



PUBLIC INTEREST ADVOCACY CENTRE  
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

August 11, 2015

VIA E-MAIL

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

Dear Ms. Walli:

**Re: EB-2015-0166/EB-2015-0175 – Union Gas Limited/Enbridge Gas Distribution Inc.  
Pre-Approval NEXUS Contract  
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

In accordance with Procedural Order No. 1 please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

M. Garner/for M. Janigan

Michael Janigan  
Counsel for VECC

Ms. Karen Hockin, Manager Regulatory Initiatives, Union Gas Limited  
khockin@uniongas.com  
Andrew Mandyam, Director Regulatory Affairs & Financial Performance, Enbridge Gas Distribution Inc.,  
egdregulatoryproceedings@enbridge.com

1/6

<b>REQUESTOR NAME</b>	<b>VECC</b>
<b>INFORMATION REQUEST ROUND NO:</b>	<b># 1</b>
<b>TO:</b>	<b>Union Gas Limited (Union) /Enbridge Gas Distribution Inc. (EGDI)</b>
<b>DATE:</b>	<b>August 11, 2015</b>
<b>CASE NO:</b>	<b>EB-2015-0166/175</b>
<b>APPLICATION NAME</b>	<b>NEXUS Contract Pre-Approval</b>

---

### **Evidence of Union Gas - Exhibit A**

#### **T1.Union – VECC - 1**

Reference: A/pg. 7

The purpose of this interrogatory is to understand the relative importance of incremental NEXUS capacity in relation to the overall Dawn capacity.

- a) Please provide a chart showing the total Dawn (average) capacity for each year 2005 through 2020 (forecast).
- b) On the same chart please show the incremental capacity related to the NEXUS pipeline.

#### **T1.Union – VECC - 2**

Reference: A/ pg.18

- a) Please provide a map which shows the entire Utica/Marcellus Shale basins and identifies all natural gas processing plants and all transmission pipelines which terminate at Canadian border points.
- b) Please show the proposed Rover Pipeline on this map.

#### **T1.Union – VECC - 3**

Reference: A/pg.34

- a) Please provide the S&T revenue for the St. Clair to Dawn Transportation in each of 2012 through 2014.
- b) What is the forecast of S&T revenues currently included in rates?

**T1.Union-VECC - 4**

Reference: A/pg.43 /EGDI A/S1/pg.3

- a) Union explains that the NEXUS rate will be capped between approximately \$.67 US/Dth<sup>30</sup> and \$.87 US/Dth<sup>31</sup> (plus fuel). Please explain how (if) Union will hedge its exchange risk.
- b) Union explains that it has negotiated a rate of \$0.77 US/Dth plus fuel, which is between \$.015 US/Dth to \$.03 US/Dth lower than the rate offered to non-anchor shippers. Please explain how this discount range was calculated or derived.
- c) EGDI appears to have negotiated a reservation rate of 0.70 per Dth which is different than that of Union (0.77). Does Union understand why EGDI has been able to negotiate a better deal?

**T1.Union – VECC - 5**

Reference: A/pg.47-51

- a) Union has stated that it has not worked with many suppliers operating in the Appalachian shale basin. What evidence has Union provided in this Application to show that it will be able to source supply commensurate with the NEXUS capacity?
- b) Please explain the significance of the “North American Standard Board base agreements” with respect to discussions with these new suppliers.
- c) Please explain how negotiating firm services will allow Union to purchase gas, on an interim basis, in the Appalachian basin (pg.51)”.

**T1.Union-VECC-6**

Reference: A/all

- a) What, if any, discussions has Union had with TCPL to provide alternative capacity from Niagara and in lieu of the NEXUS project.
- b) Please provide all correspondence related to these discussions.
- c) If no such discussions have taken place, please explain what steps Union has taken to determine that it has prudently explored alternative capacity options through Niagara/Chippewa.

**T1.Union-VECC-7**

Reference: A/pg.53

- a) Union states that the NEXUS contract results in a commitment in excess of \$715 million. Please show how this figure is calculated. Specifically show the long-term committed costs which include the impact of the St. Clair to Dawn transportation changes and any other transportation/supply changes that are expected to occur as a result of this contract (i.e. show total net committed costs for the 15 year period).

**T1.Union-VECC-9**

- a) Please file Union Gas' most recent Gas Supply Memorandum
- b) Please highlight which aspects of this plan contemplate the NEXUS project.

**Evidence of Sussex Economic Advisors LLC****T1.Sussex-VECC-10**

Reference: A/S3/pg.12

- a) Please explain the relevance of the Texas Eastern Appalachian Lease (TEAL) to the supply options available for a NEXUS pipeline.

**T1.Sussex-VECC-11**

Reference: A/S3

- a) Based on EIA estimates what is the relationship between proven reserves of the Utica/Marcellus basin and capacity of the proposed NEXUS pipelines (e.g. how many years of operation would be required of the line to move proven reserves or equivalent).
- b) Please provide the same for the proven/probable reserves.

**T1.Sussex-VECC-12**

Reference: A/S5

- a) What is the effect (directionally) on the basis differential if there is an increase in liquidity at Dawn due to the NEXUS pipeline?
- b) Please recalculate the landed costs analysis for the “TCPL Niagara to Kirkwall” route using the same basis differential as for the NEXUS routes.

**T1.Sussec-VECC-13**

Reference: Union A/pg.40; EGDI A/T3/S1/pg.24

- a) Please explain why the landed cost analysis summary of Union as compared to EGDI is significantly different.

**Evidence of Enbridge Gas Distribution****T1.EGDI-VECC-13**

Reference: A/T3/S1/pg.17

- a) EGDI appears to have negotiated a reservation rate of 0.70 per Dth which is different than that of Union (0.77). Does EGDI know why it has been able to negotiate a lower reservation rate? If so please explain.

**T1.EGDI-VECC-14**

Reference: All

- a) Please provide all correspondence between Alliance and Vector and EGDI with respect to the de-contracting on their respective Pipelines.
- b) Does EGDI's have any understanding as to how the capacity released will be utilized by Alliance/Vector?

**T1.EGDI-VECC-15**

- a) Please explain how EGDI's Gas Supply memorandum anticipates the NEXUS contract (that is how it alters or changes the gas supply plan if the contract were not approved).

**T1.EGDI-VECC-15**

Reference: A/T3/S1/pg.31

- a) Please explain why in Table 3 Enbridge Gas Supply Acquisition absent NEXUS shows no increase in supplies brought in from Niagara.

**Interrogatories to both Union and EGD****T1.EGDI-Union-VECC-17**

Reference: EGD A/T3/S1/pg.32; Union A/pgs. 15-18

- a) The evidence is unclear as to whether the pathway chosen from NEXUS to Dawn is different as between Union and EGD. Please provide a single detailed map showing the delivery point of the NEXUS pipeline (Willow Run) and the Dawn delivery point for each of the two utilities.
- b) If there are differences in the route chosen between Willow Run and Dawn please provide a table which shows each toll segment between the receipt point of the NEXUS pipeline and the receipt point of Dawn.
- c) If there are differences in the route, please explain and contrast why each utility has chosen its respective route.