

July 10, 2013

Filed on RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
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Your reference
EB-2013-0109

Our reference
01015413-0037

Dear Ms. Walli:

**Union Gas Limited (EB-2013-0109)
2012 Earnings Sharing and Disposition of Deferral Accounts and Other Balances
Association of Power Producers of Ontario ("APPRO") Interrogatories**

Please find attached the information requests of APPRO for the above-noted proceedings.

Yours very truly,

Original signed by

John Beauchamp
Associate

JB/mnm

Enclosure

Cop(y/ies) to: All interested parties

DOCSTOR: 2758041\1

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EB-2013-0109

Earnings Sharing and Disposition of 2012 Deferral Accounts

Interrogatories of APPrO

Question 1

Reference: Exhibit A Tab 1 Appendix A Schedule 5

Preamble: Demand Side Variance Account

- a) Adjacent to the 'Particulars' column, Union includes "\$000's" implying that the numbers in the table ought to be multiplied by 1000. Please confirm that this is an error and that this should be "\$'s"

Question 2:

Reference: Exhibit A Tab 1 Appendix A Schedule 4 page 2 of 3

Preamble: Union calculates the LRAM amounts for 2012. APPrO would like to understand the source and use of the 2012 Rates for the contract accounts.

- a) Please provide the source of the 2012 rates illustrated in column (d).
- b) Are these rates intended to represent the decremental lost revenue associated with DSM programs?
- c) Do these rates incorporate a demand and/or commodity charge component? If so, in those cases where there are 2 blocks of demand and/or commodity charges, which block was used in the rate used in the calculation?
- d) Please provide actual throughput for each of the industrial rate classes from 2007 to 2012.

Question 3

Reference: Exhibit A Tab 1 Appendix B Schedule 3

Preamble: This table provides a table illustrating the compressor fuel and UFG related to FT RAM

- a) Please explain this table in more detail.
- b) Please indicate whether these volumes represent actual compressor fuel and UFG volumes incurred for the transactions.
- c) What do the "Adjustments" represent in rows 9-12?
- d) The first column indicates that in all cases the receipt point is Dawn and delivery points are east of Dawn. Does this imply that all of these transactions used Union's Dawn-Parkway system to effectuate the FT-RAM transaction?
- e) Since these transactions were most likely executed on a case by case basis, please indicate if the economics used WACOG to assess the value of the fuel and UFG requirements.
- f) Please explain why WACOG is the appropriate price used to value fuel and UFG rather than the spot price on the day the transaction was transacted.
- g) Please recalculate this table using the Dawn spot price in effect on the day that the transaction occurred.

Question 4:

Reference: Exhibit A Tab 2 Appendix A Schedule 7

Preamble: Union provides Weather Normalized volumes by service and rate class.

- a) Please explain how Union calculates weather normalized volumes for each contract rate class.
- b) Please provide the actual volumes for 2011 and 2012. Include the normalized volumes beside the actual volumes for comparative purposes.

Question 5:

Reference: Exhibit A Tab 3 Page 2 of 11

Preamble: Union indicates that it proposes to allocate UDC in proportion to the "2007 excess peak over annual average" for Rates 1, 10 and 20 sales and bundled direct purchase customers. APPrO would like to better understand this allocation.

- a) Please explain the “excess peak over annual average” calculation.
- b) What is the delivery point to Union for those customers who are bundled direct purchase customers?
- c) What transportation arrangements do Union hold for sales customers?
- d) What transportation contracts do Union hold for bundled direct purchase customers?
- e) To the extent that there are reasonable differences in the contracts being held for sales versus bundled DP customers, please explain why this cost allocation methodology is appropriate.

Question 6:

Reference: Exhibit A Tab 3 Appendix A Schedule 2 page 4 of 6

Preamble: Union determines the unitized rate for recovery of the deferral account and ESM balances. APPrO would like to know how this be applied

- a) Please indicate if the unitized rate in column (f) will be applied to the customers' CD, the annual volume, or some other method.
- b) Please provide a sample calculation to illustrate how the one-time charge would be calculated.