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**File No. 339583/000213**

August 11, 2015

By electronic filing

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

Dear Ms. Walli,

**Union Gas Limited ("Union") and  
Enbridge Gas Distribution Inc. ("EGD")  
NEXUS Gas Transmission  
Board File Nos.: EB-2015-0166 and EB-2015-0175**

Pursuant to Procedural Order No. 1 dated July 31, 2015, please find enclosed the Interrogatories of Canadian Manufacturers & Exporters ("CME") to Union and EGD, respectively, in this proceeding.

Yours very truly,

A handwritten signature in blue ink, appearing to be 'VJD', followed by a long horizontal line.

Vincent J. DeRose  
VJD/kt  
Encls.

c. Karen Hockin (Union)  
Andrew Mandyam (EGD)  
David Stevens (Aird & Berlis)  
Intervenors EB-2015-0166 and EB-2015-0175  
Paul Clipsham and Ian Shaw (CME)

OTT01: 7137413: v1

**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**

**INTERROGATORIES OF  
CANADIAN MANUFACTURERS & EXPORTERS ("CME")  
TO UNION GAS LIMITED ("UNION")**

**T1.Union.CME.1**

Ref: Exhibit A

CME supports the rational development of new natural gas infrastructure in Ontario. Particularly, CME believes that there is benefit in connecting Ontario to the Appalachian region of the United States Northeast, which is a fast-growing production region of natural gas in North America. That said CME wishes to better understand the need for pre-approval of the cost consequences of the NEXUS long-term contract. In this regard, please answer the following questions:

- (a) CME understands that Union has previously requested pre-approval of long-term natural gas supply and/or upstream transportation contracts from the Ontario Energy Board ("Board"). Please identify all of the previous applications in which Union has sought pre-approval of the cost consequences associated with a long-term natural gas supply and/or upstream transportation contract.
- (b) For each of the previous applications in which pre-approval was sought, please confirm whether the Board granted pre-approval.
- (c) Please identify all differences within this application, as compared to previous applications in which pre-approval was denied by the Board, which would justify the Board granting pre-approval in this case.
- (d) Is Union aware of the Board ever providing pre-approval of the cost consequences of a long-term natural gas supply and/or upstream transportation contract to any Ontario distributor? If yes, please identify the applications in which approval was granted.

**T1.Union.CME.2**

Ref: Exhibit A, page 4 of 54

Union has stated that without the assurance provided by contract pre-approval, Union will not commit to the NEXUS contract. In its previous applications where it sought pre-approval, did Union make a similar statement, namely that it would not commit to the contract if pre-approval was not granted by the Board? If so, please identify the application(s) where it made such a statement. If such a statement was made in any of the applications in which the Board denied pre-approval, please confirm whether Union nevertheless entered into those particular long-term natural gas supply and/or transportation contracts regardless of the fact that it did not receive pre-approval.

**T3.Union.CME.3**

Ref: Exhibit A

Please identify all of the risks which Union believes exist for both rate payers and its shareholder in proceeding with the NEXUS contract without Board pre-approval.

**T3.Union.CME.4**

Ref: Exhibit A

Please identify all of the risks which Union believes exist for ratepayers if the Board pre-approves the NEXUS contract.

**T3.Union.CME.5**

Ref: Exhibit A

If the Board pre-approves the NEXUS contract, and Union enters into the long-term transportation contract with the NEXUS pipeline commencing November 1, 2017, and the NEXUS pipeline is subsequently underutilized, will there be any cost consequences for Union's ratepayers? If yes, please identify the cost consequences.

**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**

**INTERROGATORIES OF  
CANADIAN MANUFACTURERS & EXPORTERS ("CME")  
TO ENBRIDGE GAS DISTRIBUTION INC. ("EGD")**

**T1.EGD.CME.1**

Ref: Exhibit A

CME supports the rational development of new natural gas infrastructure in Ontario. Particularly, CME believes that there is benefit in connecting Ontario to the Appalachian region of the United States Northeast, which is a fast-growing production region of natural gas in North America. That said CME wishes to better understand the need for pre-approval of the cost consequences of the NEXUS long-term contract. In this regard, please answer the following questions:

- (a) CME understands that EGD has previously requested pre-approval of long-term natural gas supply and/or upstream transportation contracts from the Ontario Energy Board ("Board"). Please identify all of the previous applications in which EGD has sought pre-approval of the cost consequences associated with a long-term natural gas supply and/or upstream transportation contract.
- (b) For each of the previous applications in which pre-approval was sought, please confirm whether the Board granted pre-approval.
- (c) Please identify all differences within this application, as compared to previous applications in which pre-approval was denied by the Board, which would justify the Board granting pre-approval in this case.
- (d) Is EGD aware of the Board ever providing pre-approval of the cost consequences of a long-term natural gas supply and/or upstream transportation contract to any Ontario distributor? If yes, please identify the applications in which approval was granted.

**T1.EGD.CME.2**

Ref: Exhibit A, Tab 3

If the Board does not provide EGD with pre-approval, will EGD still commit to the NEXUS contract?

**T3.EGD.CME.3**

Ref: Exhibit A, Tab 3

Please identify all of the risks which EGD believes exist for both rate payers and its shareholder in proceeding with the NEXUS contract without Board pre-approval.

**T3.EGD.CME.4**

Ref: Exhibit A, Tab 3

Please identify all of the risks which EGD believes exist for ratepayers if the Board pre-approves the NEXUS contract.

**T3.EGD.CME.5**

Ref: Exhibit A, Tab 3

If the Board pre-approves the NEXUS contract, and EGD enters into the long-term transportation contract with the NEXUS pipeline commencing November 1, 2017, and the NEXUS pipeline is subsequently underutilized, will there be any cost consequences for EGD's ratepayers? If yes, please identify the cost consequences.

**T3.EGD.CME.6**

Ref: Exhibit A, Tab 3, p. 2 of 46

EGD states that the last time it entered into a similar contract was on Alliance and Vector Pipeline in 2000. Did EGD obtain Board pre-approval for the Alliance and Vector Contract? If not, please explain why pre-approval is required for the NEXUS contract but not for the Alliance and Vector contract.