



450 – 1 Street SW  
Calgary, Alberta T2P 5H1

Tel: (403) 920-2563  
Fax: (403) 920-2308  
Email: matthew\_ducharme@transcanada.com

June 8, 2016

Filed Electronically

Original by Courier

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

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

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. (Enbridge) – Storage and Transportation Access Rule  
Application  
OEB File No. EB-2016-0028  
TransCanada PipeLines Limited (TransCanada) Written Submission**

Enclosed is the Written Submission 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: All Parties in EB-2016-0028 (electronic only)

**Ontario Energy Board**

**Enbridge Gas Distribution Inc. Storage and Transportation Access Rule Application  
(EB-2016-0028)**

**Written Submission of TransCanada PipeLines Limited**

June 8, 2016

**Introduction**

TransCanada PipeLines Limited (TransCanada) is an interested party in the Rate 332 Tariff (Tariff) proceeding because it requires capacity on Segment A of the Enbridge Gas Distribution (Enbridge) GTA project (the Albion Pipeline) to meet its firm shipper commitments. TransCanada has collaborated with Enbridge and Union Gas Limited (Union Gas) with respect to system expansions in response to the Ontario Energy Board's (OEB) expectation that such collaboration take place for the benefit of stakeholders.<sup>1</sup> The three parties have each designed facilities based on the outcome of:

- The OEB EB-2011-0210 Decision;
- the Settlement Agreement dated October 31, 2013 (Settlement Agreement), and the resulting National Energy Board (NEB) RH-001-2014 Decision; and
- TransCanada obtaining 1,200 TJ/d of Transportation By Others (TBO) capacity on the Albion Pipeline.

The Albion Pipeline is for the dual purposes of distribution and transmission. This and its unique operating characteristics have been taken into consideration in the proposed Tariff. In its application and responses to interrogatories, Enbridge has explained the operating characteristics of the Albion Pipeline and its Tariff provisions. TransCanada supports these submissions by Enbridge, and outlines below its position on Enbridge's application.

**Capacity Requirements and Infrastructure Development**

TransCanada held a New Capacity Open Season (NCOS) for service on the TransCanada Mainline in May 2012 with the intention to have service available starting November 2014. The NEB's RH-003-2011 Decision was released in March 2013 which put into question TransCanada's ability to recover expansion capital and, as a result, TransCanada did not proceed with the November 2014 expansion.

The OEB in EB-2011-0210 was instrumental in guiding TransCanada, Enbridge and Union Gas to arrive at the Settlement Agreement to establish the framework that benefits Ontario markets by providing needed service through an economically efficient facility set. In its decision, the OEB encouraged the parties to find efficient service solutions:

The Board agrees that the consideration of the Parkway West facilities requires a wider perspective. The Board therefore encourages Union to engage TCPL, Enbridge and shippers in a consultative process, the purpose of which is to jointly consider the need for the Parkway West project, explore reasonable alternatives (including the repurposing of existing facilities) in order to maximize the benefit to Ontario ratepayers.<sup>2</sup>

---

<sup>1</sup> EB-2011-0210 Decision and Order, October 24, 2012, page 126.

<sup>2</sup> *Ibid.*

Enbridge, Union Gas and TransCanada engaged in extensive negotiation, ultimately resulting in the Settlement Agreement, which provides greater certainty with respect to efficient development of natural gas infrastructure in Canada, specifically in Ontario and Québec, with equitable treatment for the shippers on the TransCanada Mainline and their customers. The Settlement Agreement also provides for the development of future infrastructure in a coordinated, reliable, and cost effective manner. This requires the parties to optimize the use of existing transmission infrastructure, and includes commitments to provide access to new service, while recovering of the costs of the TransCanada Mainline and provision of reasonable tolls. The NEB ultimately approved and relied on the framework embodied in the Settlement Agreement in its RH-001-2014 decision. The proposed Tariff is consistent with the NEB's decision, and deviation from the applied-for Tariff may be inconsistent with the Settlement Agreement.

TransCanada commits to new service requests on the Mainline through Precedent Agreements that it enters into with shippers who have bid into a NCOS. Provision of service is subject to TransCanada obtaining certain approvals/authorizations such as NEB approval, related regulatory approvals, and any TBO capacity required for the expansion. The Precedent Agreements entered into for the NCOS held by TransCanada in 2012 were revived after the Settlement Agreement was signed and the in-service date was revised to November 1, 2015. This date has since been revised to November 1, 2016 due to regulatory and construction delays. In addition to the requirements from the above noted NCOS, TransCanada completed a NCOS in January 2014 for service commencing November 1, 2016 in which TransCanada received additional requests which will require use of the Albion Pipeline Rate 332 Service.

TransCanada intends to bid for the full 1200 TJ/d of the Enbridge Rate 332 Service on the Albion Pipeline as committed to in Article 11 of the Settlement Agreement. Given system hydraulics, without firm access at all times to the full 1200 TJ/d of capacity TransCanada will not be able to meet NCOS contractual obligations to provide firm transportation service to NCOS shippers, including Union Gas, Enbridge, and Gaz Métro.

As discussed in Enbridge's response to Exhibit I.EGDI.APPrO.1 c), the Albion Pipeline transmission capacity will operate as a loop of TransCanada's Mainline. As such, TransCanada will require access to the 1200 TJ/d at all times during the day. This, in conjunction with the King's North Connection Pipeline Project (KNC Pipeline) and TransCanada's existing line between Parkway and our Maple Compressor Station, will meet the obligations from the above noted NCOS processes.

The alternative to TransCanada utilizing a TBO arrangement on the Albion Pipeline and building its KNC Pipeline would have been for TransCanada to build approximately 33 km of NPS 42 loop in a new right of way northwest of Brampton. Instead, the TransCanada KNC Pipeline in conjunction with the Albion Pipeline provided an efficient and cost effective means of increasing capacity for both distribution and transmission service to meet both Enbridge and TransCanada's requirements. The combined effect of the Albion Pipeline and

KNC Project also reduced land and landowner impacts, while providing a lower combined transportation cost to the end users than there would have been with two separate pipelines.

In its interrogatories, APPrO questioned why Enbridge's proposed Tariff does not include additional services such as Interruptible and Short Notice Service. Enbridge answered in its response in Exhibit I.EGDI.APPrO.1 d) that, because the Albion Pipeline transmission capacity was developed as a loop of the TransCanada Mainline, TransCanada would continue to provide shippers access to such services, thus ensuring continued efficiency of the market. TransCanada confirms this response. TransCanada provides both Interruptible and Short Notice Services to its shippers through the TransCanada Mainline tariff, and will utilize its TBO on the Albion Pipeline, along with any additional TBO or its own expansion capacity required, to meet such future requests.

### **Conclusion**

Without the Rate 332 Service applied for by Enbridge, the requests from TransCanada Mainline shippers for service from Parkway commencing November 1, 2016 will not be met. TransCanada encourages the OEB to approve Enbridge's proposed Tariff as filed in an expeditious manner so that Enbridge can conduct its open season for Rate 332 Service, and TransCanada can bid for the Rate 332 Service which is required to meet its contractual commitments for November 1, 2016.

All of which is respectfully submitted,

**TransCanada PipeLines Limited**

*Original signed by*

---

Matthew D. Ducharme  
Counsel  
Law, Canadian Pipelines