

**ONTARIO ENERGY BOARD**

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

**AND IN THE MATTER OF** an Application by Union Gas Limited, pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of January 1, 2016.

**Interrogatories From**

**The Association of Power Producers of Ontario (“APPrO”)**

**to**

**Union Gas Limited (“Union”)**

**October 27, 2015**

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**Question 1:**

Reference: i) Exhibit A Tab 1 Section 3.5

Preamble: Union lists several major reinforcement projects. APPrO would like to understand the status of these projects.

- a) Please provide the status of development of each of the projects listed in this section, as well as the status of any interconnecting pipeline project that will be accepting gas from the project. Please include the current expected in-service date for each of Union's and any downstream projects in the current table format:

<b>Reinforcement or other project (Ex A, Tab 1, s. 3.5 list and others) ("Pipeline Projects")</b>	<b>Expected in-service date of Pipeline Projects</b>	<b>Contingent on the following interconnecting or other projects being constructed, completed, or in service ("Contingent Projects")</b>	<b>Expected in-service date of Contingent Projects</b>	<b>Pipelines downstream of and interconnected to Pipeline Projects ("Downstream Projects")</b>	<b>Expected in-service date of Downstream Projects</b>

**Question 2:**

Reference: i) Exhibit A Tab 1 pages 18-19

Preamble: Union is proposing to change the description of the Aggregate Excess option for the calculation of the storage space allocation from:

*Aggregate excess is the difference between a customer's gas consumption in the 151- day winter period and consumption during the balance of the year.*

to

*Aggregate excess is the difference between the customer's total 151-day winter consumption (November 1 through March 31) and the customer's average daily*

*consumption (Daily Contract Quantity) for the contract year multiplied by 151 days of winter.*

Union indicates that the current description does not accurately describe the calculation that is currently being performed; however, it appears that the written descriptions of the two methodologies result in quite different formulae. APPrO would like to better understand the Aggregate Excess storage allocation methodology.

- a) Please confirm that the description of the current methodology implies that the customer's storage entitlement is the difference between its winter consumption and its summer consumption.
- b) Please confirm that the description of the methodology that is being proposed by Union results in a calculation that is the difference between a customer's total winter consumption and its average (annual) daily consumption, multiplied by 151 days.
- c) Please provide Union's proposed mathematical formulae that would apply to each method and sample calculations of the Aggregate Excess for an average industrial load using each of the methods.
- d) Please provide excerpts from the proceeding in which the Ontario Energy Board (the "**Board**") originally approved the Aggregate Excess description, the corresponding formula and any subsequent modifications by Union or otherwise.
- e) Union notes that it is not proposing any changes to the calculation; however, the descriptions suggest that these methodologies rely on different formula. Was the original description of the formula not accurate or did the formula evolve over time without the description being changed? Please explain.
- f) If Union were to apply the current methodology as described, what is the impact to the total amount of storage allocated to the customers using the Aggregate Excess methodology?
- g) How many customers by rate class currently rely on the Aggregate Excess methodology?

**Question 3:**

Reference: i) Exhibit A Tab 1 pages 21-22

Preamble: Union notes that it is removing the reference to specific nomination cycle timelines in the various rate schedules and will instead be including a reference to Union's website, where this information will continue to reside. APPrO would like to understand the implication of this change.

- a) Please confirm that, if the nomination cycle timelines are included in the rate schedules, and if this information is subject to the Board's approval along with other information in the rate schedules.
- b) If this information is only resident on the company's website, is it still subject to the Board's approval or does Union have the flexibility to make future changes without Board approval?
- c) Will Union reflect all future changes in nomination cycle timelines approved by the North American Energy Standards Board ("**NAESB**") in their nomination cycle timelines?
- d) Please explain why this tariff condition should not be subject to Board approval.

**Question 4:**

Reference: i) Exhibit A Tab 2 page 2  
ii) EB-2015-0200 Exhibit A Tab 8 page 9 Table 8-2

Preamble: In Reference i), Union indicates that it forecasts an additional Parkway Delivery Obligation (“**PDO**”) reduction of 23 TJ/d as of November 1, 2017. In Reference ii) Union notes that it will have a surplus Dawn-Parkway capacity of 30 TJ/d as a result of Union’s 2017 Dawn-Parkway expansion program. This amount is inclusive of the forecasted 23 TJ/d PDO reduction.

- a) In light of the forecasted 30 TJ/d of surplus Dawn-Parkway capacity as of November 1, 2017, will Union make all or a portion of this capacity available to increase the PDO reduction of 23 TJ/d up to 53 TJ/d? Please explain.

**Question 5:**

Reference: i) Exhibit A, Appendix B

Preamble: Union includes a Parkway Delivery Commitment Incentive of \$0.134/GJ that will be effective November 1, 2016. APPrO would like to better understand the nature of this incentive credit.

- a) Please provide how Union determined, derived, or the source of, this incentive credit amount.  
b) Please describe how this credit will be applied to customers that have a Parkway Obligation.