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By electronic filing

October 31, 2014

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

Dear Ms. Walli,

Union Gas Limited ("Union")
2015 Rates Application
Board File No.: EB-2014-0271
Our File No.: 339583-000184

Pursuant to Procedural Order No. 1 dated October 23, 2014, please find attached the Interrogatories of Canadian Manufacturers & Exporters ("CME") to Union.

Yours very truly,

A handwritten signature in blue ink, appearing to read 'VJD', followed by a horizontal line.

Vincent J. DeRose

VJD/kt

Encl.

c. Chris Ripley (Union)
Crawford Smith (Torys)
Intervenors EB-2014-0271
Paul Clipsham and Ian Shaw (CME)

OTT01: 6620137: v1

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, as amended;

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, 2015.

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

DSM Budget Changes

CME #1

Reference: Exhibit A, Tab 1, page 7 of 19

Union is proposing to include a DSM budget of \$32.588M in 2015 Rates, and proposes that this budget be allocated to the various rate classes in a manner consistent with the allocation of the DSM program costs in 2014.

The OEB is currently considering the DSM framework for 2015 and beyond. CME would like to better understand what would occur if Union's proposed DSM budget for 2015 is significantly increased or significantly reduced as a result of the DSM framework decision. For this reason, CME would like further details on how the true-up for material changes arising out of the Board's Decision on the DSM Framework would be accounted for through the Demand Side Management Various Account:

1. Please describe how the DSMVA would be used to increase or decrease the DSM budget mid-way through 2015;
2. Could material changes in budget be immediately addressed through the issuance of a rate rider? If so, please explain the process for Board approval of such a rider. If not, why not?
3. Approximately when would Union expect the DSMVA for 2015 to be cleared to ratepayers?