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June 2, 2016

Filed Electronically

Original by Courier

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

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Union Gas Limited (Union) – 2015 Disposition of Deferral Account Balances and 2015
Utility Earnings
OEB File No. EB-2016-0118
TransCanada PipeLines Limited (TransCanada) Interrogatories**

Enclosed are the interrogatories of TransCanada PipeLines Limited. Should you have any questions, please contact the undersigned.

Yours truly,
TransCanada PipeLines Limited

Original signed by

Matthew D. Ducharme
Counsel
Law, Canadian Pipelines

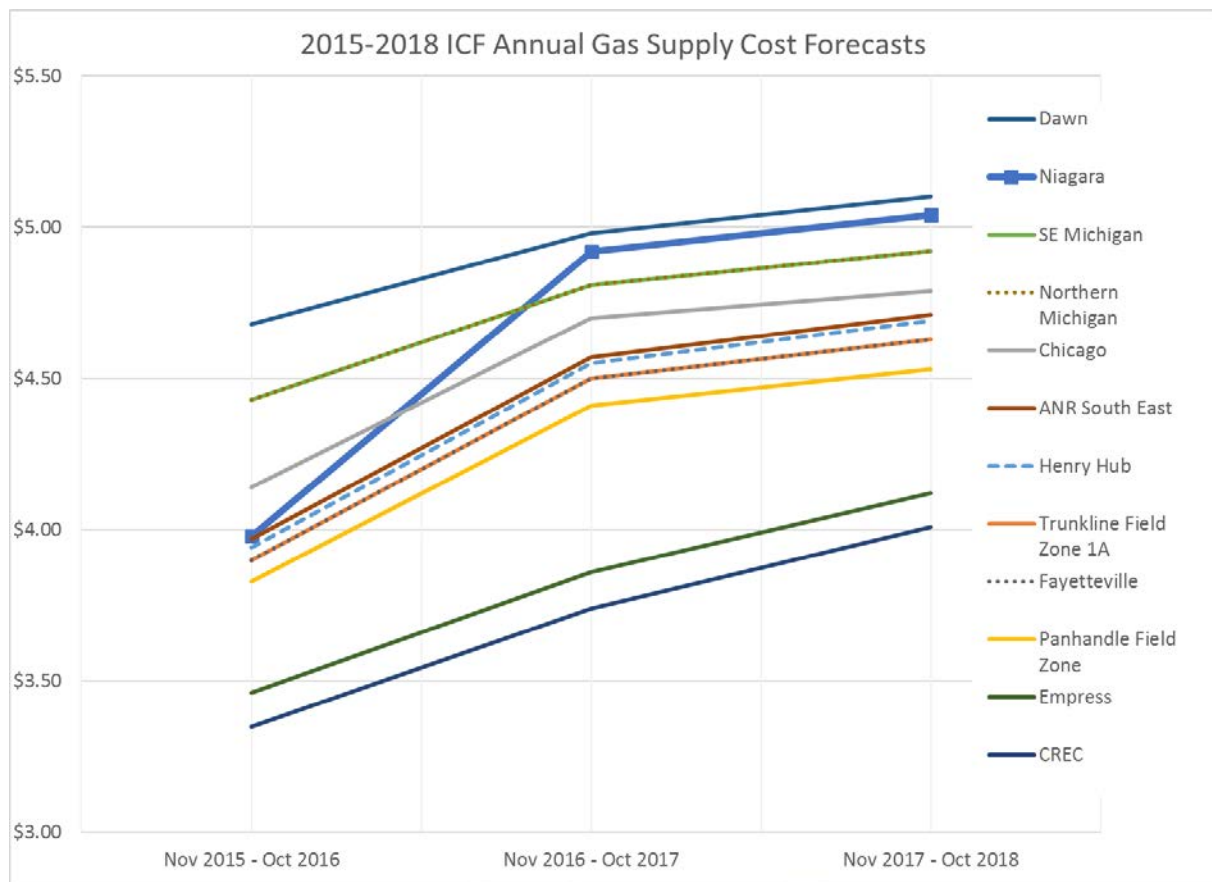
Attachment

cc: Chris Ripley, Union Gas Limited (electronic only)
Crawford Smith, Torys LLP (electronic only)
All Intervenors in EB-2016-0118 (electronic only)

IR Number: Interrogatory #1

Reference: EB-2016-0118, Exhibit A, Tab 4, Appendix A, Schedule 2

Preamble: The above reference includes a table entitled: “Assumptions used in Developing Transportation Contracting Analysis” which tabulates forecasted prices at various hubs which were generated from the ICF Q1 2015 Base Case. Values from this table are charted in the figure below.

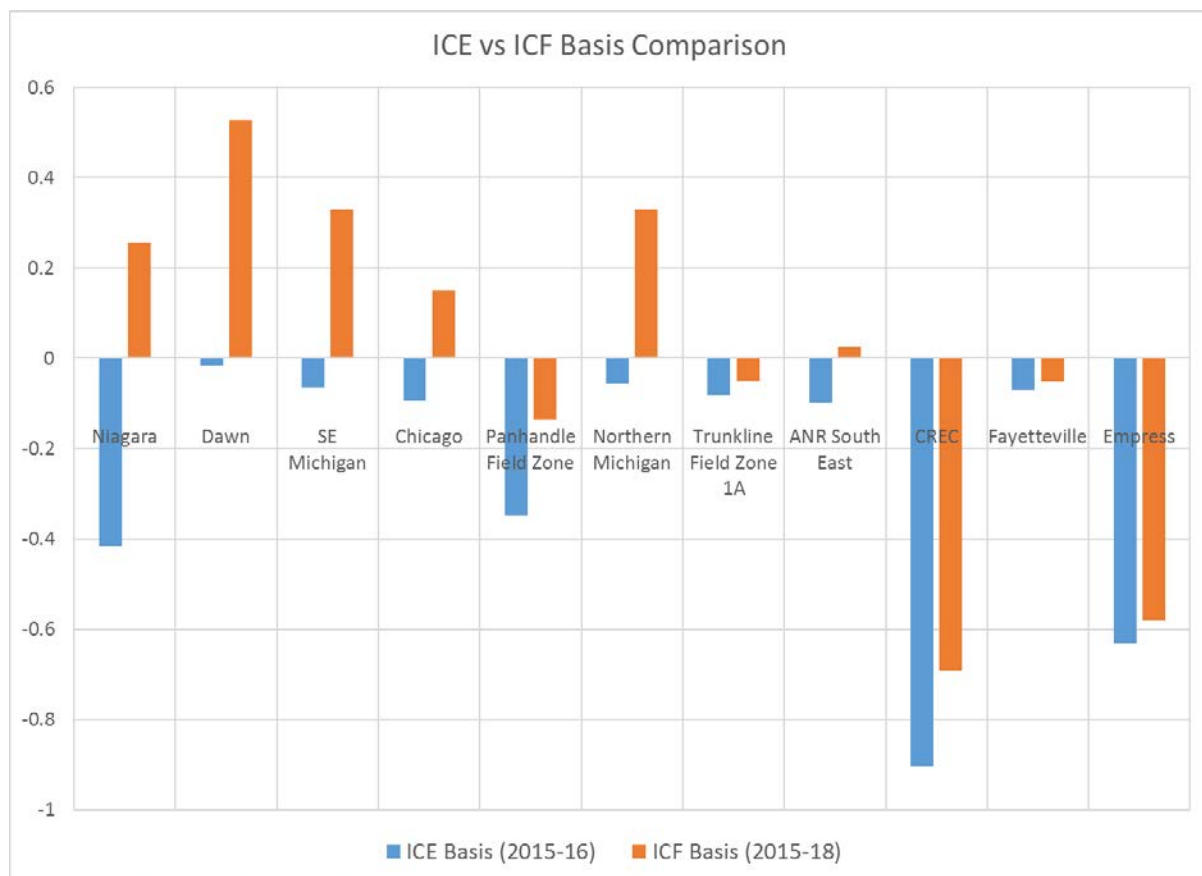


Request: Note that the increase at the Niagara price point is much larger than the increase at any other pricing point. Please explain the market factors in terms of supply, demand and/or infrastructure that cause the Niagara pricing point to increase so significantly from the 2015 gas year to the 2016 gas year.

IR Number: Interrogatory #2

Reference: EB-2016-0118, Exhibit A, Tab 4, Appendix A, Schedules 1 & 2

Preamble: The above reference includes tables entitled: “2015-2016 Transportation Contracting Analysis” (Schedule 1) and “2015-2018 Transportation Contracting Analysis” (Schedule 2). Both are breakdowns of Union’s Landed Cost calculations and include Basis Differentials from Henry Hub. The first is a 12-month outlook based on ICE Natural Gas Futures from Jan 27, 2015. The second is a 3-year outlook based on a forecast from ICF’s Q1 2015 Base Case. Graphed below is a comparison of the basis differential of pricing hubs sourced from the ICE gas futures and from the ICF forecast.



Request: Please explain why the Henry Hub basis differential increases for every pricing point in the ICF Q1 Base Case forecast compared to the ICE Natural Gas Futures. Specifically, what market changes in terms of supply, demand and/or infrastructure were included in the ICF 3-year forecast completed in Q1 2015 that were not captured by the market in the 12 month futures prices on Jan 27, 2015?