



450 – 1 Street S.W.  
Calgary, Alberta T2P 5H1

Tel: (403) 920-6209  
Fax: (403) 920-2310  
Email: elizabeth\_swanson@transcanada.com

October 11, 2012

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Filed electronically

**Attention: Ms. Kirsten Walli  
Board Secretary**

Dear Ms. Walli:

**Subject: Union Gas Limited – 2013-2014 Large Volume Demand Side Management  
Plant  
OEB File No. EB-2012-0337  
TransCanada Energy Ltd. (TCE)  
Interrogatories to Union Gas Limited**

In accordance with the requirements in Procedural Order No. 1, please find attached TCE's Interrogatories to Union Gas Limited (Union).

Sincerely,  
**TransCanada Energy Ltd.**

*Original Signed by*

Elizabeth Swanson  
Associate General Counsel  
Law and Regulatory Research

Enclosure

**ONTARIO ENERGY BOARD**  
**EB-2012-0337**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O.  
c. 15, Schedule B;

**AND IN THE MATTER OF** an application by Union Gas  
Limited pursuant to Section 36(1) of the *Ontario Energy Board  
Act, 1998*, for an Order or Orders approving the 2013 to 2014  
Demand Side Management (DSM) Plan (the Application).

To: Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board

---

**TRANSCANADA ENERGY LTD.**  
**INTERROGATORIES TO UNION GAS LIMITED**

---

**Interrogatory 1:**

Reference:

- a) Exhibit A, Tab 1, Page 6 Line 24
- b) Exhibit A, Tab 1, Table 3 Page 13

Preamble: On page 6 line 24, Union notes that the 2012 DSM budget is 4.664 M\$.

In table 3 page 13, Union provides some detail of the source of the Total  
DSM amounts allocated to rate T1 and T2 for the years 2012 to 2014.

Request:

- a) For each column of table 3, starting from the amount indicated at the line labeled  
“Total DSM Portfolio Budget Post-Inflation”, please provide the detail of the  
calculations that produce the number located at line (d).
- b) In this process please explain for the year 2012 how the DSM budget amount of  
3.412 M\$ shown at line (a) becomes 4.664 M\$ at line d).
- c) Please detail the same information for the years 2013 and 2014.

**Interrogatory 2:**

Reference:

- a) Exhibit A, Tab 1, Table 2 Page 12
- b) Exhibit A, Tab 1, Table 3 Page 13

Preamble: Table 2 and Table 3 both have a line which is labeled “cumulative inflation”. The numbers for inflation provided in those two tables are different.

Request:

- a) Please explain the relation, if any, between those two lines.
- b) Please provide the detail of the calculations that produces the amounts indicated in the “cumulative inflation” lines of those two tables.

**Interrogatory 3:**

Reference:

- a) Exhibit A, Tab 1, Page 17, Lines 5 to 7

Preamble: At lines 5 to 7, Union explains how it intends to calculate its Rate T2/rate 100 Percentage of Customer Incentive Budget Spent (%).

Request:

- a) Please provide a thorough conceptual example of the Rate T2/Rate 100 Percentage of Customer Incentive Budget Spent (%) metric calculation.

**Interrogatory 4:**

Reference:

- a) Exhibit A, Tab 1, Page 29, Lines 3 to 5

Preamble: *“By April 1<sup>st</sup>, customers are required to submit an Energy-Efficiency Plan, authored with the assistance of Union Gas’ energy experts. An incentive will be provide to the customer once their Energy-Efficiency Plan has be confirmed by Union Gas.” (Emphasis Added)*

Request:

- a) Please explain the nature of the incentive referred to at Line 4 of the reference.
- b) Please provide the amount of the incentive provided if it is a monetary incentive.
- c) According to your answer in b) above, please explain how the amount of the incentive is determined.

- d) Please detail the criteria that Union will use in order to “confirm” the submitted Energy-Efficiency Plan.

**Interrogatory 5:**

Reference:

- a) Exhibit A, Tab 1, Schedule 2, Column F
- b) Exhibit A, Tab 1, Schedule 1, Column J
- c) EB-2011-0210, Schedule H3, Tab 1; Schedule 2, Page 4, dated November 11, 2011
- d) EB-2011-0210, Schedule H3, Tab 1; Schedule 2 Page 8, dated November 11, 2011

Preamble: Reference a) presents the rate impact of the total DSM budget for rate 100, T1 and proposed T1-T2 through the use of an average rate.

TCE understands from reference b) that the DSM budget for rate R100 and T1 excluding the Low Income allocation is 5.359 M\$.

TCE wishes to see the impact on the different components of the rate schedule, excluding the Low Income allocation.

TCE also wishes to see the distribution of the increase in annual cost on the customers of rate 100, T1 and new T1-T2.

Request:

- a) Please present the impact of the DSM program cost excluding Low Income allocation (5.359 M\$) on the rate schedule of the rate R100, T1 and new T1-T2 using the format shown in reference c) and d) above. For that purpose, please isolate the DSM budget component impact on each element of the rate schedule.
- b) Please provide a chart that shows the distribution of the yearly cost increase, in dollars and in percentage, caused by the inclusion in the rate schedule of the DSM budget excluding Low Income allocation (5.359 M\$), on the customers of the R100, T1 and new T1-T2 rate class. Please choose the grouping of the distribution in order to provide meaningful classes.

**Interrogatory 6:**

Reference:

- a) Exhibit A, Tab 1, Page 7, Lines 9 to 12  
*“Union is proposing to change the customer incentive budget process for Rate T2 and Rate 100 customers to a new Direct Access budget mechanism. Instead of an aggregate pool approach, at the beginning of the year these customers will each have direct access to the full customer incentive budget they pay in rates.”*  
(Emphasis Added).
- b) Exhibit A Tab 1 Page 7, Lines 17 to 20  
*“[...] Rate T2 and Rate 100 customers will have enhanced flexibility to access a greater level of incentives for individual large projects or studies. They will know their dedicated amount of customer incentive budget for the program year.”*  
(Emphasis Added)
- c) Exhibit A Tab 1 Page 28, Lines 5 to 7  
*“Each Rate T2 and Rate 100 customer will have dedicated access to the customer incentive budget they pay in their rates. Under this model, these customers will know exactly how much funding they have available for each program year.”*  
(Emphasis Added)

Request:

- a) Define how each customer’s direct access incentive fund is calculated and provide an example using their respective rate schedule.
- b) Explain how each customer will get to know how much funding they have available for themselves if the impact of the DSM budget components of their respective rate schedule is not isolated.
- c) Please confirm, if the answers to Interrogatory 5 b) also provides the distribution of the customer’s direct access incentive funds, and if not, please explain the difference.

**Interrogatory 7:**

Reference:

- a) Exhibit A, Tab 1, Page 29, Lines 8 to 12  
*“Until August 1st, Direct Access customers can either receive an incentive for an energy efficiency project or earmark funds for projects with completion dates after this milestone. Earmarking is defined as an intentional hold of a customer’s direct access incentive funds prior to the August 1st commitment date.”*  
(Emphasis Added)
- b) Exhibit A, Tab 1, Page 29, Lines 12 to 14  
*“A project will be earmarked for funding from a customer’s Direct Access funds if Union has received documentation from the customer that is acceptable to Union.”* (Emphasis Added)

Request:

- a) Can a customer receive an incentive amount greater than its own direct access incentive fund?
- b) Can a particular customer Earmark an amount superior to its own direct access incentive fund?
- c) Provide the criteria used to determine if a project is acceptable to Union.