by moving some of the Dawn deliveries to other points such as Niagara?

<u>T4.Union.LPMA.11</u>

Ref: Exhibit A, pages 24-25

a) Please provide a map similar to that shown in Figure 3-1 that shows the location of each the projects noted in pages 24-25.

b) What is the volume (in GJ/day) that Union is flowing on TransCanada's Niagara to Kirkwall line?

<u>T4.Union.LPMA.12</u>

Ref: Exhibit A, page 41

Similar to the calculations provided in footnote 29, please show the reduced costs related to TCPL Niagara to Kirkwall and Rover relative to NEXUS/St. Clair and to NEXUS/St. Clair (Increase Upper end of toll by 15%).