PIAC

PUBLIC INTEREST ADVOCACY CENTRE

LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

ONE Nicholas Street **Suite 1204** **Ottawa, ON Canada** **K1N 7B7**
Tel: (613) 562-4002 **Fax: (613) 562-0007** **e-mail: piac@piac.ca** **www.piac.ca**

January 15, 2014

PIAC File # 6373

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700
2300 Yonge Street
27th floor
Toronto, ON
M4P 1E4

VIA E-Mail
4 **pages**

Dear Ms. Walli:

Re: EB-2013-0365 Union Gas Limited Rates Application
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

As per Procedural Order No. 1 we have enclosed the interrogatories of the Vulnerable Energy Consumers Coalition (VECC) with respect to the above-noted procedure.

We have also directed copies to the Applicant as well as all intervenors via e-mail.

Thank you.

Yours truly,

Michael Janigan
Counsel for VECC

Cc: All parties EB 2013-0365

EB-2013-0365

Ontario Energy Board

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 THE VULNERABLE ENERGY CONSUMERS COALITION ("VECC")

January 15, 2014

VECC IR#1

Reference: **Exhibit A, Tab 2, page 2, B&V Report**

Preamble: The referenced page states:

In the Board's EB-2011-0210 Decision, the Board stated the following:

"Also, the Board directs Union to hire an independent consultant to update the report that was filed in the EB-2011-0038 proceeding and file that report as part of its 2014 rates proceeding. The Board believes that it should have a robust evidentiary record in Union's 2014 rates proceeding on all issues related to the allocation of storage costs between utility and non-utility storage. The Board notes that, as part of Union's 2014 rates filing, it will revisit the allocation of all storage related costs between Union's utility and non-utility storage operations. At that time, the Board may also order further updates to the allocation factors (including the general plant allocation factor)." (p. 80)

Union hired B&V to update the 'Independent Review of the Accounting and Cost Allocation for Unregulated and Regulated Storage Operations' report that was filed in EB-2011-0038. B&V's Report (the "Report") is attached at Tab 2, Appendix A and their findings are summarized below.

a) Did Union consider retaining any consultant other than B&V to update the original B&V report filed in EB-2011-0038? If not, please explain why not.

b) Please provide the amount that Union paid B&V for (i) the B&V report filed in EB-2011-0038, and (ii) the amount Union paid B&V for the report filed in this proceeding.

VECC IR#2

Reference: **Exhibit A, Tab 4, Parkway Obligation Proposal**

Preamble: VECC wishes to explore whether other gas distribution utilities in Canada or in North America allow large volume customers to determine, on their own and unfettered by any financial or non-financial consequences, to choose where they deliver gas on the distribution system to which the customers' facilities are attached.

a) Please provide a list of Canadian or North American gas distribution utilities which do not oblige any direct purchase customers to deliver gas at a contractually specified delivery point. Please note any financial or non-financial conditions attached to this privilege where applicable.

b) Please provide a list of Canadian or North American gas distribution utilities which allow all direct purchase customers to deliver gas at any delivery point of their choosing without regard to distribution system balance. Please note any financial or non-financial conditions attached to this privilege where applicable.

VECC IR#3

Reference: **Exhibit A, Tab 4, pages 7, 16, and 17, Re-allocation Alternative**

Preamble: The first referenced page states:

Currently, Union's sales service customers deliver 98 TJ/d of supply at Parkway. Union's Parkway delivery obligation proposal does not include the transition of these quantities from Parkway. Should Union move all or a portion of the sales service Parkway delivery obligation to Dawn, the cost impacts will be treated the same as the costs to transition the direct purchase Parkway delivery obligation to Dawn.

The second referenced page states, in respect of the pro-rated re-allocation alternative:

ii) Re-allocate Dawn and Parkway delivery obligations between System and direct purchase customers. Under this option Union would re-allocate the Dawn and Parkway delivery obligations across all customers, sales service and direct purchase, on a pro-rated basis.

The third referenced page states:

If the re-allocation option was implemented, all customers, whether sales service or direct purchase, and whether east or west of Dawn would have the same proportionate delivery obligations at Dawn and Parkway.

While this option provides equity among all customers, it does not meet the objective of eliminating the Parkway obligation for direct purchase customers.

a) Is it fair to say that Union regards the elimination of the Parkway obligation for all direct purchase customers as being more important than equity among all customers?

*****End of Document*****