PUBLIC INTEREST ADVOCACY CENTRE
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Michael Buonaguro
Counsel for VECC

May 28, 2012

E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: Vulnerable Energy Consumers Coalition (VECC)
UNION GAS EB-2011-0210

Please find enclosed the technical conference questions of VECC in the above-noted proceeding.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

UNION GAS LIMITED
2013 RATES REBASING
EB-2011-0210

VULNERABLE ENERGY CONSUMERS COALITION
TECHNICAL CONFERENCE QUESTIONS

VECC TCQ #1
Reference: J.B-1-1-2 c)

a) Please provide the total amount spent to address integrity issues on the Owen Sound Line from 2003-2011 inclusive.

VECC TCQ #2
Reference: J.B-1-3-4 a)

a) Please provide the revenue requirement and revenue deficiency impacts of 1000 residential additions and 10 commercial additions separately.

VECC TCQ #3
Reference: J.B-1-15-1

a) The referenced IR asked about the impact of the stronger Canadian dollar on the cost of capital assets. The response focussed mainly on the effect of a stronger dollar in dampening growth and lowering demand.

   Are there any offsetting impacts of a stronger dollar in terms of reducing expenditures (in $Cdn) on plant, equipment, and machinery sourced from the US that have not been reflected elsewhere in the Application?

VECC TCQ #4
Reference: J.C-1-1-1, page 2, FEI Table

a) In three cases – 2003-04, 2007-08, and 2010-11 – the survey indicated a decrease in FEI in successive years. Are these decreases attributable to sampling error?
b) Please provide the sample sizes and participation rates for the FEI surveys.

VECC TCQ #5
Reference: J.C-1-1-3

a) Please explain how Union identified "the structural shift beginning in 2008."

VECC TCQ #6
Reference: J.C-1-3-1 a) Attachment 1 – 2004 Rudden Report pages 15-17

The referenced pages in the report comprise Section VI "Recommendations for Future Investigation." These recommendations included (i) re-specification of weather variables, (ii) testing of ARIMA-type structures, (iii) use of dynamic regression, and (iv) various alternatives for minimizing autocorrelation and heteroskedasticity.

a) For each Rudden recommendation in this 2004 report, please advise which recommendations Union has investigated and of those, which recommendations Union has adopted.
b) For each recommendation investigated but not adopted, please indicate why the recommendation was not adopted after investigation.
c) For each recommendation not investigated by Union, please indicate why no further follow up was undertaken.

VECC TCQ #7
Reference: J.C-2-2-1, page 4, Normal HDD Methodologies Comparisons

a) Does Union agree that visual inspection of the graph of "Actual HDD" over the period 2001-11 appears to indicate short-run cycling about a decreasing trend?

VECC TCQ #8
Reference: J.C-2-4-1 d)

a) The referenced response implies that no substantive effort has been expended by Union to further investigate methodological issues regarding HDD forecasting since the 2004 rate case. Is this a fair inference?

VECC TCQ #9
Reference: J.D-1-4-1, Attachment 1, 2010 Budget Iterations

a) Please explain why this document appears to begin with the June 5, 2009 budget, then undergo successive chronological adjustments for August 14, 2009 and then for August 28, 2009, but then ends with Subsequent changes of a reduction in O&M costs of $95M (GEA), ultimately arriving at a February 2009, budget.

VECC TCQ #10
Reference: J.D-1-4-3 b)

a) Please identify the Director roles eligible for the LTIP.
b) Please provide a list of the positions which received the LTIP for each year 2007-2011 inclusive.

VECC TCQ #11
Reference: J.D-3-4-2 a) and Attachment 1

a) Please provide the interest rates applicable to Inter-Company Loans.
b) Please confirm that the items shown on Attachment 1 include all such affiliated transactions related to gas, transportation, and storage. If unable to so confirm, please explain.
c) Are there any Union revenues associated with affiliated transactions related to gas, transportation, and storage? If so, please provide a list similar in format to Attachment 1 detailing such revenues.