EB-2011-0327

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

AND IN THE MATTER OF an application by Union Gas Limited for an order or orders approving their 2012-2014 DSM Plan.

INTERROGATORIES

FROM THE

SCHOOL ENERGY COALITION

[Note: All interrogatories have been assigned to issues. However, please provide answers that respond to each question in full, without being restricted by the issue or category. Many interrogatories have application to multiple issues, but all have been asked only once to avoid duplication.]

1 BUDGETS

Issue 1.3: Are the 2012-2014 budgets for the Large Industrial Rate T1 and Rate 100 Program reasonable and appropriate?

1. [Ex. A, p. 10] Please provide a description of the main ways in which the Applicant's large industrial customers are operating their businesses in a manner that includes excessive use of natural gas. Please provide any Ontario research the Applicant has relating to these industrial inefficiencies.

2. [Ex. A, p. 11] Please confirm that the customer representatives consulted in the input described on lines 21 et seq were energy management specialists.

3. [Ex. A, p. 18-19] Please confirm that the "programs" to which the 30% rule applies are the seven programs listed in Table 3.

Issue 1.11: Is the proposed allocation for DSM budget costs and incentive costs appropriate?

4. [Ex. A, p. 17] Please provide an analysis of the pros and cons of allocating low income DSM spending by a) rate base, b) distribution revenues, or c) customer count. Please provide a breakdown of the proposed low income budget by allocation to customer class on each of those three bases.

5. [Ex. A, p. 18] Please confirm that, where costs are reallocated as set forth on this page, the allocation of cost responsibility is also changed, so that the ultimate cost responsibility is trued-up. Please describe the regulatory process used to accomplish this result.

2. PROGRAM TARGETS

General

6. [Ex. A, p. 21] Please provide a revised version of this discussion of input assumptions and targets in light of the Joint Terms of Reference, or provide a description of the extent to which it is altered by that document.

7. [Ex. A, p. 22] Please provide a numerical example of the different effects of discounting between the TRC and gas savings targets. Please provide a summary of the ways in which this change in the structure of targets and therefore incentives is expected to impact the Applicant's program design and implementation emphases.

8. [Ex. A, p. 22] Please provide the metrics used in the current incentive compensation program for Union Gas employees eligible for incentives. Please provide the incentive plan documentation supporting and/or describing those metrics. If the pattern of incentive compensation does not follow a similar pattern of targets (50%, 100%, 125%), please provide an explanation as to why the DSM incentives should be structured on a different basis.

9. [Ex. A, p. 24] Please explain why the cumulative natural gas savings targets in each of Tables 4 and 6 drop annually during the term of the plan.

10. [Ex. A, p. 24-34] For each of Tables 4 through 7, please restructure these tables to show, for each proposed metric, the actuals for each of 2006 through 2010, the forecast for 2011, and the targets for 2012-2014.

11. [Ex. A, p. 24-34] For each of the proposed targets in Tables 4 through 7, please identify in EB-2011-0295 the most comparable Enbridge metric for the same period, and explain any differences between the Applicant's proposed target and Enbridge's comparable agreed target.

12. [Ex. A, p. 29-36] Please identify any individual measures that could be included in, or promoted as part of, any of the proposed Market Transformation Programs, but whose attributes (such as cumulative gas savings) can also be included in the calculation of Resource Acquisition program results. By way of example, if as a result of an assessment under the IEMS Program for an industrial customer, a new HVAC system is recommended and installed, could the savings associated with that new system be counted in the relevant Resource Acquisition program?

Issue 2.3: Are the proposed Rate T1/Rate 100 Resource Acquisition Program scorecard targets for 2012-2014 reasonable and appropriate?

13. [Ex. A, p. 25] Please explain the benefit to be achieved by the “Percentage of Customers Participating” metric. Please explain the 40% weighting of this metric. Please explain how the targets were selected. Please convert each percentage into a discrete number of customers (e.g. 30% = 22 customers).

14. [Ex. A, p. 26] Please confirm that a single customer can be counted multiple times if they have multiple contracts with the Applicant.

15. [Ex. A., p. 26] Please provide the numbers of customers in this customer group that are a) hospitals, b) greenhouses, c) primary manufacturing, d) mining and extraction, e) all other.

3. DSM INCENTIVE

Issue 3.1: Is the proposed DSM Incentive of $10.45 million for 2012-2014 reasonable and appropriate?

16. [Ex. A, p. 3] Please advise how much less natural gas volume is being consumed in Ontario in 2011 as a result of the programs delivered since 1997. Please provide all documentation known to the Applicant that demonstrates how much of the 4.3 billion m^3 referred to is currently persisting and having an impact on current demand/load. If the Applicant has any data on a rate class or customer group level dealing with the continuing impact of past programs, please provide.

17. [Ex. A, p. 4] Please advise the most recent Ontario GDP level and the Ontario GDP level in December, 2007. Please reconcile this data with the statement on lines 1-2 of this page.

18. [Ex. A, p. 24-34] Please provide, for each of Tables 4 through 7, a further table calculating the incentive per unit and the incremental incentive per unit at each of the 100%, and 150% levels. By way of example, if the 2012 incentive for Deep Measures at 100% is, say $846,560, the incentive per deep measure is $242.57, and if the incentive at 150% is, say $2,116,400, the average incentive per unit is $485.08, and the incremental incentive per unit for those over 100% is $1,454.57 [($2,116,400-$846,560)/(4363-3490)]. Please use the incentive levels, weightings, scorecards, and formulae proposed in the Application to prepare these calculations.

5. DSMVA

Issue 5.1: Is the proposed DSMVA reasonable and appropriate?

19. [Ex. A, p. 39-40] Please confirm that, under the Applicant’s proposal, the 15% DSMVA limit applies to each program category, e.g. if the low income budget is $6,839,000, the

Applicant can access a further $1,026,000 for program funding for low income programs in excess of the 100% target levels, but cannot use that additional funding for other types of programs, such as market transformation or large industrial.

20. [Ex. A, p. 40] Please confirm that, under the Applicant's proposal, if the Applicant achieves 100% of its scorecard target on any one of its scorecards, it can access a further $4,643,000 of program funding, but that additional funding can only be used for programs after they have achieved the 100% scorecard level. Please provide examples of how this would work.

8. STAKEHOLDER ENGAGEMENT PROCESS

Issue 8.1: Is the Settlement Agreement for the Joint Terms of Reference on Stakeholder Engagement filed November 10, 2011 acceptable to the Board?

21. [Ex. A, p. 44-48] Please confirm that pages 44-48 of Exhibit A have been entirely superseded by the settlement agreement on the Joint Terms of Reference. If any parts of those pages continue to be applicable, please provide details.

Submitted by the School Energy Coalition on this 2ND day of December, 2011.

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Jay Shepherd