



PUBLIC INTEREST ADVOCACY CENTRE

LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

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July 3, 2014

VIA E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: EB-2014-0145 – Union Gas Limited
Interrogatories of Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the Interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant as well as all Intervenors via e-mail.

Thank you.

Yours truly,

Michael Janigan
Counsel for VECC

Cc: Union Gas – Karen Hockin – khockin@uniongas.com
All Intervenors

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 for an order or orders clearing certain non-commodity related deferral accounts.

**INTERROGATORIES OF THE
VULNERABLE ENERGY CONSUMERS COALITION (“VECC”)**

July 03, 2014

VECC IR#1

Reference: Exhibit A, Tab 1, page 1

Preamble: The referenced page states:

The net balance in the above deferral accounts together with the Federal and Provincial Tax Changes result in a \$21.922 million credit to ratepayers. This total includes balances as at December 31, 2013 plus winter 2013/2014 spot gas price variances related to Union South bundled direct purchase (“DP”) load balancing, as referenced in Union’s April 1, Quarterly Rate Adjustment Mechanism (“QRAM”) (EB-2014-0050).

- a) Please provide a list of 2013 deferral/variance accounts and balances that Union is not seeking to clear in this proceeding.
- b) In this proceeding, is Union seeking approval of any balances or allocations in any deferral accounts for which it is not seeking disposal in this proceeding?

VECC IR#2

Reference: Exhibit A, Tab 1, General

- a) Is Union proposing to change the methodology by which it calculates, allocates, or disposes of any deferral/variance account(s) balances in this proceeding that diverge from its previously approved methodologies used to calculate, allocate, or dispose of these balances? If so, please provide a list of all such deviations.

VECC IR#3

Reference: Exhibit A, Tab 1, pages 9 and 10

Preamble: The referenced pages state:

The variance between the actual cost of gas purchased for company use (compressor fuel and UFG) and the Ontario Landed Reference price used to set rates for planned purchases is recorded in the South purchase gas variance account (SPGVA) and disposed of quarterly through adjustments to gas supply commodity rates. This has resulted in a benefit to Union South sales service customers over the past six years on average of \$5.5 million per year. [Emphasis added.]

- a) Would it be fair to characterize this “benefit” as a true-up to actual costs incurred?

VECC IR#4

Reference: Exhibit A, Tab 1, page 45

Preamble: The referenced page states:

During the 2011 Deferral Disposition proceeding (EB-2012-0087) Union was asked to revisit the need for a true-up mechanism by updating the information supplied in the 2009 Deferral Disposition proceeding to include the years 2008 and 2009. The investigation found that the average impact from 2005 to 2009 of not truing-up the disposition of deferral account balances was approximately \$0.003 million per year. Consistent with its response during the 2009 proceeding, Union determined that no true-up mechanism was required. Union did not propose a deferral account to capture the variances resulting from disposition, as the OEB's expectation at the time was for a reduction in the number of deferral accounts unless a material matter needed to be addressed

In 2013, Union determined that due to variances from forecasted volumes, \$1.3 million had been refunded to ratepayers in excess of the final deferral balances approved for disposition in EB-2011-0038 (2010 Deferrals Proceeding), and \$5.3 million in EB-2012- 0087 (2011 Deferrals Proceeding).

- a) Please provide the comparable excess/deficit recovered from ratepayers for 2012 deferral/variance account balances.

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