

IN THE MATTER of the *Ontario Energy Board Act 1998*, Schedule B to the *Energy Competition Act*, 1998, S.O. 1998, c.15;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders approving their demand side management plan for the six year period commencing January 1, 2015.

INTERROGATORIES
OF THE
SCHOOL ENERGY COALITION

1. [No Reference] Please provide a detailed list of all cumulative savings results in the Union Gas 2014 Annual DSM Report that are derived in whole or in part using the Enbridge e-tools software. Please confirm that Union Gas plans to continue to use e-tools for 2016 and subsequent years. With respect to e-tools:
 - a. Please provide a list of all measures on the current Input Assumptions list for which e-tools is used to calculate savings from projects.
 - b. Please provide the full source code for the software.
 - c. Please provide a complete list of all assumptions used in the software, including without limitation software for operating conditions, useful life, baseline, and any other factors.
 - d. Please provide all of the algorithms used in the e-tools software to convert data, whether project specific or assumed, into savings.
 - e. Please advise how many Union Gas employees are trained in the e-tools software and have full access to the source code and all underlying assumptions and algorithms.
2. [Ex. A/1, p. 12 and 17] Please provide a complete list of all proposed Union DSM programs that are available to schools in the Union franchise area. Please divide the list into programs available for Rates M1/01 customers (about 60% of schools) and Rates M2/10 customers (about 40% of schools). Please advise what steps, if any, Union took, as a result of the stakeholder consultations on this plan, to increase the offerings available for schools.

3. [Ex. A/1, p. 12] Please advise whether Union has reviewed the Energy Leaders and School Energy Competition programs being proposed by Enbridge. If Union has reviewed those programs, why is it not offering them in the Union franchise area? Please advise what programs Union has proposed that are targeted, like Energy Leaders, at C/I customers that are early adopters and/or have already implemented substantial energy savings projects.
4. [Ex. A/1, p. 15] Please advise why, after Union has offered DSM programs for 20 years, more than half of its general service C/I customers are unaware of its offerings. Please provide all internal or external studies, reports, memoranda or other such materials dealing with this problem and/or with ways of correcting it.
5. [Ex. A/1, p. 19] Please provide a table showing, for each of the years 2010-2014, the cumulative cubic meters saved for each of rate classes M7, T1 and T2. For years in which there was no T2, please disaggregate the T1 results into the T1 and T2 components based on the definitions currently in place for those two classes.
6. [Ex. A/2, p. 4] Please confirm that the proposed scorecard is not the product of an agreement between Union and stakeholders.
7. [Ex. A/2, p. 5 and 36] Please confirm that the DSM Tracking and Reporting System is a capital asset. Please provide the full business plan for that system, including a breakdown of all planned spending on it, both capital and operating, in all plan years. Please explain why the capital component of the system is being proposed for inclusion in the operating budget.
8. [Ex. A/2, p. 7] With respect to Table 4:
 - a. Please provide the calculation of amount of \$2.497 million for inflation.
 - b. Please confirm that the budget shows \$21.284 million for direct incentives and program costs, or 70.7% of the budget before inflation and special studies.
 - c. Please provide a breakdown of the \$21.284 million between incentives paid to customers, promotion, and any other costs included in that total. Please advise the total amount included in that total for internal costs including staff, overheads, and any other costs not paid to arms-length third parties.
 - d. Please confirm that the budget shows \$1.895 million for regular research and evaluation, or 6.3% of the budget before inflation and special studies.
 - e. Please confirm that the budget shows \$6.913 million in administrative costs, or 23.0% of the budget before inflation and special studies. Please provide all studies, reports, memoranda and other such material comparing and/or benchmarking the administrative costs of the Union Gas DSM activity with the administrative costs of other gas utility DSM programs.
9. [Ex. A/2, p. 9 and A/3, p. 10] Please confirm that the total proposed allocation to Rates M1/01 for 2015 is \$15.223 million, plus any amount from the DSMVA (up to 15% of the total budget, or \$5,982 million) plus any shareholder incentive allocated to those classes

- (up to 40% of the shareholder incentive, or \$4.180 million at the maximum). Please confirm that the allocation of DSM costs to those classes applies to all customers in the class, regardless of whether there are programs available for those customers, and regardless of whether the programs offered focus on a subset of that class, such as Residential customers. Please confirm that Union Gas does not have a “Residential customer class”.
10. [Ex. a/2, p. 12] Please restate Table 7 using the actual CCM, number of homes, and percentages respectively that result from the proposed formula.
 11. [Ex. A/2, p. 30] Please explain how the independent auditor can be a member of a committee to which he or she reports.
 12. [Ex/A/2/D, p. 2] With respect to this comparison of the TEC and the proposed EAF:
 - a. Please advise when Union is proposing that the EAF would take over from the TEC.
 - b. Please confirm that the term “Board Representative” is intended to refer to a representative of Board Staff, and that the individual is, in Union’s proposal, not intended to have or exercise any of the powers of the Board.
 - c. Please explain in more detail the statement “the Board representative will determine and put into action the process for obtaining a Board decision and resolution”. On what basis will such determination be made, and to what extent, if any, will the members of the committee be bound to comply with that determination? By way of example only, does the Board representative determine whether one or both of the utilities should make an Application to the Board, and the utilities are then required to do so?
 - d. Please explain the change from three intervenor and two independent members to two intervenor and three independent members. What flaw in the current structure is Union intending to address with this change?
 13. [Ex. A/2/D, p. 8] Please provide the current set of business conduct rules for each of the Union AC and the TEC.
 14. [Ex. A/2/D, p. 8] Please explain the rationale behind the proposed quorum for each committee.
 15. [Ex. A/2/D, p. 10] Please explain why the workings of the committees cannot be public, on the record, and fully transparent. Please provide a detailed explanation of the categories of information for each committee that have to be protected through confidentiality, and the reasons for confidentiality in each case. Where possible, please make specific reference to the Board’s confidentiality rules.

16. [Ex. A/2/D, p. 11] Please explain in more detail the role of the Board representative in determining “who will project manage impact evaluation studies prioritized by the EAF”.
17. [Ex. A/2/D, p. 12] With respect to the roles and responsibilities of the members of the EAF:
 - a. Please confirm that all of the members will have as their primary responsibility to act in the public interest (as in the case of a corporate board of directors, who must act in the best interests of the corporation).
 - b. If not confirmed, please advise Union’s view as to the duty of each member of the committee. By way of example only, is it intended that the utility representatives are free to act in the best interests of their respective companies?
 - c. Please advise if, in Union’s view, any of the members of the committee would have a fiduciary duty, and, if so, to whom?
18. [Ex. A/2/D, p. 14] Please confirm that the Board representative would be a non-voting member of the AC.
19. [Ex. A/2/D, p. 15 and 16] Please confirm that Union is proposing the Board will make the final selection of auditor, and the Board will enter into the contract with that auditor to carry out the audit under the supervision of the AC. If confirmed, please explain the role of Union Gas in administering the audit contract.
20. [Ex. A/2/D, p. 15] Please confirm that Union is proposing that the auditor will select the CPSV firms, and the auditor will enter into the contracts with those CPSV firms to carry out the verification process under the supervision of the auditor and the AC. If confirmed, please explain the role of Union Gas in administering the CPSV contracts.
21. [Ex. A/2/D, p. 17] Please confirm that the 2015 AC members are expected to have a greater time commitment, due to the time involved in developing and approving the standardized audit scope.
22. [Ex. A/3/C] Please confirm that all input assumptions listed in this Appendix (including without limitation persistence, free ridership and spillover assumptions) are taken from the most recent list of input assumptions filed with the Board. If any are different from that source, please provide details. Please confirm that none of the proposed assumptions are inconsistent with the current draft of the TRM. If any are inconsistent, please provide details. Please advise whether Union is seeking approval of the Board in this Application for any input assumptions referred to in the Application.
23. [Ex. A/3/C, p. 13] Please provide a table showing the number of ESKs that have been provided to customers, the incentive and promotion costs of the ESK program, and the total calculated CCM from ESKs, in each year of the offering, starting in 2000, and including the forecasts for the years of this plan until 2020.

24. [Ex. A/3/C, p. 19] Please provide a detailed budget of the Residential Behavioural offering, including both capital and operating costs, as well as all startup costs and share of administration and overheads, for each year from 2015 to 2020.
25. [Ex. A/3/C, p. 64] Please confirm that Union calculates a net positive TRC for each custom project. If not confirmed, please explain the circumstances under which Union would proceed with a custom project that is not cost-effective.
26. [Ex. A/3/D, p. 13] Please explain the “20 year limit” and provide details on the equipment to which it applies or is proposed to apply.
27. [Ex. A/3/E/1] Please calculate the maximum cost proposed to be borne by Rates M1 and 01 customers in each of 2016 through 2020, including the full 15% DSMVA and the share allocated to those classes of the maximum shareholder incentive. For each of those years, and using current volumes, please calculate the unit costs of that total (increase in fixed monthly charge and increase in volumetric charges, or rate riders if that is the expected method of charging customers in those classes). By way of example, provide an estimate that the 2016 total cost to that class will be, say, \$44 million, and it will be recovered \$1 per month in the fixed monthly charge and \$0.0023 per cubic meter in the volumetric charge. Please provide an estimate for each year of the cost of that budget to be borne by a school in M1 with an annual volume of 40,000 cubic meters.
28. [Ex. A/3, p. 6] With respect to Table 2:
- a. Please confirm that the inflation amounts, totalling \$14,978 million, are additions to the budget components above them, and that a pro rata allocation of the inflation increase is reasonable. Please restate the table showing the inflation amounts included in the line items to which they relate.
 - b. Please provide a functional budget showing the annual costs, and the total costs for the five years, in the following categories , with inflation included in each line item:
 - i. Incentives paid to customers and/or channel partners
 - ii. Promotion costs paid to third parties
 - iii. Promotion costs – internal
 - iv. Research and evaluation costs
 - v. Pilot projects – costs paid to third parties
 - vi. Pilot projects – internal costs
 - vii. Development, startup and administrative costs
 - viii. Capital costs.
29. [Ex. A/3. p. 68-69] Please provide the year 2020 estimates in lines 16-21 and 1-2 for a school in Union South with an annual volume of 40,000 cubic meters. Please estimate savings, bill reduction, and monthly DSM costs.

30. [Ex. A/3, p. 72] Please provide the DSM unit rate (equivalent to the 0.8385 cent figure for the combined M4/M5/M7, for each of Union's other classes, and for each of 2014 through 2020.
31. [Ex. A/3/A, p. 14 and 15] Please confirm that the figures on the following spreadsheet are correct. The figures are all 2016-2020 totals, derived from Tables 2 through 6. If any of the figures are incorrect, please provide corrected information.

Residential Program Budget and Forecasts				
<i>'000 omitted</i>				
Category	Home Reno Rebate	Behavioural	ESK	Total
Direct Budget	\$53,791	\$14,336	\$1,934	\$70,061
Development, Startup, Evaluation and Admin	\$8,422	\$2,245	\$303	\$10,970
Total Program	\$62,213	\$16,581	\$2,237	\$81,031
Portfolio Costs - Share	\$7,914	\$2,109	\$285	\$10,307
Shareholder Incentive	\$4,455	\$43	\$120	\$4,618
Total Cost of Savings	\$74,582	\$18,732	\$2,641	\$95,956
Forecast CCM	571,637	21,267	60,379	653,283
Cost per CCM (cents)	13.047	88.082	4.375	14.688

32. [Ex. A/3/A, p. 15] Please explain how the Residential Behavioural Program is cost-effective, given the high cost per CCM.
33. [Ex. A/3/A, p. 27] For each of the listed measures, please provide the amount of the customer incentive given, or the formula for the incentive if it is not a fixed amount.
34. [Ex. A/3/A, p. 30] Please confirm that the Direct Install pilot will not be available to school boards.
35. [Ex. A/3/A, p. 39] Please advise the number of school boards that participated in custom projects in each of 2011 through 2014, and the total amount of incentives paid to school boards for those custom projects in each of those years.
36. [Ex. A/3/A, p. 54] Please confirm that RunSmart is not available for the 60% of schools in the Union Gas franchise area that are in rates M1 and 01, and is not available to larger schools if they have recently implemented energy conservation measures (i.e. almost all large schools).
37. [Ex. A/3/A, p. 56] Please confirm that SEM is not available for any schools.
38. [Ex. A/3/G, p. 5] Please confirm that the incremental spend on custom projects assumes an average CCM of 80,000 cubic meters saved, and an average EUL of 17.5 years.

Please compare those figures with the average CCM and average EUL planned for 2015, and actual for 2014. Please explain any material differences.

Respectfully submitted on behalf of the School Energy Coalition this 2nd day of June, 2015

Jay Shepherd