

24 November 2011

Ontario Energy Board
2300 Yonge St., 27th Floor
Toronto, ON
M4P 1E4

Attn: Ms Kirsten Walli
Board Secretary

By electronic filing and e-mail

Dear Ms Walli:

Re: EB-2011-0327

Attached are GEC's IRs in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Poch', with a stylized flourish at the end.

David Poch

Marian Redford
Union Gas

GEC Interrogatories for Union Gas' 2012-2014 DSM Plan

1. (Issue 2) Union states that this plan places “greater emphasis on deeper measures” (Exh. A, p. 5). Does the company have any empirical or numerical basis for this statement? If so please provide it.
2. (Issue 2) With respect to Rate 100 and Rate T1 customers, has the Company ever supported the installation of end use efficiency measures among those customers who are characterized as power generators? If so, which measures, how often and with what level of savings? Please provide data for each of the past three years.
3. (Issue 1.9) In its draft plan presented to stakeholders in August, Union proposed an evaluation budget of \$1.393 million. That has been reduced to \$0.969 million in the filed plan (Exh A, p. 19).
 - a. Please explain the rationale for the reduction.
 - b. Where in the budget was the reduced \$0.4 million reallocated? Please explain why.
4. (Issue 2) Union appears to be defining efficiency treatments as “deep” if they involve measures whose savings will persist for a long time because they are not easily uninstalled (Exh A, p. 20, lines 13-15).
 - a. Is that an accurate summary of the Company’s definition of “deep”?
 - b. Please explain why the Company equates long lived savings with deep savings?
 - c. Isn’t the magnitude of savings in a building or facility (at least if expressed as a percent of baseline consumption) a better metric of “depth”? If not, why not?
 - d. Union appears to be suggesting that all custom commercial, industrial, agricultural and multi-family projects are treated as “deep” measures (Exh A, Tab 1, Appendix H).
 - i. Is that accurate?
 - ii. Is a custom project counted as a single deep measure regardless of how many actual measures are implemented? Or if three measures are implemented as part of a custom project does that count as three deep measures?
 - iii. Does the company expect to provide incentives for the implementation of operation and maintenance related energy improvements to T1/R100 customers. Does it expect to provide similar incentives for similar improvements to other customers as well (i.e. under its Resource Acquisition portfolio)? If so, would they count as a “deep” measure? If so, why, given that they would appear to be inconsistent with the Company’s definition (i.e. they can be easily uninstalled or undone)?
5. (Issue 2) Regarding the lower bound savings target (i.e. the 50% target) for the Company’s proposed resource acquisition scorecard:
 - a. What is the rationale for setting the target at 50% of the 100% target (Exh A, p. 22)?

- b. The Company notes that “for metrics unique to individual programs, such as Market Transformation Programs”, Union has established the 50% and 150% metric levels based on an assessment of the unique nature and objectives of the program” (Exh. A, p. 23). Why shouldn’t portfolio-level resource acquisition targets also be based on the unique nature and objectives of the portfolio as a whole?
- 6. (Issue 2) Regarding the Company’s Large Industrial T1/Rate 100 DSM Scorecard metric on the percentage of customers participating (Sch A, p. 26):
 - a. Are power generators included in the calculation (both numerator and denominator)?
 - b. The company appears to define a participant as a customer who receives an incentive. Does that mean that a customer who received staff training, other support for in-house energy teams and/or energy assessments and studies would not count?
- 7. (Issue 2) With regard to the Integrated Energy Management Systems scorecard, are savings that the program might produce counted towards the Company’s Resource Acquisition scorecards?
- 8. (Issue 1) Please reproduce Exh. A, Schedule 2 using total revenue instead of just distribution revenue. If forecast total revenue is not available, please use 2010 total revenue.
- 9. (Issue 1) Regarding Exh. A, Schedule 2: do the changes in revenues adjust for any savings in distribution expenditures that might be realized from efficiency programs (e.g. reductions in investments in storage or other capital investments)?
- 10. (Issue 1) Has the Company analyzed the potential impacts of system level efficiency savings on the price it pays and/or its customers pay for gas? If so, please provide the analysis..
- 11. (Issue 2) Regarding Exh A, tab 1, Appendix H, how will the company determine the baseline efficiency of a low income furnace (i.e. to know whether an early replacement is removing a 60% AFUE unit, a 70% AFUE unit or something else)?
- 12. (Issue 2) Please provide copies of the detailed (i.e. showing measure level participation, savings, costs, measure lives and free rider rates for each prescriptive measure and savings, costs, weighted average measure life and free rider rate for each custom project) Excel spreadsheets which the Company has used to compute post-Audit, LRAM case, TRC net benefits from its DSM program portfolios in 2008, 2009 and 2010. Provide separately for each year. Names of individual customers receiving custom projects should be redacted. If not already in the spreadsheets, please add a column that shows lifetime m3 savings by measure and custom project.
- 13. (Issue 2) Please provide a copy of the most detailed bottom up analysis that the Company has conducted to estimate how it will achieve its 2012 Resource Acquisition savings target (i.e. 558,041,000 m3), its Resource Acquisition deep measure target (i.e. 3490) and its T1/R100 savings target (i.e. 200,000,000 m3). The analysis should, among other things, show:

- a. For each prescriptive measure:
 - i. Per unit annual savings
 - ii. Measure life
 - iii. Per unit lifetime savings
 - iv. Number of forecast participants
 - v. Free rider rate
 - vi. Per unit rebate
 - b. For custom measures:
 - i. Number of forecast participants by sector (or more refined levels of disaggregation if available)
 - ii. Average annual savings per participants
 - iii. Average measure life
 - iv. Average lifetime savings
 - v. Free rider rate
 - vi. Average rebate per project
 - c. Calculations underlying the Company's cost-effectiveness analysis for each measure, program and portfolio.
14. (Issue 2) Please provide an Excel spreadsheet that lists each custom project completed in 2010 (customer names redacted), the annual savings the project generated, the total volume of annual gas consumption at the site(s) the previous year and the percent savings from the custom project (i.e. annual savings divided by annual sales).
 15. (Issue 2) Please provide data for 2008, 2009 and 2010 regarding the number of deep measures (defined in the same way the company has defined them for its 2012-2014 Plan) the Company's DSM programs caused to have installed. Please provide the data broken down by measure.
 16. (Issue 2) Union states that there are currently 56 Rate T1 and 15 Rate 100 customers. For these customers:
 - a. Please provide data on the number of unique customers (i.e. one customer participating twice in one year counts as only one customer) who participated in Union's DSM programs in 2008, 2009 and 2010 (provide separately for each year).
 - b. Please provide data for both the annual and the lifetime gas savings that those participants produced in 2008, 2009 and 2010.
 17. (Issue 2) Please provide a copy of the most detailed bottom up analysis that the Company has conducted to estimate how it will achieve its 2012 Low Income savings target (i.e. 18,204,000 m3), its Low Income residential deep measure target (i.e. 550) and its multi-family deep measure target.
 18. (Issue 2) If not already shown in the most detailed analysis Union has already conducted (see question above), please:
 - a. State how much of the Company's low income m3 target will be met with single family measure savings and how much with multi-family savings

- b. Explain what the basis for assumed savings per single-family and multi-family measures is
 - c. Provide detail on how the low income budget is expected to be spent (i.e. how much on incentives – including break downs by measure – and how much on each significant non-incentive item).
- 19. (Issue 2) Please explain why the 2013 scorecard has a lower gas savings target but higher single family and higher multi-family participation targets. What is causing savings to go down when participation is going up?
- 20. (Issue 2) Regarding the new home construction market:
 - a. How many single family homes were constructed in Union's service territory in 2010, 2009, 2008 and 2007?
 - b. How many builders constructed at least one home in Union's service territory in 2010?
 - c. Please provide a list of every builder that constructed more than 50 homes in Union's service territory in 2010. Please indicate how many homes each builder on the list constructed.
 - d. How many single family homes is Union forecasting will be constructed in 2012?
 - e. What portion of the homes built in Union's service territory were Energy Star rated in each of the past 5 years?
- 21. (Issue 2) Regarding Union's proposal for its Integrated Energy Management Systems program, has the Company already conducted any facility assessments akin to those envisioned for the 2012 program? If so, how many in each of the past three years?
- 22. (Issue 7) Regarding avoided gas costs presented in Exh A, Tab 1, Appendix I, approximately what portion of the 10-year and 20-year NPV values are attributable to avoided commodity and what portion to avoided capital expenditures.