

1) *References:* page 4, lines 2 to 11

- a) Notwithstanding a shift of direct purchase customers to Dawn and the application to shift the reference price, please confirm that Union designs its Dawn to Parkway system based upon getting gas to Parkway on a peak day.
- b) Please provide the average winter basis differential between Dawn and Parkway for the years:

- (1) 2004/05
- (2) 2009/10
- (3) 2014/15
- (4) Forecast 2019/20

2) *References:* page 6, lines 12 to 18; page 16, lines 8 and 9, page 17, Figure 3-2.

Preamble: Union describes the design day and average day requirements of the Union South system.

Questions:

- a) Please provide the Union South Winter 2015/16 Design Day Demand and Resources balance and the Union South 2015/16 Average Day Demand and Resources balance in a format similar to Figure 7 included in Attachment 3 to Ms. Cheung's Evidence.
- b) Please confirm that Union meets its aggregate Union South demand with its aggregate supply. If not confirmed, please reproduce the demand and resources balances in (a) showing how the supplies are allocated to meet the demands.
- c) Please provide the numerical data in TJ/d that generated Figure 3-2 on page 17.
- d) Please explain and reconcile the data in (c) against those in (a).

3) *Reference:* page 7, lines 11 to 13.

Preamble: FRPO would like to explore Union's understanding of the Alternative Proposal and its impact on gas supply.

Questions:

- a) Please confirm that the Alternative Proposal does not force Union to contract for the entire 276 TJ/d at Niagara.
- b) Please confirm that Union need only contract for the incremental amount needed at the outset to meet peak day needs.
- c) Please provide the incremental capacity needed in 2017 for the Burlington Oakville system over and above what is currently fed from the existing NPS 8 and NPS 12 lines and existing TCPL Dawn to CDA contract.

- d) Has Union provided notice of non-renewal to TCPL on the Dawn to CDA contract?
- e) Please confirm that under the Alternative Proposal of using transportation contracting, Union can decide how best to phase in new supplies from Niagara based on its supply and demand.

4) *Reference:* page 9, lines 16 and 17.

Preamble: FRPO would like to understand how the Alternative Proposal would decrease the diversity and security of Union's upstream transportation and supply portfolio.

Questions:

- a) Please confirm that the current Union South supply portfolio includes (i) 21 TJ/d from TransCanada at Niagara and (ii) 67 TJ/d from TransCanada at Empress.
- b) Please confirm that with the construction of the proposed Burlington Oakville Pipeline, the Union South supply portfolio will include (i) 21 TJ/d from TransCanada at Niagara and (ii) 0 TJ/d from TransCanada at Empress. If not confirmed, please provide the correct figures.
- c) Please confirm that the Alternative Proposal envisages increased amounts from TransCanada at Niagara.

5) *Reference:* page 10, lines 5 to 9.

Preamble: Since 2012, flow has primarily reversed from the United States to bring Marcellus production through Niagara into Canada. Despite its proximity to the Marcellus region, **Niagara is not a liquid point.** Liquidity at Niagara is low due to its limited pipeline connectivity, distance from storage, limited number of counterparties who buy and sell at that point and limited price discovery. Even with TransCanada transportation contracts expected to exceed 1 PJ/d from Niagara to points in Ontario and Quebec, Niagara remains a trans-shipment point and is not expected to develop into a liquid trading point

Questions:

- a) Please provide a full listing of firm and interruptible contracts Union has on pipelines upstream of Dawn to transport gas into the Dawn hub.
- b) Please explain why Union will not consider contracting on pipelines upstream of Niagara and/or Douglastown.
- c) Please provide the number of pipelines that converge at Kensington, Ohio, the receipt point for Union's proposed Nexus contract.
- d) Please provide the proximity of Kensington to Dawn relative to Niagara to Dawn.

6) *Reference:* page 24, lines 12 to page 25 line 2

- a) Please provide the average day and summer day volumes for the entire CDA (all of the Union territory that can be fed by TCPL from Niagara (e.g. Hamilton #3, Nanticoke, etc.)
- b) Please confirm the existence of excess capacity from Kirkwall to Dawn during the summer period.
- c) Please confirm that the capacity of the Dawn-Kirkwall that is not recovered from ex-franchise customers is recovered in rates for in-franchise customers.

7) *Reference:* pages 19 to 21.

Preamble: FRPO requires clarification of the TransCanada Kirkwall to Union CDA contract.

Questions:

- a) Please confirm that Mr. Isherwood's responses to Mr. Quinn during the Technical Conference on transcript pages 124 and 125, reproduced below, are correct.
 - (1) "MR. QUINN: If there was a -- okay, now I'll ask the question, Mr. Isherwood -- or whoever on the panel, if Union were to get an integrated service from TransCanada and avoid building this facility, TransCanada would get additional revenues through its tolls; correct?"
 - (2) MR. ISHERWOOD: They would not.
 - (3) MR. QUINN: How would they not get...
 - (4) MR. ISHERWOOD: We have a choice of paying them \$8 million on Burlington Oakville or paying \$8 million a year on the Kirkwall to the amended CDA. They won't get both. They have \$8 million one of two ways: we build, they get 8 million; they don't build, they get 8 million."
- b) If (a) is not confirmed, please explain what has changed since the Technical Conference.
- c) If (a) is not confirmed, is Union now agreeing with Mr. Quinn that TransCanada would get additional revenues by provided an integrated service from TransCanada?
- d) Please seek written confirmation from TCPL on its position in this matter filing both the question from Union to TCPL and TCPL's response.

8) *Reference:* page 24, Figure 5-2.

Preamble: FRPO requires clarification.

Questions:

- a) Assuming Union contracts for 276 TJ/d from Niagara to CDA, please confirm that Union can transport the difference between the contract quantity and average day demand from Kirkwall to Dawn without constructing new facilities. If not confirmed, please provide a cost estimate for the additional facilities required.
- b) Assuming Union contracts for 276 TJ/d from Niagara to CDA, please confirm that Union can transport the difference between the contract quantity and minimum summer demand from Kirkwall to Dawn without construction new facilities. If not confirmed, please provide a cost estimate for the additional facilities required.
- c) Did Union include those costs in its evaluation of alternatives?

9) *Reference:* page 26, Figure 5-3.

Preamble: FRPO requires clarification.

Questions:

- a) Instead of contracting twice on TransCanada (from Niagara to Kirkwall and from Parkway to Union CDA) and once on Union (from Kirkwall to Parkway), is Union aware that it can contract for a Niagara to CDA service on TransCanada?
- b) Is Union aware that the Niagara to CDA toll is less than the Niagara to Kirkwall toll on TransCanada?
- c) Please confirm that TransCanada's Niagara to CDA toll at 100% load factor is \$0.2166/GJ and the Niagara to Kirkwall toll at 100% load factor is \$0.2214/GJ.
- d) Please confirm that the cost for 128 TJ/d from Dawn to Parkway is \$4.0 million. If not confirmed, please provide the correct cost.
- e) Please confirm the costs (\$ million) in the following table.

i) 94 TJ/d Niagara to CDA (TCPL)	7.5
ii) 66 TJ/d Kirkwall to Dawn (Union)	0.9
iii) 182 TJ/d Dawn to Parkway (Union)	5.7
iv) 128 TJ/d Parkway to CDA (TCPL)	7.3
v) Total	21.4

10) *Reference:* page 29, Figure 5-5

- a) Please provide all of the assumptions and costs that went into this depiction of the comparative assessment.
- b) Using the data from the May 2015 Transportation Contracting Analysis (from EB-2015-

0166), please provide the respective annual costs for gas supply of 150TJ/day sourced at Niagara vs. via Nexus

- i) for the first five years starting in 2017
- ii) the average annual cost over the 20 years starting in 2017

11) *Reference:* page 30, lines 14 to 19.

Preamble: FRPO requires clarification of Union's understanding of TransCanada's flow schematics.

Question:

- a) Please confirm that the referenced Figure 3-2 System Schematics in TransCanada's Greater Golden Horseshoe Project shows a flow of $7615 \text{ } 10^3 \text{ m}^3/\text{d}$ or approximately 287 TJ/d at MLV 209 and a flow of $5309 \text{ } 10^3 \text{ m}^3/\text{d}$ at MLV 207.
- b) Is Union aware that MLV 209 is located near Ancaster and MLV 207 is located near Burlington? If not aware, please consult TransCanada and provide confirmation.
- c) Is Union aware that the difference in flow between MLV 207 and MLV 209 represents deliveries from TransCanada to Union's ECDA? If not aware, please consult TransCanada and provide confirmation.

12) *References:*

- 1) Union Reply Evidence, page 6, lines 12 to 18.
- 2) Exhibit A, Tab 3, page 2 of 5, lines 9 to 11.
- 3) EB-2014-0261 (Union's 2016 Dawn Parkway Project), Exhibit A, Tab 8, Schedule 1.
- 4) EB-2015-0200 (Union's 2017 Dawn Parkway Expansion Project), Exhibit A, Tab 8, Schedules 1 and 2.

Preamble: In Reference 1, Union describes the average day demand requirement. In Reference 2, the design day demand for the Burlington Oakville is described as 198 TJ/d in 2014/15 growing to 276 TJ/d in 2035/36. In Reference 3, the design day demand for Burlington, Bronte is listed at 145,734 GJ/d in 2015/16. In Reference 4, the design day demand for Burlington, Bronte is listed at 146,143 GJ/d in 2016/17 and 2017/18.

Questions:

- a) Please explain why the design day demand provided in this application for 2014/15 is higher than the design day demands provided in Union's 2016 and 2017 Dawn Parkway construction projects.
- b) Please provide a numerical reconciliation of the explanation in (a) above.
- c) Please provide the average day requirements that correspond to the design day requirements provided in References 3 and 4.

13) *Reference: Technical Conference Transcript, May 21, 2015, pages 93-98*

Preamble: A request was made for an undertaking for Union to file its most recent 20 Year Distribution Planning Study for Burlington-Oakville. The undertaking was refused.

Questions:

- a) Please file Union's most recent 20 Year Distribution Planning Study for Burlington-Oakville.
- b) If Union still refuses, please provide the basis for this refusal.

14) *Reference: Union Reply Evidence and Exhibit A, Tab 4, pages 7-9*

Preamble: We understand that the Amendment to the Union CDA is premised on Board approval of the Burlington-Oakville project.

Questions:

- a) If the Board does not approve the Burlington-Oakville project, please confirm that it is Union's understanding that the Union CDA will not be amended.
- b) If the Union CDA is not amended, please confirm that Union would be able to deliver excess gas from Burlington-Oakville to Kirkwall firm in the summer.
- c) Please seek written confirmation from TCPL on its position in these matters filing both the question from Union to TCPL and TCPL's response.