

UNION GAS LIMITED

Response to Interrogatory
from Board Staff

Question:

1. Union's pre-filed evidence states that the 2008 Storage Enhancement project will increase the working capacity of the four involved pools by $56,700 \times 10^3 \text{ m}^3$. How does this increase affect the position of Union in the competitive market for storage? What is the amount of this increase relative to the total current storage capacity held by Union?

Response

Currently Union's total storage working capacity is $4,274.7 \times 10^6 \text{ m}^3$. The incremental storage capacity will add approximately 1.3 % to Union's total existing working capacity.

Union does not believe that a 1.3% increase in working capacity will impact Union's position in the competitive storage market.

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2. In the pre-filed evidence Union stated that for the Oil Springs Pool, Enniskillen 28 and Dow A Pool, a review of well casings, wellheads and surface facilities was completed and, as a result, additional work would be completed prior to delta pressuring. Please confirm that Union will provide to the MNR the reports on the work to be done. Please confirm that Union will notify the Board when the work has been completed in accordance with the current CSA Z341 and to satisfaction of the MNR

Response

Union confirms that it will complete all reporting as required by Section 13 of the Provincial Operating Standards v2.0 prescribed by the Regulations.

Most of the required workovers, well re-lining and abandonments required have been completed and the necessary reports have been or will be filed with the MNR. Union will submit the necessary documents to the MNR, and confirms it will respond to any concerns raised by the MNR.

Union confirms that it will notify the Board when all work is completed in accordance with CSA Z341.

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3. In the pre-filed evidence, Union stated, that for the Payne Pool, “all wells in the Payne Pool have received new wellheads and master valves, six wells have been relined with a smaller diameter casing and three wells were abandoned. This work was completed in 2007.” Please confirm that all of this work has been done in accordance with the requirements of the current CSA Z341 and to the satisfaction of the MNR.

Response

Union confirms that all work completed at Payne, as listed above, has been completed in accordance with the Provincial Operating Standards and CSA Z341. Work was completed under the supervision of a Certified Examiner and reports have been submitted to the MNR. No deficiencies have been identified by the MNR.

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4. To facilitate the increase of storage capacity proposed by this application, will Union have to complete any additional system upgrades, including compression and pipeline capacity? If so, please provide information on the location, timing and scope of upgrades.

Response

To facilitate the increase in storage capacity additional system modifications are required at the Dow A and Payne Pool Compressor Stations.

The modifications at Dow A are required to ensure that the outlet piping of the Dow A Pool compressor station will meet the requirements of CSA Z662-07 and to correct vibration problems within the compressor station. The work involves replacement of two short sections of station piping and replacement of the compressor cylinder packing. Work on Dow A is scheduled for completion by July 1, 2008.

Modifications at the Payne Pool Compressor Station include: re-wheeling the existing centrifugal field compressor ; upgrading the gas turbine engine horsepower from 1300 HP to 1400 HP; upgrading the control systems; and installation of new surge valve, fire and gas detection and building heat. The modifications are currently in progress and are expected to be commissioned between June 16th and July 15th.