

Ref: Exhibit A, Tab 1, Appendix A, Schedule 4, Page 2

Preamble: The evidence indicates that in accordance with previous Board-approved practice, Union is proposing to clear the recorded LRAM balance related to unaudited 2012 DSM activities.

- a) Please indicate when the audited balances will be available and filed with the Board.
- b) Please explain the reason for the decrease in 2012 unaudited LRAM volumes of 109,246  $10^3\text{m}^3$  from 2011 audited LRAM volumes of 163,703  $10^3\text{m}^3$ .

Ref: Exhibit A, Tab 2, Appendix A, Schedule 13

- a) Please provide details of the changes in O&M expenses for the following lines from 2011 (actual) to 2012 (actual):
  - i. Line 1 – Salaries / Wages;
  - ii. Line 2 – Benefits;
  - iii. Line 4 – Employee Training;
  - iv. Line 5 – Contract Services;
  - v. Line 18 – Cost Recovery from Third Parties;
  - vi. Line 21 – Outbound Affiliate Services;
  - vii. Line 22 – Inbound Affiliate Services; and
  - viii. Line 23 – Bad Debt.

Ref: Exhibit A, Tab 2

- a) Please provide the December 31, 2012 audited consolidated financial statements of Union Gas Limited.
- b) Please provide the financial statements of each of the corporate entities that are consolidated into the Union Gas Limited December 31, 2012 consolidated financial statements requested above.
- c) Please reconcile the 2012 actual revenues, expenses and income figures in the EB-2013-0109 schedules to the 2012 audited financial statements.
- d) Please provide a reconciliation of the Statement of Utility Income for the year ended December 31, 2012 that is used in the Earnings Sharing calculations to the 2012 audited consolidated income statement. Please explain any significant differences.
- e) Please provide all the background information and calculations used to determine the benchmark ROE.

Ref: Exhibit A, Tab 2, Appendix B, Schedule 1

Preamble: Board staff notes that Union has made a number of adjustments (Column "C") to the revenues and expense line items in the ESM calculation.

- a) Please provide a detailed explanation and the rationale for each adjustment.

Ref: Exhibit A, Tab 2, Appendix D, Schedule 19

Preamble: Board staff notes that Union has made a number of adjustments (Column "C") to the revenues and expense line items in the ESM calculation.

- a) Please provide a detailed explanation and the rationale for each adjustment.

Ref: Exhibit B, Tab 2, Page 28

Preamble: In its evidence Union has indicated that it sells transportation exchange services for one month or the entire season, taking the risk that a design day will not occur during that time and that there will be upstream transportation that is surplus to the market requirements. If sustained cold weather or a design day does occur, the S&T group would take action to serve both the in-franchise firm customers and firm transportation exchange services.

- a) Please provide instances in the past 5 years when the S&T group of Union had to purchase transportation services because Union had sold transportation exchange services for the month or the entire winter season.
- b) Did Union undertake any probability analysis of a design day not occurring prior to selling the excess transportation capacity? Please provide a detailed response.

Ref: Exhibit B, Tab 2, Page 71 and Exhibit B, Tab 3, Page 18

Preamble: In Union's 2013 Rebasing Application (EB-2011-0210), Union indicated that it had assigned 20,000 GJ/day of transportation capacity for 2009/10 and 2010/11.

- a) Please provide all transportation capacity that was assigned (including transportation exchange services) by Union for a period of 12 months or for the entire winter season within the past 5 years (2008-2012).
- b) In Exhibit B, Tab 3, Page 8, Union has indicated that its gas supply plan is appropriately sized and there are no assets in the Plan in excess of those necessary to meet firm customer requirements. If Union's plan is appropriately sized, how was Union able to assign transportation capacity for the entire year or for the entire winter season for 2009/10 and 2010/11?

Ref: Exhibit C, Tab 2, page 15, Union Gas Supply Planning Review, April 2013

Preamble: Sussex Economic Advisors has compared Union's methodology of determining the peak design day, based on the coldest day in the last 50 years, with other heat-sensitive distributors in North America.

- a) Sussex Economic Advisors has provided a list of utilities in Appendix C which shows the peak design day planning approach for other heat-sensitive utilities. Please confirm whether utilities that use the coldest day in 20 years for design day planning purposes were able to meet their delivery commitments to all customers on the coldest days within the past 10 years.
- b) Please provide the total transportation capacity required for the last three years (2010-2012) if Union were to use the coldest day in the last 20 years for design day planning purposes. In addition, please provide the total transportation capacity under the current design day conditions for the same period.

Ref: Exhibit C, Tab 2, page 20, Union Gas Supply Planning Review, April 2013

- a) Please confirm if Union uses weather information from the same weather stations for its weather methodology calculations and to determine the design day weather standard. If Union uses different weather stations for weather methodology calculations and design day analysis, please provide reasons for doing so.

Ref: Exhibit C, Tab 2, Page 22, Union Gas Supply Planning Review, April 2013

Preamble: In terms of the weather standard, there are two main approaches utilized by LDCs for determining design day weather. The first approach is to use the coldest observed temperature over a certain period of time while the second approach is to use probability (i.e., frequency of occurrence).

- a) If the second approach was used (frequency of occurrence) what would the design day weather be for Union North and South?

Ref: Exhibit C, Tab 2, Union Gas Supply Planning Review, April 2013

- a) Although Union considers the long-term warming trend in weather for average use and weather methodology calculations, there is no such consideration for gas supply planning purposes. Please explain the reasons for not considering the warming weather trend for gas supply planning purposes.

Ref: Exhibit C, Tab 2, Union Gas Supply Planning Review, April 2013

- a) Please provide the total transportation capacity utilized for the 10 coldest days within the past 20 years. In addition, please provide the excess transportation capacity that includes assignments or exchanges for the same days.