



PUBLIC INTEREST ADVOCACY CENTRE  
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September 8, 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-2015-0200 – Union Gas Limited - 2017 Dawn Parkway Project  
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

In accordance with Procedural Order No. 2 please find enclosed the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant as well as all registered intervenors.

Yours truly,

A handwritten signature in black ink, appearing to be 'Michael Janigan', written in a cursive style.

Michael Janigan  
Counsel for VECC

Union Gas - Karen Hockin - khockin @uniongas.com

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<b>REQUESTOR NAME</b>	<b>VECC</b>
<b>TO:</b>	<b>Union Gas Limited</b>
<b>DATE:</b>	<b>September 6, 2015</b>
<b>CASE NO:</b>	<b>EB-2015-0200</b>
<b>APPLICATION NAME</b>	<b>2017 Dawn Parkway Project</b>

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## **Exhibit A**

### **A-VECC-1**

Reference: A/T3/ & T7

- a) Please explain why it is necessary to replace the Plant B compressor when Union was able to operate without this unit for the last year.
- a) Please explain the difference between a new compressor and the LCU.
- b) Please provide the spending since 2010 on the current Plant B (RB211-22 engine).
- c) Prior to 2011 when the engine was overhauled how many outages occurred due to equipment failure?
- d) Since the overhaul suggested by Siemens appears to have been wholly unsuccessful, and in the event, detrimental to the ongoing operation of the existing unit, what compensation has Union sought from Siemens?

### **A-VECC-2**

Reference: A/T5/S1/pg.14

- a) What is the impact on this application if the Board does not approve the current NEXUS contract pre-approvals for Enbridge and Union Gas?
- b) Please explain how the expected volumes from the Marcellus/Utica basin would be delivered to Dawn in the absence of the NEXUS pipeline.

### **A-VECC-3**

Reference: A/T5/Schedule 1

- a) What impact would the full reversal of the Iroquois Pipeline have on this application?
- b) What impact would full reversal have on the 489 TJ/d Dawn to Parkway transportation contracted for by U.S. Northeast utilities?

**A – VECC - 4**

Reference: A/T6/pg. 3

- a) Has Union Gas received any requests for new transportation services on either M12-X or M12 for Is M12C for 2018 onward?
- b) If no incremental volumes are contracted for how would this affect the current project?

**A – VECC - 5**

Reference: A/T6/pg.11

- a) When does Union expect to file its application for the Firm North Transportation Service?
- b) If this service is not approved by the Board, what impact, if any, would this have on the current proposal?

**A – VECC - 6**

Reference: A/T6/pg.13

- a) What is the impact on the 2017 Dawn Parkway project if the Vaughn Mainline Expansion is not approved?

**A – VECC – 7**

Reference: A/T6/Pg.13 & T11/pgs.7-8

- a) Union states that it will be required to order compressors in early July 2015 in order to meet the November 1, 2017 in-service date. Has Union now ordered these compressors? If yes, please provide the actual costs.
- b) If no, please provide a table showing the revised timelines of these projects (i.e. amended Tab 11/Schedule 1).
- c) At A/T11/pg.7 Union states that it has already placed orders for certain components of this project. Please provide the costs to-date that Union has incurred on this project. Please differentiate the costs by Materials and Construction&Labour.

**A – VECC -8**

Reference: A/T8/Pg.4-5

- a) Please explain the difference in the increase in Dawn Parkway System Demand shown in Table 8.1 of 410,864 GJ/d (7,874,027-7,463,163) and the description of the increase at line 14, pg. 5 of 446,936 GJ/d.

**A-VECC-9**

Reference: A/T9/S4

- a) Please explain the derivation of the discount rate of 5.10%
- b) Please explain the derivation of the 30-year period used for the life of the project.

**A-VECC-10**

Reference: A/T9/S4

- a) Please provide the DCF results based on a 25 and 20 year project life.
- b) Please provide the DCF results based on a 4.00% discount rate (30 year life).

**A-VECC-11**

Reference: A/T9/S4

- a) Please provide the DCF analysis for the Alternatives shown in Table 8-3 (Exhibit A/T8/pg.11).

**A – VECC -12**

Reference: A/T8/Pg.4-5

- a) Please explain the difference in the increase in Dawn Parkway System Demand shown in Table 8.1 of 410,864 GJ/d (7,874,027-7,463,163) and the description of the increase at line 14, pg. 5 of 446,936 GJ/d.

**A – VECC -13**

Reference: A/T10/pg.4

- a) Union explains that the allocation of Dawn Station transmission costs is to allocate these costs between in-franchise and ex-franchise rate classes using Dawn Parkway System easterly design day demands requiring Dawn compression. Does this mean that had Union chosen as an alternative to the proposed project which included NPS 48 pipeline build (see Table 8-3 Exhibit A/T8/pg. 11) that proportionally more costs would have been allocated to in-franchise customers?
- b) Would a different alternative have changed the Dawn Compression Factor? If yes please provide a revised Table 10-2 for each of the alternatives.
- c) Has Union calculated the allocated costs and rate impacts for the next most feasible project which eliminated one compressor (i.e.NPS Dawn to Enniskillen)? If yes, please provide this calculation

**A-VECC-11**

Reference: A/T10/pg.12

- a) Union proposes a deferral account to track the variance between the forecast and actual revenue requirement impact of the proposal. What mechanisms or incentives has Union implemented or plan to implement in order to ensure the project is completed at, or below the current project budget?

END OF DOCUMENT