**INTERROGATORIES FOR UNION GAS LIMITED**

**FROM THE CONSUMERS COUNICL OF CANADA**

**RE: 2015-2020 DEMAND SIDE MANAGEMENT PLAN**

**EB-2015-0029**

1. (Ex. A/T1/p. 5)

The evidence states that since 1997 Union’s DSM programs have helped save 7.5 billion cubic meters of natural gas. For each year 2010-2020 please provide the gas savings (actual and forecast) and the total DSM amounts (actual and forecast - including overheads and shareholder incentive amounts) paid for by ratepayers.

2. (Ex. A/T1/p. 6)

Please explain how Union has interpreted the Minister’s Directive to “enable all cost-effective DSM.”

3. (Ex. A/T1/p. 7)

Please explain how Union has calculated the average bill impact for residential consumers in 2020 as $2.00. Does this include all costs including shareholder incentive amounts?

4. (Ex. A/T1/p. 8)

Please explain why Union is now proposing to build 100% of the DSM incentive target into rates.

5. (Ex. A/T1/p. 15)

Please explain, in detail, how Union engaged its residential customers in the development of its 2015-2020 DSM plan. Has Union undertaken any surveys, focus groups etc. in the past regarding its DSM activities? If so, please provide the results. Has Union undertaken any surveys, focus groups, etc. regarding the current plan? If not, why not? If so, please provide the results. What is the basis for the conclusions regarding customers needs set out on pages 15 and 16 of Exhibit A/T1?

6. (Ex. A/T1/Appendix C)

The evidence states that Union will continue to collaborate and partner with electric LDCs over the next six years. How will this collaboration be funded? What are the annual costs and revenue associated with these activities?

7. (Ex. A/T1/Appendix D)

Union has indicated its intent to undertake an Infrastructure Planning Study. What are the annual costs of this study? What is the total expected cost of the study? How will those costs be allocated to Union’s ratepayers?

8. (Ex. A/T2/p. 3)

Does Union currently expect to spend an additional 15% in 2015, over and above the $33.9 million? If so, please explain why that spending is required.

9. (Ex. A/T2)

For 2015 please provide the actual spending to date in all of the budget categories and for all programs.

10. (Ex. A/T2/p. 20)

The shareholder incentive for 2015 is $11.002 million. Please explain why this is appropriate given the Board’s mandated cap of $10.45 million which was established through the Guidelines.

11. (Ex. A/T2, Ex. A/T3)

For 2015-2020 please provide the budget allocations of all of the DSM costs to each rate class. Please include program budgets, overheads, low-income allocations, shareholder incentives and any incremental amounts.

12. (Ex. A/T2/p. 36)

Please provide a detailed budget for the $6 million in IT system changes.

13. (Ex. A/T2/p. 38)

What will be the total cost of Union’s involvement in the Green Button Initiative? What will be the annual costs? How will those costs be allocated to the various rate classes? What are the projected benefits to Union’s customers?

14. (Ex. A/T3/p. 3)

Please provide a schedule setting out for the each year 2010-2014. Please provide the 2014 results based on the unaudited numbers as set out in the 2014 draft evaluation report:

1. Annual budgets for all categories of expenditures
2. Actual spending for each category of expenditures (including DSMVA)
3. Annual targets by category
4. Annual achieved savings by category
5. Annual shareholder incentives

15. (Ex. A/T3/p. 7)

Union has set out a detailed budget for each year 2016-2020. Please set out, in detail, how each of the budgets were derived for each year.

16. (Ex. A/T3/p. 17)

Please explain why Union has set the upper band for it targets at 125% given the Board’s Guidelines require 150%.

17. (Ex. A/T3)

For all of Union’s residential and low-income programs please provide the free-ridership rates. Please provide the basis for each of those free-ridership rates.

18. (Ex. A/T3/p. 24)

For the Home Reno Rebate Program please explain why Union is using a 15% reduction in annual natural gas use instead of 25%.

19. (Ex. A/T3/p. 24)

Has Union sought funding from either the Ontario Government or NRCan for its Home Reno Rebate Program? If not, why not? How does Union’s program compare to the programs delivered by the Ontario Government and NRCan in the past?

20. (Ex. A/T3/Appendix A/p. 6)

With respect to the Home Reno Rebate Program please confirm the maximum incentive in 2016 will be $5000. Has Union surveyed its residential customers regarding this program? If so, please provide the results of that research. The Council is concerned about the costs and benefits of this program for participants and non-participants. Participants in 2016 could obtain significant rebates, funded in part, by other customers who may have may have already undertaken energy efficiency initiatives at their own cost. Has Union assessed potential participant levels with lower incentives? How many customers have signed up to date in 2015? If they defer their decision for 6 months will they have access to potential rebates of $5000, rather than $2500 under the 2015 offering?

21. (Ex. A/T3/p. 31)

What is the maximum amount of shareholder incentive Union could receive for the Optimum Home program in 2016?

22. (Ex. A/T3/p. 37)

Please explain, in detail, how the cost-efficiency incentive is expected to work. If Union spends less on its Residential RA program how is that unspent budget amount carried forward? Is it strictly applied to Residential RA program going forward, or is Union proposing it can be used in other program areas.

23. (Ex. A/T3/p. 39)

Please indicate whether Union is proposing changes to the way in which the current DSMVA operates. To the extent changes are being made please explain the rationale for the changes.

24. (Ex. A/T3/Appendix A)

Please set out the following with respect to the ESK Program:

1. Actual spending on ESKs for the period 2007-2014;
2. Actual annual natural gas savings for the period 2007-2014;
3. Shareholder incentive amounts paid out in each year 2007-2014 associated with the ESK savings;
4. The number of ESK participants for the period 2007-2014;
5. The total number of ESKs sent out since the program began; and
6. The free ridership rates for the program 2007-2014.

25. (Ex. A/T3/Appendix A)

What is the assumed free-ridership rate for the ESK program for the period 2016-2020? Please provide a detailed explanation as to how Union assesses the following:

1. Whether any or all of the measures are installed and remain installed for the assumed life of the measure;
2. Whether the customers actually purchase and install the programmable thermostat;
3. Whether the customers actually use the programmable thermostat.

26. For each year 2010-2020 please provide the total cost to achieve a cubic meter of gas savings for each of Union’s residential programs.

27. Has Union included any productivity adjustments in its DSM budgets? If not why not? Is it not unreasonable to assume that the delivery of certain programs will become more cost-effective over time?