

February 01, 2013

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: EB-2012-0337 – Union Gas Limited – 2013-2014 Demand Side Management Plan
for Large Volume Customers – Corrected Undertaking Responses**

Please find attached Union's corrected undertaking response for the above noted proceeding. Exhibit J1.5 has been corrected and includes an Attachment 2.

If you have any questions, please contact me at 519-436-4521.

Yours truly,

[Original signed by]

Marian Redford
Manager, Regulatory Initiatives

cc: Alexander Smith (Torys)
EB-2012-0337 Intervenors

UNION GAS LIMITED

Undertaking of Ms. Lynch
To Mr. Poch

Please produce a new scorecard to reflect grouping.

Please see Attachment 1.

2013 Resource Acquisition Scorecard				
Metrics	Metric Target Levels			Weight
	Lower Band	Target	Upper Band	
Cumulative Natural Gas Savings (m3) ¹	75% of Target	2012 Post-Audit Scorecard Cost Effectiveness (m3 per Promotion and Incentive Dollar Spent) times \$11.820M ³ times 1.02	125% of Target	90%
Deep Savings - Residential	2013 Target minus 50 homes	2012 Actual times 1.25	2013 Target plus 50 homes	5%
Deep Savings - C/I ²	The higher of: i) 2012 Actual ii) 4.5%	The higher of: i) 2012 Actual + 1% ii) 5.5%	The higher of: i) 2012 Actual + 2% ii) 6.5%	5%

¹ 2012 Post Audit Scorecard Cost Effectiveness inclusive of EB-2011-0327 Resource Acquisition Settlement Agreement and 2013 Rate T1 Customer's 2012 Cost Effectiveness (m3 per Promotion and Incentive Dollar Spent)

² 2012 Actuals are inclusive of EB-2011-0327 Resource Acquisition Settlement Agreement and 2013 Rate T1 Customer's 2012 Actuals

³ Resource Acquisition and Rate T1 promotion and incentive budget prior to inflation.

2014 Resource Acquisition Scorecard				
Metrics	Metric Target Levels			Weight
	Lower Band	Target	Upper Band	
Cumulative Natural Gas Savings (m3) ¹	75% of Target	2013 Post-Audit Scorecard Cost Effectiveness (m3 per Promotion and Incentive Dollar Spent) times \$11.820M ³ times 1.02	125% of Target	90%
Deep Savings - Residential	2014 Target minus 50 homes	2013 Actual times 1.25	2014 Target plus 50 homes	5%
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¹ 2013 Post Audit Scorecard Cost Effectiveness inclusive of EB-2011-0327 Resource Acquisition Settlement Agreement and 2013 Rate T1 Customer's 2013 Cost Effectiveness (m3 per Promotion and Incentive Dollar Spent)

² 2013 Actuals are inclusive of 2013 Rate T1 Customer's 2013 Actuals

³ Resource Acquisition and Rate T1 promotion and incentive budget prior to inflation.

UNION GAS LIMITED

Undertaking of Ms.Lynch
To Mr. Poch

Please provide the percent of DSM budget for studies in 2012 and expected for 2012 and 2013.

For Rate T2 and Rate 100 customers the percent of the customer incentive budget for studies is:

2012: 10%

2013 Forecast: 18%

UNION GAS LIMITED

Undertaking of Mr. MacEacheron
To Mr. Wanless

Please provide details of ownership of the 15 Rate T2 and Rate 100 Natural Gas Power customers.

Please see Attachment 1 for a listing of power generators and associated parent companies.

Power Generators	Parent Company
Kingston Cogen Limited, Kirkland Lake Power Corp, Iroquois Falls Power Corp.	Northland Power
Cardinal Power of Canada, L.P	Capstone
Cochrane Power Corporation	Algonquin Power
Atlantic Power Limited Partnership - Kapuskasing, Atlantic Power Limited Partnership - North Bay	Atlantic Power
TransCanada Power, a Division of TransCanada Energy Ltd.	TransCanada
St. Clair Power, L.P.	Invenergy
Shell Energy North America (Canada) Inc. Brighton Beach	ATCO/OPG
TransAlta Generation Partnership SRCP, TransAlta Cogeneration L.P.	TransAlta
West Windsor Power	GDF Suez
Fort Chicago District Energy Ltd., East Windsor Cogeneration LP	Veresen

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Undertaking of Mr. MacEacheron
To Mr. Frank

Please provide total project costs funded by customers.

The incremental project cost funded by power customers for 2009-2011 is \$12.540 million.

UNION GAS LIMITED

Undertaking of Mr. MacEacheron
To Mr. Frank

Please provide total amount in DSM Rates paid by these customers over this time period.

Please see Attachment 1 for Rate 100.

Please see Attachment 2 for Rate T1.

UNION GAS LIMITED
Rate 100 - 2009 to 2011 DSM Rate and Deferral Impacts for Power Generation Customers

Line No.	Particulars		2009	2010	2011
1	Forecast Rate Class Volume in Rates (10 ³ m ³)		2,281,152	2,271,427	2,254,074
2	Actual Rate Class Volume in Deferrals (10 ³ m ³)		1,805,104	1,882,972	1,892,682
3	Actual Power Generation Volumes (10 ³ m ³)		971,087	1,015,934	993,904
4	Direct DSM in Rates (\$000's)	(1)	1,699	1,896	2,112
5	Unit Rate (cents/m ³) (line 4 / line 1)		0.0745	0.0835	0.0937
6	Power Generation Customer Impact (\$000's) (line 5 x line 3)		723	848	931
7	Indirect DSM in Rates (\$000's)	(2)	264	264	264
8	Unit Rate (cents/m ³) (line 7 / line 1)		0.0116	0.0116	0.0117
9	Power Generation Customer Impact (\$000's) (line 8 x line 3)		112	118	116
10	DSMVA in Deferrals (\$000's)	(3)	254	541	(1,278)
11	Unit Rate (cents/m ³) (line 10 / line 2)		0.0141	0.0287	(0.0675)
12	Power Generation Customer Impact (\$000's) (line 11 x line 3)		137	292	(671)
13	Audited SSM in Deferrals (\$000's)	(4)	1,714	1,735	705
14	Unit Rate (cents/m ³) (line 13 / line 2)		0.0949	0.0922	0.0373
15	Power Generation Customer Impact (\$000's) (line 14 x line 3)		922	936	370
16	LRAM in Deferrals (\$000's)	(5)	46	66	85
17	Unit Rate (cents/m ³) (line 16 / line 2)		0.0026	0.0035	0.0045
18	Power Generation Customer Impact (\$000's) (line 17 x line 3)		25	36	44
19	Total Power Generation Customer Impact (\$000's)		<u>1,919</u>	<u>2,230</u>	<u>791</u>

Notes:

- (1) EB-2012-0337, Exhibit B6.2, Attachment 1, column (a).
- (2) EB-2012-0337, Exhibit B6.2, Attachment 1, column (b).
- (3) EB-2012-0337, Exhibit B6.2, Attachment 1, column (c).
- (4) EB-2012-0337, Exhibit B6.2, Attachment 1, column (d).
- (5) EB-2012-0337, Exhibit B6.2, Attachment 1, column (e).

UNION GAS LIMITED
Rate T1 - 2009 to 2011 DSM Rate and Deferral Impacts for Power Generation Customers

Line No.	Particulars		2009	2010	2011
1	Forecast Rate Class Volume in Rates (10^3m^3)		4,871,937	4,853,733	4,827,587
2	Actual Rate Class Volume in Deferrals (10^3m^3)		3,311,476	4,057,920	4,541,959
3	Actual Power Generation Volumes (10^3m^3)		678,646	1,115,921	1,232,022
4	Direct DSM in Rates (\$000's)	(1)	1,194	1,332	1,484
5	Unit Rate (cents/ m^3) (line 4 / line 1)		0.0245	0.0274	0.0307
6	Power Generation Customer Impact (\$000's) (line 5 x line 3)		166	306	379
7	Indirect DSM in Rates (\$000's)	(2)	187	187	187
8	Unit Rate (cents/ m^3) (line 7 / line 1)		0.0038	0.0039	0.0039
9	Power Generation Customer Impact (\$000's) (line 8 x line 3)		26	43	48
10	DSMVA in Deferrals (\$000's)	(3)	1,963	1,012	2,880
11	Unit Rate (cents/ m^3) (line 10 / line 2)		0.0593	0.0249	0.0634
12	Power Generation Customer Impact (\$000's) (line 11 x line 3)		402	278	781
13	Audited SSM in Deferrals (\$000's)	(4)	2,241	1,419	4,402
14	Unit Rate (cents/ m^3) (line 13 / line 2)		0.0677	0.0350	0.0969
15	Power Generation Customer Impact (\$000's) (line 14 x line 3)		459	390	1,194
16	LRAM in Deferrals (\$000's)	(5)	29	35	70
17	Unit Rate (cents/ m^3) (line 16 / line 2)		0.0009	0.0009	0.0015
18	Power Generation Customer Impact (\$000's) (line 17 x line 3)		6	10	19
19	Total Power Generation Customer Impact (\$000's)		<u>1,060</u>	<u>1,027</u>	<u>2,421</u>

Notes:

- (1) EB-2012-0337, Exhibit B6.2, Attachment 1, column (a).
- (2) EB-2012-0337, Exhibit B6.2, Attachment 1, column (b).
- (3) EB-2012-0337, Exhibit B6.2, Attachment 1, column (c).
- (4) EB-2012-0337, Exhibit B6.2, Attachment 1, column (d).
- (5) EB-2012-0337, Exhibit B6.2, Attachment 1, column (e).

UNION GAS LIMITED

Undertaking of Mr. Tetreault
To Mr. Frank

Please provide average annual costs for DSM in 2013 for an average customer in each class, assuming maximum incentive is paid to Union.

Please see Attachment 1.

UNION GAS LIMITED
Impact on the Average Customer
of the 2013 DSM Incentive

Line No.	Particulars		Rate 100 (a)	Rate T1 (b)	Rate T2 (c)	Total (d) = (a+b+c)
1	Percent of Large Volume DSM Budget (%)	(1)	30%	32%	38%	100%
2	Allocation of 2013 Maximum DSM Incentive (\$)		542,700	578,880	687,420	1,809,000 (2)
3	2013 Forecast Volume used to set Approved Rates (m ³)	(3)	1,895,487,960	548,985,990	4,880,298,195	
4	Unit Rate (\$/m ³) (line 2 / line 3)		0.000286	0.001054	0.000141	
5	Average Annual Volume (m ³)		240,000,000	12,000,000	370,000,000	
6	Impact on Average Customer (\$) (line 4 x line 5)		68,715	12,653	52,117	

Notes:

- (1) EB-2012-0337, Exhibit A, Tab 1, Page 13, lines 10-12.
- (2) EB-2012-0337, Exhibit A, Tab 1, Page 21, Table 6.
- (3) Rate 100 - EB-2011-0210, Rate Order, Working Papers, Schedule 14, Page 4, line 14, column (a).
Rate T1 - EB-2011-0210, Rate Order, Working Papers, Schedule 23, line 17, column (a).
Rate T2 - EB-2011-0210, Rate Order, Working Papers, Schedule 23, line 26, column (a).