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April 10, 2012

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

RE: Union Gas Limited - Application for 2013 Rates
Ontario Energy Board File Number EB-2011-0210

Interrogatories of Ontario Association of Physical Plant Administrators

Please find attached the interrogatories of the Ontario Association of Physical Plant Administrators in the above-noted proceeding.

Yours truly,

Valerie Young

Valerie Young
Director, Research and Analysis

cc. Chris Ripley, Union Gas
Crawford Smith, Torys
Hugh Briggs, OAPPA / Lakehead University
EB-2011-0210 Intervenors

UNION GAS LIMITED

EB-2011-0210
2013 Rates Application

INTERROGATORIES OF THE
ONTARIO ASSOCIATION OF PHYSICAL PLANT ADMINISTRATORS

D. Cost of Service

12. Is the proposal to update the bad debt expense as part of the Quarterly Rate Adjustment Mechanism (“QRAM”) appropriate?

Interrogatory #1

Reference: Exhibit D1, Tab 2, page 9

Using the April 1, 2012 QRAM filing (EB-2012-0070) as the base, please show how the bad debt expense would be updated as part of the QRAM, including how the unit rate changes by rate class would be derived.

G. Cost Allocation

1. Is Union’s utility Cost Allocation Study, including the methodologies and judgments used and the proposed application of that study with respect to Test Year rates, appropriate?

Interrogatory #1

Reference: Exhibit G3, Tab 1, Schedule 3

Please explain the amount of $1.603 million shown for Interruptible Contract - Interruptible - M5 under DSM Allocation Update (page 1, column (f), line 9).

H. Rate Design

1. Are the rates proposed in Exhibit H just and reasonable?

Interrogatory #1

Reference: Exhibit H1, Tab 1

Please list the factors that Union considered in deciding whether a rate design proposal, if approved, should take effect January 1, 2013 or January 1, 2014.

Interrogatory #2

Reference: Exhibit H1, Tab 1, page 12

Please explain more fully what Union means by “meaningful average costing/pricing”.

Interrogatory #3

Reference: Exhibit H1, Tab 1, page 48

(a) Union proposes to increase the monthly customer charge for interruptible Rate M5A by the average percentage increase in the Rate M5A interruptible delivery service. Does this proposal represent a change in methodology? If yes, what was the previous methodology and what monthly customer charge would the previous approach have produced?

(b) Please explain how the proposed approach to the monthly customer charge for interruptible Rate M5A “manages the impact of monthly customer charge changes for small volume customers in the Rate M5A rate class”.

Interrogatory #4

Reference: Exhibit H3, Tab 1, Schedule 3

(a) Please provide the unit delivery rate changes and the associated percentage changes for a typical small customer and a typical large customer in each of the following rate groups: Rate 10 and Rate 20 in the Northern and Eastern Operations Area and Rates M2, M4 and M5 in the Southern Operations Area.

(b) For Rate 10, Rate 20, M2, M4 and M5 Interruptible, please describe any factors, in addition to the increased cost of service, driving the average percentage increases of 15.5%, 43.5%, 15.5%, 19.8%, and 45.2%, respectively.

(c) Has Union considered rate mitigation measures for customers in the groups listed in (a) and (b)? If yes, please describe the measures that have been considered. If not, please explain why increases of the magnitude shown in Schedule 3 are considered appropriate.

5. Is the proposal to lower the eligibility for the M4 and M5A rate classes to a daily contracted demand of 2,400 m^3 and a minimum annual volume of 350,000 m^3 effective January 1, 2014 appropriate?

Interrogatory #1

Reference: Exhibit H1, Tab 1, pages 19 and 29

(a) Union estimates that lowering the Rate M4 eligibility requirements makes a firm contract service potentially available to a further 595 customers with annual volumes exceeding

350,000 m^3 and currently taking service under Rate M2. How would such a shift from M2 to M4 affect the improvement in rate class size and composition described for M2 with the lowering of the annual volume breakpoint to 5,000 m^3?

(b) With the proposed change in eligibility requirements for M4 and M5A in combination with the introduction of a Rate M4 interruptible service offering, what distinguishes delivery service under M4 from delivery service under M5?