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May 25, 2012

BY EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2012-0087
Union Gas Limited – 2011 Earnings Sharing Mechanism et al
Energy Probe – Interrogatories

Pursuant to Procedural Order No. 1, issued on April 19, 2012, please find attached the Interrogatories of Energy Probe Research Foundation (Energy Probe) in respect of Union Gas Limited in the EB-2012-0087 proceeding.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Karen Hockin, Union Gas Limited (By email)
Crawford Smith, Torys LLP (By email)
Roger Higgin, Sustainable Planning Associates (By email)
Intervenor of Record (By email)

Energy Probe Research Foundation 225 BRUNSWICK AVE., TORONTO, ONTARIO M5S 2M6

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ONTARIO ENERGY BOARD

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 amending or varying the rate or
rates charged to customers as of October 1, 2012.

**INTERROGATORIES ON BEHALF OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

May 25, 2012

**UNION GAS LIMITEED
2011 EARNINGS SHARING AND DISPOSITION OF ACCOUNTS
EB-2012-0087**

**ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Interrogatory #1

**Ref: Exhibit A, Page 3 &
Exhibit A, Tab 1, Schedule 7**

- a) **Please provide the calculation of the O&M (line 5) based on 7,9 PJs of excess in-franchise storage capacity.**
- b) **Please discuss why the O&M amount hasn't changed 2010-2011.**
- c) **Please provide transaction history 2007-2011.**
- d) **Please provide the amount embedded in rates.**
- e) **If this differs from that shown, then please revise Schedule 7 accordingly.**

Interrogatory #2

**Ref: Exhibit A, Tab 1, Schedule 4 &
Exhibit A Tab 3, Schedule 4**

- a) **Please provide the working papers/calculations supporting the amounts in column d 2011 unaudited results per EB-2006-0021.**
- b) **In the second reference please indicate if the 2011 SSM allocation will be based on TRC or Spend. Please provide details.**
- c) **Provide a summary of the rules governing Budget, Spend and reallocation of budgets among classes.**

Interrogatory #3

Ref: Exhibit A, Tab 2, Appendix A, Schedule 13

- a) For all categories of O&M expense that increase 2010-2011 greater than 3%, please provide a variance explanation.**
- b) Please provide the actual expense and Average annual increase in Total Net Utility Operating and Maintenance Expense 2007-2010.**
- c) Compare the Board approved 2011 Revenue Requirement and utility income to the Actual.**

Interrogatory #4

**Ref: Exhibit A, Tab 2 &
Exhibit A, Tab 2, Appendix B, Schedule 1**

- a) Please provide the December 31, 2011 audited consolidated financial statements of Union Gas Limited.**
- b) Please provide a non-utility elimination and provide the utility standalone financial statements.**
- c) Reconcile this to the second reference Schedule 1 and provide explanation of any variances.**
- d) If there are material differences, please restate the utility income used for ESM.**

Interrogatory #5

**Ref: Exhibit A, Tab 2, Page 3 &
Exhibit A Tab 2, Appendix B, Schedule 1**

- a) Please provide the calculation of the 2011 benchmark ROE of 8.1% (pretax 10.10%).**
- b) Please provide Unions normalized ROE for each year of the IRM period**

Interrogatory #6

**Ref: Exhibit A, Tab 3, Pages 1-9 &
Exhibit A, Tab 3, Schedules 1-5**

- a) Please provide in tabular form a list of all allocators used for the disposition of the 2011 deferral account and ESM balances/amounts to the rate classes. Provide a summary as to why each allocator is appropriate and reflects cost causality.**
- b) For each Class please list the average volumes used to calculate the 2011 unit disposition rates and bill impacts for each disposition rate.**
- c) For residential customers please discuss why there are apparently different average volumes used for disposition rates and bill impacts e.g. 2048 m³, 2600 m³ etc.**