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By electronic filing

January 15, 2014

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

Dear Ms Walli,

Union Gas Limited ("Union")
2014 Rates Application
Board File No.: EB-2013-0365
Our File No.: 339583-000169

We are enclosing the Interrogatories of our client, Canadian Manufacturers & Exporters ("CME"). Prior to finalizing these Interrogatories, we reviewed those submitted by:

- Board Staff
- Consumers Council of Canada ("CCC")
- Energy Probe Research Foundation ("Energy Probe")
- London Property Management Association ("LPMA")
- School Energy Coalition ("SEC")

We have attempted to avoid duplication with the questions submitted by those parties.

We have also collaborated with representatives of the City of Kitchener and the Federation of Rental-housing Providers of Ontario ("FRPO") to retain John Rosenkranz to assist us in the discovery process with respect to the Kirkwall metering cost allocation review and the allocation of costs between utility and non-utility storage. The Interrogatories pertaining to those topics will be submitted by the City of Kitchener and FRPO.

Yours very truly,

Peter C.P. Thompson, Q.C.

PCT\slc
enclosure
c. Chris Ripley (Union)
Crawford Smith (Torys)
Paul Clipsham (CME)
OTT01: 6111069: v1

IN THE MATTER OF the *Ontario Energy Board Act, 1998,* S.O. 1998, 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 or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of January 1, 2014.

INTERROGATORIES OF CANADIAN MANUFACTURERS & EXPORTERS ("CME") TO UNION GAS LIMITED ("UNION")

Reference: Exhibit A, Tab 1, pp.11-13; Tab 3, pp.1 to 4, Appendices A & B

1. This evidence deals with the implementation of certain rate schedule changes approved by the Board in the EB-2011-0210 Decision. The communication to customers at Appendix A indicates that the automatic transfer of certain customers from Rates M4 and M5A to the M7 Rate Class will result in bills remaining "relatively similar" to what they were before the mandated transfer. In connection with this evidence, please provide the following information:

   (a) How many customers were affected by the automatic transfer from Rates M4 and M5A to the M7 Rate Class?

   (b) What was the range of the impacts of that automatic transfer on those customers, and in particular, provide calculation of the impact on the most and least adversely affected customers, along with the impact on the average customer within the affected group?

   (c) What advance written notice was provided to each of the affected customers showing the customer-specific impact of the pending transfer?

Reference: Exhibit A, Tab 1, page 13

2. Union is proposing wording changes to sections of Rates M7, T1 and T2 to enable customers to reduce their costs for energy measuring equipment. In connection with this evidence:

   (a) Please estimate the total cost reductions for Rates M7, T1 and T2 customers which Union regards as achievable under the auspices of this proposed rate schedule change.

(b) Will any costs which Union currently incurs be reduced or eliminated as a result of this rate schedule change? If so, then please quantify the lengthy cost reduction?

(c) Why was this proposed rate schedule change not included in Union's 2013 Rebasing case?

Reference: Exhibit A, Tab 1, page 14

3. What cost reductions, if any, likely to be realized by Union as a result of the proposed changes to General Terms and Conditions ("GT&C") and why were these proposed changes not made in the 2013 Rebasing proceeding?

Reference: Exhibit A, Tab 4, pp.1-46

4. CME wishes to understand the delivery/receipt point context in which direct purchasers currently operate. In this connection, please provide the following information:

(a) Please list all of the receipt points at which Union can accept delivery by direct purchasers of their gas to Union's distribution system.

(b) Do all direct purchasers have to commit to deliver their gas to one or more specific delivery/receipt points on Union's system?

(c) Does every direct purchaser have to deliver some of its gas to Parkway or are there some direct purchasers who have no Parkway delivery obligation? If so, then how many direct purchasers have no Parkway delivery obligation and what is their total Daily Contract Quantity ("DCQ")?

(d) Please describe the circumstances which gave rise to some direct purchasers having no Parkway delivery obligation.

(e) Are there some direct purchasers who are obligated to deliver 100% of their gas at Parkway? If so, how many customers are in this category, what is their total DCQ, and describe the circumstances which gave rise to this outcome?

(f) How many direct purchasers are obliged to deliver some of their gas at Parkway and the rest at Dawn or some other delivery/receipt point on Union's system? What is their total DCQ, and describe the circumstances which gave rise to this outcome?

(g) For direct purchasers delivering some but not all of their gas at Parkway, does the ratio of Parkway obligated deliveries to total deliveries vary widely? What is the range between the lowest and highest Parkway delivery obligation to total DCQ ratio for direct purchasers in this category?

(h) Please provide an exhibit which will show the customer-specific ratios of Parkway obligated deliveries to total customer-specific DCQ for each of the 388 contracts which will be subject to the proposed transition to eliminating Parkway obligated deliveries referenced at Exhibit A, Tab 4, p.29.

(i) In the end-state which will prevail when the Parkway obligation is eliminated, will all direct purchasers have the option of selecting one or more of delivery/receipt points at which to deliver their gas to Union's system? If so, then once they select those points, will they be obliged to deliver their gas to those points for the duration of the gas delivery arrangements or will they be able to change to other delivery/receipt points with Union's consent?

Reference: Exhibit A, Tab 4, pp.21-3

5. We understand that Union is proposing to combine some existing temporarily surplus M12 capacity of 146 TJs/day with M12 Turnback capacity to support its proposed elimination of the Parkway delivery obligation for direct purchasers and that part of the Turnback forecast to occur over the period ending in 2018 will come from providing to in-franchise customers the option of turning back their M12 capacity in the same proportion as capacity is available to reduce the Parkway delivery obligation. The rate increase for in-franchise customers to achieve the initial 212 TJs/day of Parkway obligation reductions is expected to be between \$8.5M and \$9.0M. The evidence indicates that 146 TJs/day of this capacity, at a cost to ratepayers of \$6.1M, will not be available beyond October 31, 2015, but that Union nevertheless can manage and commits to manage the 146 TJs/day capacity shortfall for about two (2) years to 2017 "using an appropriate combination of resources." In connection with this evidence, please provide the following additional information:

(a) Particulars of each of the resources that will be combined to support the 146 TJs/day of reduced Parkway obligated deliveries which will be unsupported by M12 Turnback between October 31, 2015, and October 31, 2017, along with a detailed description of how those resources are to be combined and used to support 146 TJs/day of reduced Parkway obligated deliveries.

(b) Estimates which Union has prepared to establish that it can manage this level of reduced Parkway obligated deliveries at a cost less than \$6.1M.

(c) The lowest estimated cost at which Union can manage and enable reductions in Parkway obligated deliveries of 146 TJs/day without supporting M12 Turnback.

(d) An estimate of the maximum amount of Parkway obligated delivery reductions which Union could manage with resources other than M12 Turnback.

(e) An explanation of whether the combination of resources upon which Union will rely to manage Parkway obligated delivery reductions without supporting M12 Turnback currently exists, and if not, then why not?

(f) Whether there will be any change in the amount proposed to be recovered from ratepayers in 2016 and 2017 when the "managed shortfall" is gradually replaced once again by M12 Turnback.

6. Are there any in-franchise customers who take service under the auspices of the "bypass competitive" Billing Contract Demand ("BCD") rate introduced as a consequence of the Natural Gas Electricity Interface Review ("NGEIR") Decision? If so, then please provide the following information:

   (a) How many customers are in this category?

   (b) For each customer in this category, please indicate whether the transportation service from which the bypass competitive rate operates is a transportation service currently provided by TransCanada PipeLines Limited ("TCPL") or a transportation service provided by Union under the auspices of M12.

   (c) If the transportation service from which the bypass competitive rate operates is one being provided by Union, then please confirm that the customer served under the auspices of this rate will not be able to turnback its M12 service from Union without the bypass competitive rate customer being obliged to forego its bypass competitive rate and to re-contract under the auspices of a full distribution service rate.

Reference: Exhibit A, Tab 4, pp.28-32

7. Does the Table below correctly illustrate the outcome of Union's proposed allocation of the total available Parkway obligated delivery reduction to direct purchasers with differing ratios of Parkway obligated deliveries to their DCQ? If not, then please revise the Table to show how the allocation method Union is proposing will affect such customers.

Customer	DCQ	Parkway Obligation	Allocation of a Parkway Obligation Reduction of 100 Units
A	100	100	50
B	100	75	37.5
C	100	50	25
D	100	25	12.5
	400	250	125

8. From the information to be provided in response to Question 4(g) above, please show how the 146 TJs/day of transition capacity shown in Figure 1 at Exhibit A, Tab 4, page 31 would be allocated to each of the 388 customers subject to the transition proposal. If Union's allocation proposal differs from the allocation method illustrated in the Table, then provide the results of applying each allocation method to the 388 customers subject to the transition proposal.