

IN THE MATTER OF the *Ontario Energy Board Act 1998*,
S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF an Application by Union Gas
Limited for approval of its 2010 Natural Gas Demand Side
Management Plan.

**Interrogatories of
Canadian Manufacturers & Exporters ("CME")
to Union Gas Limited ("Union")**

1. On page 2 of 43 of its 2010 DSM Plan, Union states that it has consistently delivered cost-effective DSM programs, and over the past 11 years has delivered approximately 614M cubic metres of natural gas savings and Total Resource Cost ("TRC") benefits of over \$1B. Union then goes on to set out its budget, TRC target, Shared Savings Mechanism ("SSM"), Lost Revenue Adjustment Mechanism ("LRAM") and DSM Variance Account ("DSMVA"). CME wishes to better understand the historic development of these components of Union's DSM Plan. To assist in this matter, please prepare a table that sets out for each of the years 2006 to 2009, the following information:
 - (a) The DSM budget;
 - (b) The actual DSM expenditures;
 - (c) The TRC target;
 - (d) The m³ of natural gas savings achieved;
 - (e) The TRC net benefits achieved;
 - (f) The SSM incentive payment;
 - (g) The LRAM payment; and
 - (h) The variance recorded in the DSMVA.
2. At page 4 of 43, Union states that a detailed breakdown of its 2010 DSM Plan Budget by market segment is not possible at this time. In order to permit CME to better understand the potential impact which the 2010 DSM Plan Budget will have on its members, please:
 - (a) Provide a summary of how Union's DSM costs are allocated to each rate class;

- (b) Provide Union's best estimate of the breakdown of its 2010 DSM Plan Budget by market segment and by rate class. If it is not possible to provide such an estimate, please explain why.
- 3. At page 4 of 43, Union states that the percentage spent per market segment for 2010 will not vary materially from 2007 and 2008. Please reproduce Table 1 entitled "2010 DSM Plan Budget", to include the actual amounts spent and the percentage spent for 2006 to 2009.
- 4. Please prepare a table which shows for the years 2006 to 2009 the cost allocation by rate class of Union's annual DSM budgets.
- 5. At page 5 of 43, Union states in the 2010 DSM Plan, Union will be eligible to earn a SSM incentive payment, which will be set by a formula, and at 100% of TRC target will be \$4.75M. Union further states that in 2010, the SSM incentive cap of \$8.5M will increase by the Ontario CPI as determined in October 2009. In order to permit CME to better understand the potential impact that the SSM may have on ratepayers, please:
 - (a) Provide the maximum amount for the SSM incentive cap in fiscal 2009 (as determined by the Ontario CPI in October 2008);
 - (b) Confirm that the amount of the 2009 maximum SSM incentive cap will be increased by the Ontario CPI as determined in October 2009, and not the annual SSM incentive cap of \$8.5M set out in Union's evidence.
- 6. CME wishes to better understand the impact which Union's SSM payouts have on particular rate classes. For the years 2006 to 2009, please provide a table that sets out the allocation of the annual SSM payments by rate class.
- 7. In section 2.3, Union describes the evaluation and audit process. CME wishes to better understand the impact which the evaluation and audit process had on the SSM and LRAM. Please provide a table that sets out for the years 2006 to 2009 the pre-audit and post-audit amounts claimed by Union for TRC, SSM and LRAM.