

February 23, 2018

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: OM Limited Partnership
Certificate of Public Convenience and Necessity Application
Ontario Energy Board File No. EB-2017-0289**

Union Gas Limited hereby submits interrogatories on the evidence of OM Limited Partnership pursuant to Procedural Order No. 1 to the above noted proceeding.

Should you have any questions, please do not hesitate to contact me.

Yours truly,

[Original signed by]

Patrick McMahon
Manager, Regulatory Research and Records
pmcmahon@uniongas.com
(519) 436-5325

Encl.

c.c. (email only): Ms. Jane Lowrie, President, On-Energy Corp.
Peter Budd
Crawford Smith, Torys

UNION GAS LIMITED
INTERROGATORIES TO OM LIMITED PARTNERSHIP

1. Reference: OMLP Pre-filed Evidence, page 13

"The Applicant seeks:

(i) a Certificate of Public Convenience and Necessity under section 8 of the Municipal Franchises Act limited in geographical scope to the lands known as PT LT 2 CON 7 NORTH WALSINGHAM AS IN NR306706 SAVE & EXCEPT PT 1 ON 37R10232 to allow the OMLP to sell gas from their well and pipeline system directly to Maricann and for the construction of the proposed Tie-in System."

Reference: Municipal Franchises Act, Section 8

Approval for construction of gas works or supply of gas in municipality

8 (1) *Despite any other provision in this Act or any other general or special Act, no person shall construct any works to supply,*

(a) natural gas in any municipality in which such person was not on the 1st day of April, 1933, supplying gas; or

(b) gas in any municipality in which such person was not on the 1st day of April, 1933, supplying gas and in which gas was then being supplied,

without the approval of the Ontario Energy Board, and such approval shall not be given unless public convenience and necessity appear to require that such approval be given.

Question:

Given that the requested Certificate of Public Convenience and Necessity has not yet been issued, please confirm that no work has been commenced related to the construction of facilities that are subject of this application and required to provide the new Maricann facilities with natural gas. If work has been commenced, please describe this work and its status in detail.

2. Reference: OMLP Pre-filed Evidence, page 4

"The gas costs charged by Union to Maricann for natural gas supplied are higher than will be charged through the OMLP. Through the OMLP proposed arrangement there will be a significant financial advantage to both Maricann and ON."

Question:

Please provide in a matrix format a comparative assessment of all alternatives considered. For each alternative, provide a breakdown of costs, in-service date and any other assessment criteria used in the evaluation. Please include details of the rates and terms and conditions of service associated with the assumed charges.

3. Reference: OMLP Pre-filed Evidence, page 4

"The OMLP joint venture will have no negative effects on Ontario ratepayers and will benefit the municipality and result in more environmentally responsible natural gas use as opposed to purchasing gas that has originated in foreign jurisdictions."

Questions:

- (a) Please confirm that the Ontario ratepayers referenced are all other customers of Union Gas and customers of EPCOR Natural Gas Limited Partnership.
- (b) Please provide details of the evidence that shows that the proposed operations will have no negative impacts on other Ontario ratepayers.
- (c) Please provide details of the evidence relied upon that proves that the proposed joint venture results in a more environmentally responsible use of natural gas.

4. Reference: OMLP Pre-filed Evidence, page 5

"Other than a certificate of public convenience and necessity, the OMLP will have all requisite approvals required under all applicable laws to construct the entire project and facilitate the sale of gas directly from the OMLP to Maricann. These approvals include those required from the Ministry of Natural Resources and Forestry (MNRF), Technical Standards and Safety Authority (TSSA), Measurement Canada Weights and Measures and Norfolk County."

Questions:

- (a) Please provide details of the approvals that have been obtained and have yet to be obtained from the Ministry of Natural Resources and Forestry, the Technical Standards and Safety Authority, Measurement Canada Weights and Measures, and Norfolk County.
- (b) Please provide details of any environmental screenings and reviews that have been undertaken related to the proposed project.

5. Reference: OMLP Pre-Filed Evidence, page 6

"The ON group owns and operates approximately 150 natural gas wells and over 300 kms of existing pipeline infrastructure. This includes production previously operated by Tribute Resources Inc. ("Tribute") and since assigned to ON in Norfolk county which Tribute acquired from Magnum Gas Corp. in 2014. The production from these 150 natural gas wells is currently sold into Union's distribution system at three different locations."

Questions:

- (a) Please provide details of how much production from the referenced natural gas wells will continue to be delivered to Dawn under existing M13 contracts for each of the next 10 years.
- (b) Please confirm that OMLP will not be supplying any other customers with natural gas from its wells.

6. Reference: OMLP Pre-filed Evidence, page 8

"The existing Maricann facility will be decommissioned and abandoned upon completion of the new facilities described herein as Phase 1 and Phase 2. The new Maricann Langton Facility will be a large consumer of natural gas and will be built in two phases of construction. Phase 1 will consist of a greenhouse growing operation and production facility. Phase 2 will consist of an additional greenhouse. Upon completion of phase 2 of the expansion and under peak operating conditions, the Maricann Langton Facility will require as much as 67 GJ per hour of natural gas. The OMLP Tie-in System will be sized to meet this peak hourly gas flow requirement."

Reference: OMLP Pre-filed Evidence, page 10

"The expanded Maricann Langton Facility has a need for the natural gas produced by OMLP in early 2018. As such, it would be preferable for the upgrades to the existing pipeline system and the Tie-in System described to be completed by November 30, 2017 at the latest to meet this requirement. Upgrades to the existing pipeline system are planned to run from August – October 2017. The proposed Tie-in System construction of works to supply gas to the Maricann Langton Facility is scheduled to commence in October and be completed in November 2017. This construction timeline is subject to the OEB approval of the Limited Franchise Certificate Application contained herein. If the OEB is unable to deal with this matter on an expedited basis it may be necessary for OMLP to arrange for compressed natural gas delivery to Maricann."

Question:

Please provide an update to the timing of construction of the various phases of the expansion of Maricann's greenhouse growing operation and production facilities.

7. Reference: OMLP Pre-Filed Evidence, page 8

"The existing pipelines and proposed Tie-in System which will form a part of the OMLP assets has sufficient physical gas transportation capacity to meet this requirement. ON's existing production pipeline network consists of approximately 300 kms of pipelines spanning over 800 square kms in the geographic townships of Bayham, Houghton, Middleton, Charlotteville, North Walsingham and South Walsingham. The Elgin and Norfolk County pipeline network connects to Union's high volume transmission system near Tillsonburg Ontario."

Question:

Please provide details of the Certificates of Public Convenience and Necessity currently in place related to the pipeline related facilities OMLP has in place within the municipality of Norfolk County and the County of Elgin.

8. Reference: OMLP Pre-Filed Evidence, page 12

"Secondly, the OMLP joint venture will allow Maricann access the volumes of gas it requires to expand and operate their Langton Facility. This expansion will create numerous jobs and other economic benefits to the local community. The OMLP Maricann service connection will operate independently and will have no impact on Union's current or future rate payers."

Question:

Please provide details of any cost estimates provided to the Maricann Group by Union Gas regarding the provision of natural gas service to the new greenhouse facility.

9. Reference: OMLP Pre-Filed Evidence, page 12

"The OMLP joint venture, if granted a geographically limited certificate will have the capability of supplying Maricann with all required gas volumes, both pre- and post-expansion with existing Ontario gas well reserves, existing pipeline networks and the addition of the proposed Tie-in System."

Question:

Please provide details of what gas volumes and pressure requirements OMLP will be providing to the Maricann facilities pre-expansion.