

July 17, 2012

Ontario Energy Board  
2300 Yonge Street  
Suite 2700  
Toronto, Ontario  
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

**RE: EB-2011-0210 – Union Gas Limited – 2013 Rates Application – Day 2  
Undertaking Responses**

Dear Ms. Walli,

Please find attached Union's responses to the undertakings from Day 2 of the EB-2011-0210 proceeding.

Yours truly,

*[original signed by]*

Chris Ripley  
Manager, Regulatory Applications

cc: Crawford Smith, Torys  
EB-2011-0210 Intervenors

UNION GAS LIMITED

Undertaking of Mr. Buonaguro  
To Mr. Gardiner

Please calculate the load forecast and revenue deficiency for 2013 as though it were year 6 of the IRM period.

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Est. AU Deferral Amount  
For YEAR 2013

<u>Rate Class</u>	<u>\$ Millions</u>	<u>Paid to</u>
Rate old M2	\$2.382	Union Gas
Rate 01	0.876	Union Gas
Rate 10	<u>(0.428)</u>	Customers
Total	<u>\$2.830</u>	

UNION GAS LIMITED

Undertaking of Mr. Buonaguro  
To Mr. Gardiner

Please calculate the impact of a revenue deficiency with a 50-50 Blend.

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The revenue deficiency would decrease by \$6.323 million assuming a 50/50 blend of the 30 year average and 20-year declining trend.

UNION GAS LIMITED

Undertaking of Mr. Thompson, added to by Ms. Taylor  
To Ms. Van Der Paelt

Undertaking J2.3: For rate 20, to provide model for identified and disaggregated, economic versus ground-up

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The tables below provide for each contract rate class, by volume and by revenue for the 2013, the forecast methodology used for that particular rate class.

**2013 Contract Volumes by Rate Class and Forecast Method**  
(Volumes in 10<sup>6</sup>m<sup>3</sup>)

Rate Class	Bottom Up	Econometric Greenhouse	Econometric LCI/Key	Total
100	1,891			<b>1,891</b>
20	353	-	257	<b>610</b>
25	96	-	34	<b>129</b>
T1	4,666			<b>4,666</b>
M7	147			<b>147</b>
M4		30	351	<b>380</b>
M5		243	288	<b>531</b>
Other (T3, M9, 77)	334			<b>334</b>
<b>Total</b>	<b>7,486</b>	<b>273</b>	<b>930</b>	<b>8,689</b>

**2013 Contract Revenue by Rate Class and Forecast Method**  
(\$ millions)

Rate Class	Bottom Up	Econometric Greenhouse	Econometric LCI/Key	Total
100	12.7			<b>12.7</b>
20	5.2	-	4.5	<b>9.7</b>
25	1.5	-	0.8	<b>2.3</b>
T1	57.8			<b>57.8</b>
M7	4.0			<b>4.0</b>
M4		0.9	10.0	<b>10.8</b>
M5		4.5	4.4	<b>8.9</b>
Other (T3, M9, 77)	5.4			<b>5.4</b>
<b>Total</b>	<b>86.6</b>	<b>5.4</b>	<b>19.6</b>	<b>111.6</b>

(1) Revenue is calculated using Q1, 2011 Rates

UNION GAS LIMITED

Undertaking of Mr. Buonaguro  
To Mr. Gardiner

Please reproduce J1.1 using the heat-sensitive load.

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Please see Attachment 1.

### Southern Regional HDD Weights

Year 2006

#### ACTUAL HEATING DEGREE DAYS 18C

Regional Heating Load Data										
	Windsor	Sarnia	London	Sarnia/ London	Delhi	Waterloo	Delhi/ Waterloo	Hamilton	Total Company	
base + heating load	<b>Weights</b>	19.6%	4.9%	21.5%	26.4%	7.9%	14.9%	22.8%	31.2%	100%
heating load	<b>Weights</b>	17.4%			25.3%			25.7%	31.6%	100%

 these regions are now combined

### Northern Regional HDD Weights

Year 2006

#### ACTUAL HEATING DEGREE DAYS 18 C

		Intl.	Thunder			North					
		Falls	Bay	KAP	Timmins	Bay	Sudbury	S.S. Marie	Muskoka	Kingston	Total
		(Manitoba)	(Western)	(NDA)	(NDA)	(NDA)	(NDA)	(S.S. Marie)	(Central)	(Eastern)	Company
base + heating load	<b>Weights</b>	1.3%	20.0%	8.9%	8.9%	8.9%	8.9%	8.3%	7.9%	26.8%	100%
heating load	<b>Weights</b>	1.4%	19.2%	8.8%	8.8%	8.8%	8.8%	8.3%	8.2%	27.6%	100%

The base + heating load weights equal each region's share of the total general service throughput volumes.

The heating load weights equal each region's share of the total general service **heating only** throughput volumes.

Base load includes: water heating, cooking and drying, plus process load for commercial / industrial customers.

% heating load indicates the space heating share of the total general service throughput volumes in each region.

UNION GAS LIMITED

Undertaking of Mr. Shepherd  
To Mr. Gardiner

Please provide 2013 degree days based on ten-year through to 30-year trend, keeping 2010 as the last year.

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**TREND YEAR NORMAL ESTIMATION: last year 2010**  
with 9 comparisons between the test year estimate and the actual year

Trend Time Span	UNION SOUTH		UNION NORTH	
	2013 Estimate HDDs	Ranking	2013 Estimate HDDs	Ranking
10 Year	3,749	18	4,741	19
11 Year	3,720	17	4,716	18
12 Year	3,761	20	4,782	20
13 Year	3,868	21	4,892	21
14 Year	3,769	19	4,778	17
15 Year	3,672	16	4,673	16
16 Year	3,634	15	4,635	15
17 Year	3,597	14	4,624	14
18 Year	3,565	8	4,595	9
19 Year	3,554	4	4,575	3
20 Year	3,599	3	4,626	1
21 Year	3,643	2	4,671	2
22 Year	3,611	1	4,634	4
23 Year	3,606	5	4,645	5
24 Year	3,635	7	4,718	6
25 Year	3,639	11	4,734	7
26 Year	3,640	12	4,725	8
27 Year	3,635	13	4,743	10
28 Year	3,639	10	4,758	11
29 Year	3,635	9	4,752	12
30 Year	3,634	6	4,776	13

The above analysis is based on a 3 year regulatory lag and demonstrates the best weather normal to be in the 20 to 22 year time frame in the south and 20 years in the north.

Comparison Methodology: For each trend time span, test year estimates are prepared and compared to the actual weather for the year in question. The criteria of symmetry, accuracy and stability are considered. The weightings for these criteria are 3:2:1 respectively; this follows the practice of the 2004 rate case weather normal evidence. The method with the lowest weighted score is scored as the top method. The historic weather data base starts in 1971.



UNION GAS LIMITED

Undertaking of Mr. Thompson  
To Mr. Gardiner

Please provide additional deficiency impact of continuing the 55:45 methodology in contract categories assessed econometrically.

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	<u>Throughput Impact Volume</u> <u>(10<sup>3</sup> m<sup>3</sup>)</u>	<u>Revenue Impact</u>
LCI	8,000	\$61,524
Greenhouse	3,298	\$45,024

UNION GAS LIMITED

Undertaking of Mr. Quinn  
To Ms. Van Der Paelt

Please confirm first month of plant overrun.

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The in-service date for the Halton Hills facility was August 2009. The facility was consuming gas volume for each month throughout 2010 with the first occurrence of overrun volumes being consumed in June 2010.

UNION GAS LIMITED

Undertaking of Mr. Millar  
To Mr. Gardiner

Please provide pre-update numbers for LCI.

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	<u>Original Volume (10<sup>6</sup> m<sup>6</sup>)</u>	
	<u>2012</u>	<u>2013</u>
LCI	1,037	982
Greenhouse	303	315

	<u>Original Revenue (\$ millions)</u>			
		<u>2012</u>		<u>2013</u>
LCI	\$	22.9	\$	22.3
Greenhouse	\$	6.3	\$	6.5

UNION GAS LIMITED

Undertaking of Mr. Millar  
To Ms. Van Der Paelt

Please update LCI numbers in lines 3 and 4 of Exhibit C1, Tab 2, Table 2.

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	Updated Volume (10 <sup>6</sup> m <sup>6</sup> )	
	<u>2012</u>	<u>2013</u>
LCI	1,063	1,016
Greenhouse	316	319
	Updated Revenue (\$ millions)	
	<u>2012</u>	<u>2013</u>
LCI	\$ 23.1	\$ 22.5
Greenhouse	\$ 6.4	\$ 6.6