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BY EMAIL and RESS

November 17, 2015
Our File: EB20150179

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

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2015-0179 – Union Gas Community Expansion – SEC Interrogatories

We are counsel to the School Energy Coalition (“SEC”). Enclosed, please find interrogatories on behalf of SEC.

Yours very truly,
Jay Shepherd P.C.

Original signed by

Mark Rubenstein

cc: Wayne McNally, SEC (by email)
Applicant and intervenors (by email)

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ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF the Ontario Energy Board Act, 1998, c.15, Schedule B, and in particular, S. 90 thereof;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders for approval of Union's Distribution System Expansion Project proposals;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities required to serve the communities of Milverton, Prince Township and, the Chippewas of Kettle and Stony Point First Nation and Lambton Shores.

INTERROGATORIES ON BEHALF

OF THE

SCHOOL ENERGY COALITION

SEC-1

Please describe which risks of the proposed Community Expansion Projects are borne by shareholders as opposed to ratepayers.

SEC-2

Please explain how Union proposes to treat the additional revenue generated by the Community Expansion Projects during the term of the current IRM plan.

SEC-3

What benefits does Union believe accrue to existing customers as a result of the Community Expansion Projects?

SEC-4

What other options for expanding natural gas distribution infrastructure was considered by Union? Please explain why they were not proposed.

SEC-5

[A] Please provide copies of all materials that were provided to Union's senior management team, and if applicable, its parent company's Board of Directors, for the approval to undertake both the individual projects sought in this application, and the entire 30 expansion projects.

SEC-6

[A-1] Please explain why Union believes that it is appropriate to require only Union's existing ratepayers, and not all existing Ontario natural gas ratepayers, to subsidize the Community Expansion Projects.,

SEC-7

[A-1, p.9, Figure 1] Please provide a long-term forecast for the estimated annual cost of energy. In doing so, please provide all assumptions made, including the effect on the implementation of an Ontario cap and trade system.

SEC-8

[A-1, p.16] Union states that one of the barriers to expansion being addressed with the TES is the "the initial financial burden presented by the traditional up-front CIAC mechanism". If this is one of the purposes of the TES, please explain why it does not have a similar regulatory treatment to a CIAC payment, to reduce rate base.

SEC-9

[A-1, p.18] Please provide a copy of the 'Union Gas 2011 Market Share Study'.

SEC-10

[A-1, p.18] For each of the 5 proposed projects, please quantify the estimated environmental benefits associated with customers switching to natural gas from another energy source. Please provide details of all calculations and a list of input assumptions.

SEC-11

[A-1, p.20] Please provide a copy of the market surveys Union undertook in Milverton and Price Township.

SEC-12

[A-1, p.22] Please explain the mechanism that Union will collect the ITE from municipalities.

SEC-13

[A-1, p.25] Is it Union's view that the only reason a PI of 0.4 is appropriate is because it allows for a large number of projects to become feasible? Please explain why a PI of 0.4 was the appropriate minimum profitability level.

SEC-14

[A-1, p.26, 35] Please provide a list of 'Immediate Community Expansion Opportunities' ordered by project PI.

SEC-15

[A-1, p. 26] Please explain in detail the process Union undertook to explore community expansion opportunities.

SEC-16

[A-1, p.26] Please provide any presentations, meeting notes, agenda, and any other documents that were exchanged between Union and any the communities of Milverton, Price Township, Chippewas of Kettle and Stony Point First Nation, and Lambton Shores.

SEC-17

[A-1, p.26] Please provide any agreements, memorandum of understandings, letters of intents, between Union and any communities of Milverton, Price Township, Chippewas of Kettle and Stony Point First Nation, and Lambton Shores.

SEC-18

[A-1, p.31] Please provide the forecast net delivery revenue requirement for each of the 5 proposed projects.

SEC-19

[A-1, p.31] Please explain why Union believes it should not be exposed to financial risk related to the incremental capital investment required for Community Expansion Projects, when it is seeking an exemption from EBO 188.

SEC-20

[A-1, p.31] Please explain how this application meets each of the requirements of the Capital Pass-Through Mechanism of the 2014-2018 IRM framework.

SEC-21

[A-1, p.45] Please explain how Union forecasted the number of customers for each project? Please provide all assumptions made.

SEC-22

[A-1, Appendix D] With respect to the Opportunity Assessment Summary:

- a. Please provide a breakout of both the potential and forecast customers, by the number of customers that are:
 - i. Residential
 - ii. Small commercial
 - iii. Medium commercial
 - iv. Large commercial
 - v. Other

- b. How does the ratio between potential and forecast customers compare to Union's past experience with connecting new communities?

SEC-23

[A-1, Appendix K] For each rate class, please provide the annual bill impact a customer will pay for the 30 potential projects on a per new customer basis.

SEC-24

Please explain why in light of the ‘Key Findings’ (p.4) of KMPG Report, *Jurisdictional Review of Natural Gas Distribution System Expansions*¹, Union believes its proposed application is appropriate.

SEC-25

[A-2] Please provide the Residential Survey script and full results for each of the 5 proposed projects.

SEC-26

[A-3] Please explain the rationale for having different PI qualification for the Community Expansion projects and the Small Main Expansion projects.

Respectfully submitted on behalf of the School Energy Coalition this November 17th, 2015.

Original signed by

Mark Rubenstein
Counsel for the School Energy
Coalition

¹ http://www.ontarioenergyboard.ca/oeb/_Documents/EB-2015-0156/report_KPMG_Natural_Gas_Expansions.pdf