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July 6, 2010

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
27<sup>th</sup> floor  
Toronto, ON M4P 1E4

Dear Ms Walli

**Union Gas Limited ("Union") – 2011 Demand Side Management ("DSM") Plan**  
**Board File No.: EB-2010-0055**  
**Our File No.: 339583-000074**

Please find attached the Interrogatories of our client, Canadian Manufacturers & Exporters ("CME"). Paper copies are being sent as required.

Yours very truly,

Vincent J. DeRose  
VJD/kt

- c. Chris Ripley (Union)  
Crawford Smith (Torys)  
EB-2008-0346 Intervenors  
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**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, pursuant to section 36(1) of the *Ontario  
Energy Board Act*, 1998, for an order or orders  
approving its 2011 Demand Side Management Plan.

**INTERROGATORIES OF  
CANADIAN MANUFACTURERS & EXPORTERS ("CME")  
FOR UNION GAS LIMITED ("UNION")**

Reference: 2011 DSM Plan - General

1. The Board has confirmed that Union's 2011 DSM Plan should be filed under the multi-year DSM framework established in EB-2006-0021 (the "existing DSM framework"). Please identify all elements of Union's proposed 2011 DSM Plan, if any, that Union considers to be changes or modifications to the existing DSM framework. In answering this question, please exclude measures and updated input assumptions as filed with the Board on April 30, 2010 in Union's 2010 Input Assumption Update.

Reference: Section 2.10 – Electricity Conservation and Demand  
Management ("CDM"), page 12 of 85

2. Union states that, when appropriate, it will work with other LDCs in the delivery of DSM and CDM initiatives. Where that cooperation requires partnerships or the sharing of costs and/or benefits, Union intends to enter into agreements which predefine the attribution of benefits arising from those activities. In this regard, Union asserts that attribution is most appropriately determined by the parties to the agreement, recognizing that the total value of resource savings claimed by all parties should not exceed the benefits generated by the program. CME wishes to better understand the approvals, if any, that Union is seeking from the Board in this proceeding with respect to CDM. To this end, please provide answers to the following questions:
  - (a) Is Union asking the Board to approve the proposition that attribution is most appropriately determined by parties to an agreement? If so, please:

- i) Confirm whether this is a change to the existing DSM framework. If not, why not? and
  - ii) Provide an explanation as to why the Board should make that determination in this Application instead of in the ongoing DSM Guidelines for Natural Gas Distributors (EB-2008-0346).
- (b) Does Union believe that attribution is most appropriately determined by the parties to an agreement even where one of the parties is a non-regulated entity? If not, how should attribution be determined in such a situation?
- (c) Does Union expect to earn a profit from the delivery of CDM initiatives? If not, why not? If yes, please explain whether those earnings will be allocated to Union's shareholder or Union's ratepayers.
- (d) Will Union's ratepayers financially contribute to the deliver of CDM initiatives? If yes, please explain why natural gas ratepayers should pay for CDM initiatives.
- (e) Will TRC benefits generated by CDM initiatives be included in Union's SSM calculation? If yes, please:
- i) Explain how, under the existing DSM framework, Union is permitted to include TRC savings from CDM initiatives in the calculation of its DSM SSM calculation; and
  - ii) Confirm whether Union's SSM target should be incrementally adjusted to account for the TRC benefits from CDM initiatives that will supplement TRC benefits from DSM initiatives. If it is Union's position that the SSM target should not be adjusted, please explain why not.