

VIA E-MAIL and RESS

June 16, 2010

Ontario Energy Board  
P.O. Box 2319  
27<sup>th</sup> Floor, 2300 Yonge Street  
Toronto, ON M4P 1E4  
Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Union Gas ESM and Deferral Acct. Disposition – Board File No.: EB-2010-0039**

Please find attached the Federation of Rental-housing Providers of Ontario (FRPO) Interrogatories in the above noted proceeding.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn  
Principal  
DR QUINN & ASSOCIATES LTD.

c. C. Ripley (UG), EB-2010-0039 Stakeholders, V. Brescia (FRPO)

REF: EX.A., TAB 1, PG. 3

1) UDC Recovery in Rates

- a) What were the circumstances that lead to the respective differences from forecast in each Operating Area?
- b) What was done to mitigate UDC in each Operating Area?
- c) What would the cost be to each Operating Area if the difference from forecast was used as the deferral account balance?
- d) Why is Union proposing allocating the total in proportion to the percentage of total excess as opposed to the difference from forecast for each respective area?

REF: EX. A. TAB 1, PG. 7

2) Please define the service described in the following and provide the percentage deliverability associated with the service and the reason for the allocation of its revenues to Long-Term Peak Storage Services.

- a) High Deliverability Storage
- b) T1 Deliverability Upstream Balancing
- c) Downstream Balancing
- d) Storage Compression

REF: EX. A. TAB 1, PG. 7

3) Please show a reconciliation of customer rebates as designed in rates and the corresponding disbursements (including volumetric forecasts and actuals) for 2007 and 2008.

REF: EX. A. TAB 1, PG. 11

4) Where does the credit balance of \$7.615 million get transferred to upon closing Account No. 179-102?

REF: EX. A. TAB 1, PG. 22 & **EB-2008-0411 FRPO IR #6 and Undertakings J1.1. and J1.2**

5) Please file the above reference documents from EB-2008-0411 and extend each of the tables to include actual figures from 2009.

REF: EX. A., TAB 1, PG. 13

- 6) For each of the preceding 5 years in advance of the change to Late Payment Penalty by Union, please provide the value of late payment penalty that contributed to rate making for that year and the actual value collected for that year.

REF: EX. A, TAB 4, PG. 4

- 7) Please provide a specific description with some key figures to describe the allocation of fuel gas to the unregulated storage operations. In this response and calculation, please also include answers to the following:
- a) What is Union's regulated storage volume?
  - b) How is UFG allocated to Union's regulated storage volume?
  - c) In the 2007 forecast, how much UFG was allocated to storage? How much to transportation?
  - d) What are the specific quantities for total storage and total transportation that form the 2,245,003.295,000 m<sup>3</sup>?

REF: EX. A, TAB 4, PG. 5

- 8) What unit of measure is used to calculate storage activity? Does it include an assumption of one cycle or multiple cycles?

REF: EX. A, TAB 4, PG. 9

- 9) Dawn Plant E
- a) What was the original justification for Dawn Plant E?
  - b) When did the comprehensive review take place?
  - c) Was the review approved by the Board?

REF: EX. A, TAB 4, PG. 9,10

10) Compressor Ratios

- a) What factors drove the shift described that resulted in the adjusted factor moving from 56.6% to 53%?
- b) Do the figures presented include the compression required to provide high deliverability storage added in 2008 and 2009?

- c) What would the horsepower factor for storage be if the above compression and any transmission additions were incorporated for the years of 2008 and 2009?
- d) Did the determination of 37.7% incorporate the storage compression additions in b)?
- e) If additions in b) were not included, please provide a table that calculates an unregulated factor for storage compression assets at Dawn.

REF: EX. A, TAB 4, PG. 11

- 11) Given the methodology and the figures described in for measurement and regulation, what percent of these assets are allocated to the regulated storage operations?

REF: EX. A, TAB 4, PG. 11

- 12) What was the value of construction work in progress was omitted from the calculation for unregulated storage plant? Union's total plant?
- a) What would the percentage of unregulated storage plant to Union's total plant if the construction work in progress was included?
  - b) Using the same methodology used to determine the storage O&M allocator of 2.52%, what would the storage O&M allocator be using the final 2009 figures?

REF: EX. A, TAB 4, PG. 14

- 13) Please list the new storage projects (including those that were replacement of existing plant) undertaken since 2006.
- a) For the projects identified replacement of existing assets, please provide Union's assessment of the efficiency or growth opportunities for the unregulated storage business including:
    - i) The total cost of the project
    - ii) The amount of space and deliverability before and after construction
    - iii) The factors included in the determination of cost allocation
    - iv) The resulting allocation away from the regulated rate base and the rationale for that allocation

REF: EX. A, TAB 4, PG. 15

- 14) Please replicate Table 3 showing the Regulated Storage O&M Activity that would be calculated using the same methodology as for Unregulated.

REF: EX. A, TAB 4, PG. 16,17

- 15) In Table 4, please expand the table to include Regulated Storage O&M.
- a) Please provide the Business Development activities for Regulated Storage O&M?
  - b) What are the main factors that contribute to the costs associated with Business Development for Regulated Storage O&M?

REF: EX. A, TAB 4, PG. 17,18 & **EB-2009-0101 EX B., TAB 3, SCH. 2**

- 16) Cost of 7.9PJ's of Excess In-franchise Storage Capacity
- a) Lines 2 to 4 of page 18 stat "In order to ensure there is no cross-subsidization between regulated and unregulated storage, the costs associated with the excess storage are charged to the unregulated business". Please reconcile this statement with the response provided in EB-2009-0101 EX B., TAB 3, SCH 2 that communicate a shift of demand costs between the short-term and long-term accounts.

REF: EX. A, TAB 4, SCH. 2 and PG. 7

- 17) To the submitted schedule, please present the percent deliverability to 3 significant figures and add a column for percent deliverability from storage (actual deliverability/space). To that schedule, please add the figures for storage space and deliverability for each of 2008 and 2009. For ease of depiction, please eliminate the figures for dehydration.
- a) When the NGIER decision was adjusted for, on what basis was the deliverability allocated, cost or proportionate allocation of available deliverability? Or other means?

REF: EX. A, TAB 4, SCH. 2

- 18) Historically, Union has presented system integrity space has three separate components or functions. For each of the respective components, please provide the allocation of system integrity space to regulated and unregulated storage operations along with a rationale for each allocation.

**REF: EB-2009-0101 EXHIBIT J1.5**

19) Using the format and line items of the table provided in the above reference, please edit the table to replace 2009 Forecast with 2009 Actual and add a column for Variance between 2007 Board Approved and 2009 Actual.

- i) Beside each line item of the actual figures for each respective year, please add a column that calculates percentage difference from 2007 Board approved
- ii) In addition, for each line item of actual figure for each respective year, please add a column that calculates the percentage that each actual revenue or cost represents as compared to the total revenue for the year
- iii) Further beside each line item for each respective year, please include the quantity and measure of activity that was used to forecast the 2007 Board Approved figures and then for the actual measure of activity for each actual year figures