



Ontario Federation of Agriculture

Ontario AgriCentre

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VIA EMAIL AND DELIVERED BY COURIER

Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Kristen Walli
Board Secretary
boardsec@ontarioenergyboard.ca

Dear Ms. Walli:

Regarding: OEB File EB-2015-0179 Union Gas Limited

Further to Procedural Order No.1, regarding the Union Gas Limited application to expand natural gas service to certain rural and remote communities in Ontario, the Ontario Federation of Agriculture files the attached Interrogatories.

Two copies will also be delivered to your attention.

Thank you in advance for your considerations.

Regards,

A handwritten signature in black ink, appearing to read 'Neil Currie', enclosed in a large, loopy parentheses.

Neil Currie
General Manager
Ontario Federation of Agriculture

C.c. via email: Parties of Record

OFA - Interrogatory #1 Economic Analysis

EB-2015-0179 / Exhibit A / Tab 1 / Page 37 of 46 Stage 2 Economic Tests

Consideration of the public interest by the Board can be aided by reviewing the results of a Stage 2 economic analysis of the effects of a broader community expansion program.

OEB provides for use of further economic analysis to better understand the public benefits of expansion. This could take the form of both a Stage 2 and a Stage 3 analysis. Stage 2 generally refers to the energy cost savings that potential customers could achieve relative to their existing fuel usage. Stage 3 addresses public interest quantifiable and non-quantifiable benefits associated with a project.

OFA is interested in analysis related to the economic benefits of expansion in rural Ontario, beyond the analysis of cash flows attributed to Union expansion (Stage 1). OFA is interested in the economic benefits attributed to customer cash flows, savings and non-cash benefits to the community and the Province (Stage 2). The initial Union submission included summary Stage 2 benefits and proposed alternate models for determining Stage 2 benefits.

1. Is Union aware of and can Union supply detailed Stage 2 analysis of the benefits of expansion and any iteration using the proposed alternative models to determine stage 2 benefits?

To determine the viability and the potential success of the Union proposal to gain access to rural communities, OFA is interested in any multiplier effect of expansion on the Ontario economy in terms of GDP. The public interest is served through energy efficiencies which natural gas access would provide in rural communities. Union did not submit or quantify any Stage 3 analysis.

2. Can Union supply any third party analysis for consideration related to economic benefits of expansion on the broader Ontario GDP, and related specifically to economic benefits to the Agricultural and Agri-food sector?

3. Can Union provide any third party analysis related to broader economic benefits of Set-Aside programs such as those provided in neighbouring US jurisdictions for Energy Efficiency and Renewable Energy?

OFA - Interrogatory #2 Customer Attachment Analysis: Milverton, Prince, and Lambton Shores compared to balance of Opportunity Assessment project summary

EB-2015-0179 / Exhibit A / Tab 2 / Section A / Page 5 of 12
Lambton Shores, Kettle Point 2011 Telephone survey indicated 64% attachment rate likelihood. Union conservative approach reduced the attachment forecast to 47% (Results will be verified once the 2014 survey is complete).

EB-2015-0179 / Exhibit A / Tab 2 / Section B / Page 4 of 13
Milverton Customer Attachment Forecast 2014 telephone survey indicated 74% attachment rate likelihood. Union conservative approach reduced the attachment forecast to 59%.

Exhibit A / Tab 2 / Section D / Page 4 of 10
Prince Customer Attachment Forecast 2014 telephone survey indicated 84% attachment rate likelihood. Union conservative approach reduced the attachment forecast to 64%.

Exhibit A / Tab A / Appendix D / Pages 1 – 4 / Page 4, lines 16 through 24
General Service customer forecast
Where more detailed information was not available, Union set the customer forecast at 45% of maximum potential customers who would have main installed adjacent to their site. This assumption adjusted downward based on an assumed need for some form of financial contribution from the customers. The forecast was then allocated across residential and commercial/industrial segments based on most recent revenue forecast data (90% residential).

OFA believes that the maximum number of rural residents, businesses and farmers deserve access to the same benefits of gas as those who live in urban communities.

- 1. Can Union provide insight on results found in the Opportunity Assessment Survey? Specifically, had Union used attachment levels similar to survey result levels, or even if Union had used conservatively adjusted survey results, would more General Service customer projects become feasible?**
- 2. If so, with more potential customers and higher PI values, are there any impacts on customer billing or any new billing proposals that could be offered?**
- 3. How would use of survey results and/or conservatively adjusted survey results reposition projects currently categorized as not meeting the definition of Community Expansion Project? Consideration should account for Union past experience with significantly higher commercial customer anticipated attachment rates.**