

UNION GAS LIMITED

Answer to Interrogatory from  
City Of Kitchener("CCK")

Reference: *System Integrity Allocation (Exhibit G3)*

*Issue 5.6 - (To be determined) - Is the methodology used to functionalize, classify and allocate system integrity space appropriate?*

***Question:***

- a) *Please reproduce Exhibit J31.G2.57 from EBRO 499.*
- b) *Please confirm that the City of Kitchener is represented as customer "A" and that EBRO 499 was the last rate case in which Kitchener was a member of the M9 class.*
- c) *In Exhibit J31.G2.57 of EBRO 499, Union states that the space allocation to the M9 class is made up of:*
- *86,773 10 3 m3 calculated on the aggregate excess method;*
  - *14,748 10 3 m3 held by Union as contingency space;*
- i) *Does the term "contingency space" as used in EBRO 499 have the same meaning as "system integrity space" in this case?*
- ii) *Of the 14,748 10 3 m3 of contingency space or system integrity space, what amount was attributable to service to the City of Kitchener for:*
1. *managing weather variances;*
  2. *back stopping supply failures;*
  3. *operational integrity.*
- d) *Exhibit G3 Tab 5 Schedule 26 Page 5 shows that no temperature risk space has been allocated to M9 or T3. When did Union eliminate the allocation of temperature risk space to M9 and why? If the removal has received Board approval, please provide the reference.*
- e) *Exhibit G3 Tab 5 Schedule 26 Page 5 shows that the allocation to T3 for supply backstopping is 0% whereas the allocation for temperature risk is left blank. Please explain the difference.*
- f) *Does Union retain any obligation as system operator to provide supply backstopping in the event of a supply failure to Kitchener, or is Kitchener fully responsible for backstopping such failures?*

Witness: Michael Broeders / Bruce Rogers / Drew Quigley / Steve Poredos

Question: March 15, 2006

Answer: April 4, 2006

Docket: EB-2005-0520

- g) *Please confirm that no load balancing costs are included in the costs for system integrity space.*
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**Response:**

- a) Please see attached.
- b) Confirmed.
- c) i) Yes.  
ii) A specific allocation for Kitchener related to managing weather variances, backstopping supply failures, and operational integrity was not performed in E.B.R.O. 499.
- d) System integrity space related to temperature risk has never been allocated to M9 or T3. This methodology has remained unchanged since the introduction of a detailed system integrity allocation in the RP-1999-0017 proceeding.
- e) The T3 rate class is not allocated any charges for supply backstopping or for temperature risk. Showing 0% or leaving it blank has the same result.
- f) Union is not obligated to backstop a supply failure by Kitchener. Under such circumstances, Kitchener will be responsible for the charges for failure to deliver and for the costs of the backstopping.

Subject to availability, Kitchener can contract for backstop gas under the R1 Rate Schedule.

- g) No gas supply related load balancing costs are included in the costs for system integrity space.

Witness: Michael Broeders / Bruce Rogers / Drew Quigley / Steve Poredos  
Question: March 15, 2006  
Answer: April 4, 2006  
Docket: EB-2005-0520

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Answer to Interrogatory  
from The Wholesale Gas Service Purchasers Group

Question

Reference: G4/T5/S24/pg2

Line 13 indicates that a total of 101,525 10\*3m\*3 of storage space has been allocated to the M9 rate class. Please provide the breakdown of this storage space showing the allocation to each of the Rate M9 customers. Please show all calculations. How will Union calculate the storage entitlement for a customer or customers that switch to the unbundled T3 rate?

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Answer

The total of 101,525 10\*3m\*3 of storage space allocated to the M9 rate class is made up of:

- 86,777 10\*3m\*3 available to Rate M9 customers on an unbundled Rate T3 basis, and
- 14,748 10\*3m\*3 held by Union as contingency space.

The attached schedule shows the detail calculation of storage space allocated to each Rate M9 customer. This is the storage entitlement available to customers switching to unbundled Rate T3..

Witness: M.W. Packer/M.D. Kitchen/H.M. Pankrac  
Question: August 21, 1998  
Answer: September 18, 1998  
Docket: E.B.R.O. 499

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Answer to Interrogatory  
from The Wholesale Gas Services Purchasers Group

Storage Space Allocation to Rate M9 Customers

Line No	Particulars	Description	Customer			Class Total
			A (a)	B (b)	C (c)	
1	Annual Volume Forecast - C99	10*3 m*3	296,501	19,498	3,700	319,699
2	Average Annual Day	Line 1/365	812,332	53,419	10,137	875,888
3	Winter @ Average Annual Day	Line 2 * 151	122,662	8,066	1,531	132,259
4	Winter Consumption (Nov-Mar)	10*3 m*3	204,247	12,110	2,679	219,036
5	Excess of Winter over Average	line 4 - line 3	81,585	4,044	1,148	86,777