

**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,  
2011.

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

**Interrogatory # 1**

Ref: Exhibit A, Tab 1, page 17

a) Please identify the OM&A purchases that were previously exempt and for which tax credits are now restricted that resulted in the 2010 tax cost of \$0.234 million.

b) Please explain how Union has determined the portion of compressor fuel costs used in its own operations. Please confirm that this portion of the compressor fuel costs does not include any fuel used for non-regulated activities.

**Interrogatory # 2**

Ref: Exhibit A, Tab 1, page 5-6

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 used in EB-2010-0039. If yes, what is the impact on the ratepayer portion of the deferred margin if the methodology used and approved in EB-2010-0039 were to be maintained?

**Interrogatory # 3**

Ref: Exhibit A, Tab 2

Is the calculation of utility earnings and earnings sharing consistent with the methodology used to calculate to the 2009 earnings sharing in EB-2009-0039? If not, please explain any differences.

**Interrogatory # 4**

Ref: Exhibit A, Tab 2, page 3

Please show the calculation of the benchmark return on equity of 8.54%.

**Interrogatory # 5**

Ref: Exhibit A, Tab 2, pages 8-9

- a) What is Union's normalized actual return on equity for 2010?
- b) At what level would the X factor have had to been in 2010 to result in a normalized return on equity equal to the benchmark ROE of 8.54%?

**Interrogatory # 6**

Ref: Exhibit A, Tab 2, page 6

Please provide a more detailed explanation of the \$0.912 million account adjustment.

**Interrogatory # 7**

Ref: Exhibit A, Tab 3

- a) Are all of Union's allocation proposals, with the exception of the HST deferral account (179-124) 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.
- b) Did Union consider other alternatives than those shown on page 6 for the allocation of the HST account? If yes, please provide the alternatives considered and the reasons they were rejected in favour of the proposals.

**Interrogatory # 8**

Ref: Exhibit A, Tab 3, pages 7-8

Has Union taken into account Canada Revenue Agency requirements related to the replacement of the GST with the HST on July 1 2010 so that the appropriate tax rates (GST or HST) are applied to the bill adjustments to customers stemming from the clearance of the 2010 deferral and variance account balances? If not, why not?

### **Interrogatory # 9**

Ref: Exhibit A, Tab 4, Black & Veatch Final Report

- a) On page 4-2 there are references to Tables 3 and 4 but the tables that follow are labelled Tables 4 and 5. Please reconcile.
- b) Are the figures provided in Table 4 on page 4-3 based on the allocation done by Union in the EB-2010-0039 proceeding or is it based on the recommendations of Black & Veatch?
- c) Please provide a table in a similar format to Table 4 that shows the difference between the Union and Black & Veatch allocations.

### **Interrogatory # 10**

Ref: Exhibit A, Tab 1, pages 14-17

- a) Please confirm that the \$0.450 million in increased compressor fuel cost to Union is based on the provincial (8%) component of the HST. If this cannot be confirmed, please show the calculations used to arrive at the \$0.450 million figure.
- b) Why has Union not included any analysis on the impact of the change in the GST/HST component of the working cash allowance included in rate base?
- c) If Union were to undertake an analysis similar to that undertaken by Enbridge Gas Distribution (see paragraph 17 on pages 6 and 7 of Exhibit B Tab 1, Schedule 5 of EB-2011-0008), what would be the impact on 50% of net savings shown in Table 4?
- d) Please identify the expenditures that were previously exempt and tax credits are now restricted that result in the additional cost of \$0.234 million. Does this amount represent the provincial component only of the HST as not available for the tax credit?