

August 30, 2016

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
P.O. Box 2319  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2016-0186 – Union Gas Limited – Panhandle Reinforcement Project**

Please find, attached, interrogatories on behalf of the Consumers Council of Canada for Union Gas Limited pursuant to the above-referenced proceeding.

Please feel free to contact me if you have questions.

Yours truly,

*Julie E. Girvan*

Julie E. Girvan

CC: All Intervenors  
Union Gas, Regulatory Affairs  
Charles Keizer, Torys

**INTERROGATORIES FROM THE CONSUMERS COUNCIL OF CANADA**

**FOR UNION GAS LIMITED**

**RE: EB-2016-0186 – PANHANDLE REINFORCEMENT PROJECT**

**A-CCC-1**

(Ex. A/T3/p. 4)

The evidence states that the Application was brought by Union in response to the immediate need and forecasted market demands and lack of available firm capacity on the Panhandle System. Please explain when this need was first identified. Please provide all internal documentation related to identifying this “immediate need”. Please explain how Union has assessed the potential impacts of the Climate Change Action Plan (“CCAP”) and the proposed Cap and Trade Program on its forecasted market demands related to this project. Is Union relying on forecasts that were undertaken prior to the announcement of the CCAP and the Cap and Trade Program? If so, does Union intend to undertake updated forecasts? If not, why not?

**A-CCC-2**

(Ex. A/T3/pp. 4-7)

The evidence states that the uncertainty created by Cap and Trade and the CCAP has driven the need for Union to calculate the revenue requirement and resulting rate impacts based on the estimated 20-year useful life of the project assets rather than the weighted average useful life of approximately 50 years based on Board-approved depreciation rates. Please explain why the Cap and Trade program and the CCAP have not put into question the need for this project. If cost recovery is an issue why should Union’s ratepayers be the ones assuming the cost recovery risk?

**A-CCC-3**

(Ex. A/T3/p. 7)

The evidence states that Union’s choice of 20 years recognizes the changes being proposed by the CCAP. Does Union intend to apply a 20-year depreciation rate for all of its facility applications going forward? If not, why does this project warrant unique treatment?

**A-CCC-4**

(Ex. A/T3/p. 7)

If the OEB does not approve the 20-year depreciation rate will Union still go ahead with the project? Please explain.

**A-CCC-5**

(Ex. A/T4/p. 2)

The evidence states that the firm Design Day demand along the Panhandle System is forecasted to grow by 19% by 2021 and 37% in total by 2034. Please provide the detailed basis for these assumptions. Please list all factors that could potentially reduce these forecast growth levels.

**A-CCC-6**

(Ex. A/T3/p. 2)

Please explain, in detail, how Union has developed its load forecast for the areas served by the Panhandle System. Has Union entered into any contractual arrangements with its distribution customers that are forecasting increased loads to be served through the Panhandle System? If, so please explain the nature of those arrangements. If not, why not? How can Union be assured that the increased load will materialize?