

UNION GAS 2015 IRM RATES
EB-2014-0271
BOARD STAFF INTERROGATORIES

Interrogatory #1

Ref: Exhibit A / Tab 1 / Page 7

Union Gas Limited ("Union") has indicated that it has adjusted volumes and rates to capture Loss Revenue Adjustment Mechanism ("LRAM") volume impacts using 2013 unaudited results.

When will the 2013 audited LRAM volumes be available? If the audited volumes are available, please provide an update to the evidence.

Interrogatory #2

Ref: Exhibit A / Tab 1 / Pages 8

In its evidence Union has indicated that unaccounted for gas ("UFG") cost changes resulting from a difference between UFG volume included in rates and the actual UFG volume would be recorded in the UFG volume deferral account. As per the Settlement Agreement in EB-2013-0202, the amount of the UFG volume deferral account to be cleared to customers is subject to a symmetrical dead-band of \$5 million, with amounts within such dead-band being to Union's account only.

Union has not provided additional information in its evidence. What is the amount recorded in the UFG volume deferral account and was any amount subject to deferral?

Interrogatory #3

Ref: Exhibit A / Tab 1 / Pages 8-9

Please provide an update on the Parkway West and Brantford-Kirkwall/Parkway D Projects.

Interrogatory #4

Ref: Exhibit A / Tab 1 / Page 11

In its evidence Union has proposed to eliminate the Normalized Average Consumption ("NAC") volume adjustment from Union North Rate 01 and Rate 10 gas supply transportation rates for the remainder of its IRM term and keep the billing units associated with these rates at 2014 Board-approved levels. Union has noted that the impact of the NAC volume adjustment is insignificant as a majority of the costs are recovered in the Union North gas supply transportation rates.

- a) Has Union already included this change in the current application?
- b) What would be the impact to 2015 rates if Union were to continue with the NAC volume adjustment for Rate 01 and Rate 10?
- c) Does Union's proposal align with the approach agreed to in the EB-2013-0202 settlement agreement?

Interrogatory #5

Ref: Exhibit A / Tab 1 / Pages 13-17

Union has proposed changes to the gas supply charge for Rate 25, which is an interruptible service in Union North. Union has proposed to decrease the minimum gas supply charge from 14.3135 cents/m³ to 1.4848 cents/m³ and to increase the maximum gas supply charge from 140.5622 cents/m³ to 675.9484 cents/m³ effective January 1, 2015.

- a) Since Rate 25 is a negotiated rate, has Union discussed the change with existing customers or informed them about the potential changes to rates?
- b) If Union has informed existing customers or discussed the upcoming changes, please comment on the overall feedback received from customers.
- c) How many customers procure service under Rate 25 and what proportion of these customers also procure services under other rate classes?
- d) Is the maximum gas supply charge of \$675.9484 cents/m³ applicable when the customer is interrupted and continues to consume gas or would the charge be based on market conditions? Please provide a detailed response.

Interrogatory #6

Ref: Exhibit A / Tab 2

In its evidence, Union has provided an update on the gradual elimination of the Parkway Delivery Obligation. Union has noted that Dawn to Kirkwall turnback capacity is likely to be available earlier than forecasted and a further relief of 70 TJ/day is forecast to be available as early as November 1, 2016.

Is the cost impact for in-franchise customers likely to change as a result of the update? If yes, please provide the impact.