



450 – 1 Street SW  
Calgary, Alberta T2P 5H1

Tel: (403) 920-2107  
Fax: (403) 920-2308  
Email: catharine\_davis@transcanada.com

September 8, 2015

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Filed Electronically

**Attention: Ms. Kirsten Walli  
Board Secretary**

Dear Ms. Walli:

**Subject: Union Gas Limited (Union) – 2017 Dawn Parkway Project  
OEB File No: EB-2015-0200  
TransCanada PipeLines Limited (TCPL)  
Interrogatories to Union Gas Limited**

In accordance with the requirements in Procedural Order No. 2 dated August 17, 2015, please find attached TCPL's Interrogatories to Union Gas Limited.

Sincerely,  
**TransCanada PipeLines Limited**

*Original signed by*

Catharine Davis  
Vice President, Pipelines Law

cc: All Parties EB-2015-0200

Attached

**ONTARIO ENERGY BOARD  
EB-2015-0200**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, C. 15, (Schedule B);

**AND IN THE MATTER OF** an Application by Union Gas Limited for an Order or Orders for approval of recovery of the cost consequences of all facilities associated with the development of the proposed 2017 Dawn Parkway Project specifically the installation of the Dawn H, Lobo D and Bright C Compressors located in the Township of Dawn-Euphemia, the Municipality of Middlesex Centre and the Township of Blandford-Blenheim.

To: Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board

---

**TRANSCANADA PIPELINES LIMITED  
INTERROGATORIES TO UNION GAS LIMITED**

---

**TCPL.1:**

Reference:

- i) Application, Exhibit A, Tab 5, Page 14 of 15, Figure 5-4

Preamble:

In Reference i), Union provides a summary of Dawn Parkway System transportation contracts and system demands. TransCanada requests additional contracting information.

Request:

For the following requests, please provide all pertinent data including contracted quantity, receipt point, delivery point, and contract start and end dates. Please provide this information in PDF and Excel format, with the contracts sorted by expiry date and by customer.

- a) Please provide updated details on all M12, M12-X and C1 contracts in effect as of November 1, 2014 on the Dawn Parkway System that have a term of one year or longer.
- b) Please provide the same information with respect to all M12, M12-X and C1 contracts that Union believes will be in effect as of November 1, 2015, November 1, 2016, and November 1, 2017.

**TCPL.2:**

Reference:

- i) Application, Exhibit A, Tab 8, Page 11 of 12, Table 8-3
- ii) EB-2007-0606/EB-2007-0615, Exhibit JTA.24, Undertaking of Union Gas (Attachment 1)
- iii) Application, Exhibit A, Tab 8, Schedules 1 & 2

Preamble:

In Reference i), Union provides a table showing the relative economics of facility alternatives. In Reference ii), Union provided analysis of Dawn Parkway facilities expansions. TransCanada requires information to compare these figures with recent Union expansions.

In Reference iii), Union provides analysis of the Dawn Parkway System, including design day demand and system capacity.

Request:

- a) Please provide an update to Exhibit JTA.24 (included as Attachment 1), including all expansions from 2014 onwards, and including the expansion facilities proposed in this proceeding.
- b) Please provide an analysis of Union's Dawn Parkway System for Winter 2014/2015 and Winter 2015/2016 using the same format as the analysis in Reference iii).
- c) What heat rate does Union assume for its calculations in Reference iii)?
- d) Please explain what specific services or other measures Union will use to manage the 66,382 GJ/d system capacity shortfall as forecast for Winter 2016/2017 in Reference iii).
- e) Please confirm that the proposed 2017 facilities expansion is forecast to create 30,393 GJ/d of capacity in excess of shipper requests effective November 1, 2017, as shown in Reference iii). If not confirmed, please provide the correct figure and explain.
- f) Please explain how Union markets the excess capacity created through an expansion open season. Is excess capacity from an expansion posted publicly on Union's website so that all shippers are aware that it is for sale? Under what terms does Union sell excess capacity from an expansion open season? Does Union hold open seasons for shippers to bid into as a way to allocate this capacity to shippers, or is capacity allocated at Union's discretion under varying contractual arrangements? If so, please explain.
- g) Please explain how Union allocates available excess capacity that is not from an expansion open season. Is excess capacity posted publically on Union's website so that all shippers are aware that it is for sale? Under what terms does Union sell excess capacity? Does Union hold open seasons for shippers to bid into as a way to allocate this capacity to shippers or is capacity allocated at Union's discretion under varying contractual arrangements? If so, please explain.

**TCPL.3:**

Reference:

- i) Application, Exhibit A, Tab 10, Schedule 7, Page 39 of 68
- ii) EB-2015-0200, Union letter regarding Term-Up Provision, September 3, 2015
- iii) Application, Exhibit A, Tab 6, Page 20 of 23, Lines 18 - 19

Preamble:

In Reference i) Union states that it will provide a Term-Up Notice to eligible shippers if Union reasonably determines that “Expansion Facilities are required to increase the capacity or capabilities of flow on Union’s pipeline system ...”, so long as the cost of those facilities exceeds \$20 million.

In Reference ii), Union revised its proposal to increase the threshold cost for Term-Up from \$20 million to \$50 million.

In Reference iii), Union states that its “five-year Term Up Provision is consistent with TransCanada’s recently approved Term Up Provision (RH-001-2014).”

Request:

- a) Would a facilities expansion in excess of \$50 million to serve in-franchise incremental demand trigger the Term-Up clause for ex-franchise shippers?
- b) Please confirm that in-franchise customers do not sign formal gas transportation contracts for the use of Union’s facilities, and are thus exempt from any Term-Up provisions. If not confirmed, please explain.
- c) Please define and explain the difference between “capacity” and “capabilities of flow” as used in Reference i).
- d) For an expansion with the same in-service date, is Union Gas willing to coordinate and align its Term-Up Provision notice to customers with TransCanada’s notice to customers, so that shippers on both the Union Gas system and the TransCanada Mainline have the same 60 days to determine if they will Term-Up their contracts? If not, please explain why.

UNION GAS LIMITED

Undertaking of Union Gas

To Association of Major Power Producers of Ontario ("APPRO")

Confirm next phase of expansion for the purpose of M12 to be in the form of the addition of compression; confirm unit cost for capacity resulting from addition of compression is lower than addition of capacity from previous expansions that have taken place under M12; when you would expect the next expansion to occur in the form of the addition of compression.

-----

The next phase of Union's expansion plans for the Dawn-Trafalgar transmission system consists of additional compression at the Bright compressor station commencing in 2008. This project will be followed by additional compression at Lobo and Dawn compressor stations and construction of the single pipeline section remaining to complete the NPS 48 fourth transmission line looping program from Dawn to Parkway. The estimated incremental cost per unit of capacity from potential future compression additions is expected to be greater than the cost per unit of capacity for the next pipeline section to be constructed and the existing M12 toll. As a result, the overall impact of potential future Dawn-Trafalgar expansion projects over the incentive regulation planning horizon which would otherwise put upward cost pressure on M12 transportation rates will be something Union has to manage under incentive regulation.

The attached schedule provides the capital cost per unit of capacity based on the 2007 approved cost of service study, the approved facilities for 2006, 2007 and 2008, and the potential facilities beyond 2008 that would complete the 4<sup>th</sup> loop of the Dawn-Trafalgar system.

The unit cost of capacity associated with the facilities beyond 2008 is based on high level estimates, that will be refined as we get closer to actual construction.

Question: October 3, 2007  
Answer: October 11, 2007  
Docket: EB-2007-0606 / EB-2007-0615

TRANSMISSION FACILITIES EXPANSION PROGRAM  
Long-Term Expansion Plan for the Dawn-Trafalgar System  
Additional Capital Investments  
To Complete the 4th Loop and Compression at Lobo and Bright

	Design Day Capacity Added (MMcf/d)	Facility Capital Costs (\$000's)	Capital Cost per Unit Capacity Added (\$/Mcfd)
<u>Existing Dawn-Trafalgar Facilities</u>			
Net Plant Per the 2007 Approved Cost of Service Study	5,678.7	772,646	136.1
<u>Current Projects Completed or Proceeding 2006-07</u>			
Facilities Completed in 2006:			
Brooke-Strathroy & Hamilton-Milton Pipeline Sections	371.6	108,556	292.1
Parkway Compressor Upgrade	-	848	-
Dawn Compressor	-	47,934	-
Total	371.6	157,338	423.4
Facilities Pending Completion in 2007:			
Strathroy-Lobo Pipeline Section	248.3	55,905	225.2
Parkway "B" Compressor	239.8	72,095	300.6
Total	488.1	128,000	262.2
Total Projects Completed or Proceeding in 2006-07	859.7	285,338	331.9
<u>Future Expansion Plans</u>			
Scheduled for Completion in 2008			
Bright "C" Compressor Upgrade	322.2	57,400	178.2
Total Facilities 2008	322.2	57,400	178.2
Future Facilities Planned in 2009 and Beyond:			
Lobo "C" Compressor	218.9	94,542	431.9
Brantford-Kirkwall Pipeline Section	259.1	68,970	266.2
Dawn Compressor	-	54,000	-
Sub-Total Brantford-Kirkwall & Dawn Compressor	259.1	122,970	474.6
Lobo "D" Compressor	136.3	81,370	597.0
Total Future Facilities 2009+	614.3	298,882	486.5
Total Future Expansion Plans	936.5	356,282	380.4
<u>Total Long Term Dawn-Trafalgar System Facilities</u>	<u>1,796.2</u>	<u>641,620</u>	<u>357.2</u>
<u>Breakdown Between Compression &amp; Pipeline Projects</u>			
Current Projects Completed or Proceeding 2006-07:			
Compression	239.8	120,877	504.1
Pipeline	619.9	164,461	265.3
Total Completed to 2007	859.7	285,338	331.9
Future Expansion Plans			
Compression	677.4	287,312	424.1
Pipeline	259.1	68,970	266.2
Total Future Expansion Plans	936.5	356,282	380.4