

REF: Exhibit A, Tab 1, Page 4-6 and EB-2015-0035 Tab 1, pages 7-12

Preamble: We are specifically interested in understanding the UDC costs and allocations for Union South. On page 12 of the QRAM evidentiary reference above, Union states:

“Union will bring forward a proposal for disposition of costs related to the spot gas purchased for Union South bundled DP customers as part of its 2014 annual non-commodity deferral account disposition application. At that time, final BGA balances for March 31, 2015 will be available. If the variance from the planned BGA balance in aggregate for all bundled DP customers is different than 1.3 PJ on an actual basis, Union will revise the amount to be recovered from Union South bundled DP customers, to reflect actual activity. Accordingly, the deferral credit of \$2.13million has been excluded from deferral account balances filed in Tab 1 to be disposed of in this QRAM application”

- 1) Please attach pages 7-12 of the above referenced QRAM application.
 - a) For the months of January, February and March 2015:
 - i) Please provide the forecasted and actual DP BGA balances
 - ii) Please provide the forecasted and actual DP consumptions
 - iii) Please provide the forecasted and actual system gas consumptions
 - iv) Please provide the forecasted and actual heating degree days
 - v) Please provide any other summary data that Union would have relied upon at the time of incremental purchases that informed the decision to purchase
 - b) Based upon the above information and Union’s interpretation of the EB-2014-0145 decision on these matters, please specifically describe Union proposed allocation and disposition of UDC costs for Union South.

REF: Exhibit A, Tab 1, Page 11, lines 3-6

Preamble: The evidence states: *“The storage requirement for the general service market was calculated using the Board-approved aggregate excess methodology and the storage requirement for the contract market was calculated using either the Board-approved aggregate excess methodology or the 15 X obligated Daily Contracted Quantity (“DCQ”) storage methodology.”*

- 2) Please clarify in the contract market’s storage requirement is calculated consistent with the methodologies used in the actual contracts. If not, how is the methodology chosen for this market?

REF: Exhibit A, Tab 1, Pages 22-23

3) Please fill in the inserted table for each of the M1, M2, Rate 1 and Rate 10 rate classes.

	2013	2014	2015
ACTUAL CONSUMPTION (m3)			
ACTUAL HDD			
FORECASTED HDD FOR THE YEAR			
YEARS USED TO FORECAST HDD (30yr.)			
YEARS USED TO FORECAST HDD (20yr.)			
FORECASTED NAC (m3)			

To be clear, the Years Used rows refers to the range of years included in the calculation of the 30 year and 20 year HDD determinations for that specific years' forecasted NAC.

- a) Please provide the heating degree data used to forecast the HDD in a table and in Excel format.
- b) Please provide the resulting linear equation for the 20 yr. calculation for each years' trend contribution to the HDD value.
- c) Please show a sample calculation using the M1 rate class for 2015 starting from source data through the resulting difference between actual and HDD.

REF: Exhibit A, Tab 1, Pages 24-28 and EB-2014-0271 Exhibit B.Staff.4, Page 1

Preamble: Lines 11-13 of page 25 state: *"Using the Board-approved aggregate excess methodology, Union then calculated the change in storage requirements for each of the general service rate classes due to variances in NAC"*

- 4) Please confirm aggregate excess uses the difference between summer and winter consumptions to determine a forecasted storage utilization.
 - a) Please provide the data used for generating the storage cost for the general service rate classes for 2013/14 and 2014/15 for the 2014 and 2015 NAC storage costs.
 - b) Please show a sample calculation using the M1 rate class for the 2015 NAC storage costs.
 - i) Please provide the rationale for the unit costs of storage included in the calculation and the specific authority Union obtained for that unit cost.

Preamble: The response to Staff IRR #4 in the 2015 Rates proceeding responded with: *“If Union’s proposal is not accepted by the Board and there are incremental upstream transportation costs as a result of increases in NAC, Union will include those costs in the NAC deferral account.”*

- 5) Please quantify the upstream transportation cost reductions that would have been included in the NAC account for the reduction in NAC for both Rate 1 and Rate 10 classes if the change had not been made.

REF: Exhibit A, Tab 4, page 19

and

“Union Gas Request for Proposals for Firm Ojibway Transportation Capacity” dated May 26, 2016.

Preamble: The above referenced request opened with: *“Union Gas Limited (“Union”) is inviting your company, along with other suppliers, to submit proposals to provide Union with Long Term Firm Transportation capacity to the Panhandle Pipeline interconnection with Union Gas (Union Ojibway point) starting as early as November 1, 2016. Later start dates and combined Supply and Transportation purchases will also be considered.”*

- 6) Please file the referenced request for proposal.
- a) Please file the results of the request for capacity and analysis that was done to select desired proposals.
 - b) Please explain implications of these potential solutions on Union’s forthcoming Panhandle replacement project.

REF: Exhibit A, Tab 4, Appendix A, Schedules 1 and 2

and

EB-2015-016/0175 Transcript Volume 1, pages 31-32

Preamble: We note the Incremental Transportation Contracting Analysis is dated January 2015 and in the above Transcript reference, Union stated that it had approximately 150,000 GJ/day of capacity that had not been committed starting Nov. 2017.

- 7) Please file Union’s most recent Incremental Transportation Contracting Analysis.

- 8) Please file SENDOUT summary tables that Union used to review alternatives for Winter of 2016/17 and beyond including Nov. 2017.
 - a) Please ensure that the above analysis include considerations of the Niagara receipt point.
 - b) If SENDOUT did not inform the decision on paths to renew/increase, please provide the analytical analysis that did inform the choices.

- 9) Please file Union's 2016/17 Gas Supply Memorandum.