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August 19, 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 and Deferral Account Disposition
Technical Conference – Issues to be canvassed**

Pursuant to Procedural Order No. 3, issued on August 15, 2012, and our letter of August 17, 2012, Energy Probe Research Foundation (Energy Probe) hereby provides its Technical Conference Questions as requested by Union Gas in an email exchange with our Consultant.

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)
Mark Kitchen, Union Gas Limited (By email)
Crawford Smith, Torys LLP (By email)
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**EB-2012-0087 Union Gas Limited ESM and DA
Technical Conference Questions
On behalf of
Energy Probe Research Foundation (Energy Probe)**

EP TCQ #1

Reference: B1.1 - 2011 Audited DSM Costs

- a) Please confirm that the Audited 2011 DSM results have been filed with the Board.
- b) Please confirm that the 2011 Audited Results presented to the DSM Consultative on August 15, 2012 include changes to the TRC, LRAM and SSM.

Account	Pre-audit	Post-Audit
TRC	\$379,580,963	\$379,379,419
LRAM	\$822,251	\$820,625
SSM	\$9,243,367*	\$9,243,367
Market Transformation	\$500,000	\$500,000
Incremental Low Income	\$543,600	\$543,600

- c) Please confirm that in the Final Order in EB-2012-0087, Union will adjust the deferral account balance clearances to reflect the final audited amounts.

EP TCQ #2 - Allocation of DSM costs to Rate Classes

References: B6.2, B8.1, B8.2

- a) Please provide a complete Response to B6.2 c) including a complete summary of the “rules” for allocating each category of 2011 DSM cost as recorded in the DSM Deferral/Variance accounts to the rate classes.
- b) Please provide a Table that compares the “rules” for 2012 based on the Boards DSM Guidelines to the 2011 “rules” listed in part a).
- c) Comment on the application of the Boards Guidelines for 2011 and 2012.
- d) Confirm the new DSM Plan 2012-2014 will use the Board's Guidelines for allocation of DSM costs to the rate classes.

EP TCQ #3

References: B6.6b); B1.12 - Allocation of CDMVA and Low Income Incentive

- a) Does Union agree that the activities underlying the CDMVA balance are not Board approved DSM Programs/Projects?
- b) If the activities are predominantly Low Income CDM, discuss why the balance should not be allocated as per the allocation of Low Income DSM costs under Union's Board-Approved methodology (EB-2010-0055)?
- c) Please provide a CDMVA Balance allocation based on the Board approved Low Income allocation.
- d) Confirm that the 2011 Low Income Incentive (\$544,000) is allocated based on the Board approved methodology.

EP TCQ #4

Reference B 1.1a) Attachment 1; B5.3 – Short Term Storage Account 179-70

- a) Confirm that Union accepts that the amount embedded in 2011 rates is \$11.254 million not \$15.829 million.
- b) What does Union propose with regard to the treatment of this difference in this proceeding?