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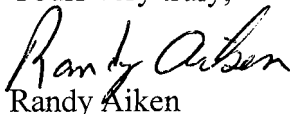
Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli,

RE: EB-2010-0039 - Interrogatories to Union Gas from London Property Management Association

Please find attached the interrogatories of the London Property Management Association in the above noted proceeding.

Yours very truly,



Randy Aiken
Aiken & Associates

c.c. Chris Ripley (Union Gas)

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

AND IN THE MATTER OF an Application by Union Gas
Limited for an Order or Orders amending or varying the
rate or rates charged to customers as of October 1,
2010.

**INTERROGATORIES OF THE LONDON PROPERTY MANAGEMENT
ASSOCIATION (“LPMA”)**

Interrogatory # 1

Ref: Exhibit A, Tab 1, page 2

Union indicates that the average historical impact of not truing-up the deferral disposition recovery was approximately \$320,000 per year to the benefit of the ratepayer.

- a) Please indicate for what period this average historical impact was calculated.
- b) For each year included in the historical average, please provide the total credit/debit to be cleared to customers and the over/under recovery amount included in the calculation of the historical average.

Interrogatory # 2

Ref: Exhibit A, Tab 1, page 6-8

With respect to the long-term peak storage services (account 179-72) please indicate if there has been any change in the methodology used to allocate operating costs to Union's unregulated storage activity from that approved by the Board in EB-2009-0052. If yes, what is the impact on the ratepayer portion of the deferred margin if the methodology used and approved in EB-2009-0052 were to be maintained?

Interrogatory # 3

Ref: Exhibit A, Tab 1, Table 4

Please explain why any GST costs are included in the amounts to be recovered from ratepayers. Has or will Union claim any of the GST included in these amounts as input tax credit? If not, why not?

Interrogatory # 4

Ref: Exhibit A, Tab 2, Table 1 and page 2 and Exhibit A, Appendix A, Schedule 2

- a) Please reconcile the increase in Expenses (line 6) in Table 1 between 2009 and 2010 of \$10 million with the increase in operating expenses of \$7 million described at lines 15-18 of page 2.
- b) Is the difference of \$3 million between the two figures related to the Lobo C write off and the foreign exchange loss shown in Exhibit A, Tab 2, Schedule 2?

Interrogatory # 5

Ref: Exhibit A, Tab 2, page 9

- a) Please explain why Union is including the net tax expense of \$3.5 million related to the difference in 2009 and 2010 tax rates in deferral accounts when it did not do so in 2008.
- b) Is the amount included as a net tax expense only driven by changes in the tax rates from one year to another, or is the amount also impacted by changes in the balance in the associated deferral accounts? In particular, if there was no change in the income tax rate between 2009 and 2010, what net tax expense would be included in the calculation of utility earnings?
- c) Has Union ever included the net tax expense associated with deferral accounts when calculating the utility earnings sharing for previous years? If yes, please provide details.
- d) How much would the earnings sharing for ratepayers have been affected if this adjustment had been included in the 2008 utility earnings sharing?

Interrogatory # 6

Ref: Exhibit A, Tab 2, Appendix B, Schedule 1

- a) Please provide full details and an explanation for the Lobo C/Brantford-Kirkwall write off of \$1.889 million shown at line 11.

b) Please provide full details and an explanation for the loss on foreign exchange of \$1.207 million shown at line 14.

c) Please explain how the \$46,000 portion of the \$1.207 million foreign exchange loss associated with non-utility storage was calculated.

Interrogatory # 7

Ref: Exhibit A, Tab 2, pages 10-11

a) What is Union's normalized actual return on equity for 2009?

b) At what level would the X factor have had to been in 2009 to result in a normalized return on equity equal to the benchmark ROE of 8.47%?

Interrogatory # 8

Ref: Exhibit A, Tab 3

Are all of Union's allocation proposals consistent with the most recent approved allocation methodology for each account? If not, or if some accounts have not been approved for disposal until now, please provide details.

Interrogatory # 9

Ref: Exhibit A, Tab 4, page 5

a) Please explain how the \$0.179 million of costs associated with the purchase of third party storage space to the unregulated storage operations was calculated. What was the total cost of this third party storage space?

b) What is the current (2009) total cost of third party storage space and how much of this is allocated to the unregulated storage operations?

Interrogatory # 10

Ref: Exhibit A, Tab 4, page 4 and Schedule 2

a) Please reconcile the 100 PJs of regulated storage capacity referred to on page 4 with the figure of 91.8 PJs shown as in-franchise storage space in Schedule 2.

b) Footnote 1 in Schedule 2 indicates that storage space allocators exclude space used for system integrity. How have the system integrity costs been allocated between the regulated and unregulated storage functions?

Interrogatory # 11

Ref: Exhibit A, Tab 4, pages 11-13

Please explain the reasoning behind using the O&M storage support costs allocator (2.52%) in the calculation of general plant, excluding vehicles.

Interrogatory # 12

Ref: Exhibit A, Tab 2, Appendix B, Schedule 1 and Exhibit A, Tab 4, Table 5

Does the 2009 depreciation expense of \$194,485 shown in Schedule 1 of Appendix B of Exhibit A, Tab 2 include depreciation calculated on unregulated assets using the unregulated depreciation rates shown in Table 5 of Exhibit A, Tab 4 and on regulated assets using only the Board approved regulated depreciation rates, also shown in Table 5 of Exhibit A, Tab 4? If not, please explain how the total depreciation expense of \$194,485 is calculated.

Interrogatory # 13

Ref: Exhibit A, Tab 4

How has Union allocated any capital cost allowance associated with the storage assets and general plant and vehicles between the regulated and unregulated storage functions?

Interrogatory # 14

Ref: Exhibit A, Tab 4, pages 5-11 and Schedules 2, 4 and 5

a) How has base pressure gas been allocated between the regulated and unregulated storage functions? Is it based on the 40.2% storage space figure shown in Exhibit A, Tab 4, Schedule 2?

b) Schedule 5 shows the addition of \$1.660 million as a capital addition to base pressure gas in 2009 for the unregulated storage function. Was there any addition to the regulated storage function for base pressure gas in either 2008 or 2009?