

April 20, 2016

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

Dear Ms. Walli:

RE: EB-2015-0029 – Union Gas Limited – 2015-2020 Demand Side Management (“DSM”) Plan – Draft Rate Order – Response to Ontario Energy Board Request

On March 29, 2016, Ontario Energy Board (“Board”) staff filed its submission on Union Gas Limited’s (“Union’s”) draft Rate Order filed March 14, 2016 for the above noted proceeding. In its submission Board staff made certain assumptions and invited Union to provide any further clarification that it believes may be necessary in its reply submission.

On April 6, 2016, Union filed a letter stating that Union does not have any further clarification to provide and requested that the Board approve the draft Rate Order as filed. On April 15, 2016, the Board requested that Union file a subsequent letter confirming Board staff’s assumptions, or, alternately, correcting any incorrect assumptions and also confirm that the draft Rate Order is correct.

Union confirms that it agrees with each of the assumptions made by Board staff in its March 29, 2016 submission:

- The change to the proportional allocation of the portfolio-level budget to the Commercial and Industrial program is caused by the Board’s reclassification of the Commercial and Industrial Direct Install Program from a pilot program to a non-pilot program. This reclassification operates to remove the direct assignment of the costs associated with the Direct Install Pilot Program to the Commercial and Industrial portfolio-level budget. As a result, this would reduce the proportional allocation of the portfolio-level budget to the Commercial and Industrial Program;
- The allocation of the portfolio-level budget to the Large Volume program (and more specifically to Rate 100 and Rate T2) in the draft Rate Order is a result of the Board’s direction to Union to continue its Large Volume Self-Direct program (with a \$4 million annual budget);
- The allocation of a portion of the Market Transformation budget to Rate 10 and Rate M2 in the draft Rate Order is a result of the Board’s direction to Union to establish a Commercial Savings by Design Program; and,

- The one-time adjustments applicable to contract rate classes for the recovery of the incremental 2016 DSM budget (for the January 1, 2016 to June 30, 2016 period) will be calculated on an individual customer basis by multiplying the delivery rate changes (i.e. the difference between the proposed delivery rates inclusive of the incremental 2016 DSM budget and the existing delivery rates) applicable to the contract rate classes by the specific customer's actual consumption and / or contracted volumes (depending on the customer's individual arrangement with Union) for the January 1, 2016 to June 30, 2016 period.

Additionally, Union confirms that the draft Rate Order is correct and requests that the Board approve the draft Rate Order as filed.

If you have any questions concerning this application and evidence please contact me at 519-436-5334.

Yours truly,

[Original Signed by]

Vanessa Innis
Manager, Regulatory Initiatives

c.c.: Josh Wasylyk, Board Staff
Alex Smith (Torys)
EB-2015-0029 Intervenors