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February 22, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

DELIVERED BY EMAIL

Dear Ms. Walli,

RE: EB-2015-0276

Please find enclosed the interrogatories of the Ontario Greenhouse Vegetable Growers in the above noted proceeding.

Yours very truly,



Michael R. Buonaguro

CC: All Participants

**UNION GAS LIMITED
2014 Disposition of Demand Side Management
Deferral and Variance Accounts**

**INTERROGATORIES OF THE ONTARIO GREENHOUSE VEGETABLE
GROWERS
FOR
UNION GAS LIMITED**

February 22, 2016

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Interrogatory #1

Ref: Exhibit A Tab 2 Appendix A Page 5 of 12

Preamble: The free ridership rate of 54% applied to Union's Commercial/Industrial and Large Volume programs is based on the Custom Projects Attribution study performed by Summit Blue Consulting ("Summit Blue") in 2008.

- a) Please provide a copy of the Summit Blue Custom Projects Attribution study.
- b) Has Union applied a single 54% free ridership rate to its Commercial/Industrial and Large Volume programs in every year since the 2009 Audit? If not, please provide the free ridership rates applied to its Commercial/Industrial and Large Volume programs between 2008 and 2014 and explain the drivers of the changes from year to year; if so, please explain why the free ridership rate would remain constant over the course of 6 years despite efforts between 2009 and 2014 to educate the public (including Union's Commercial/Industrial and Large Volume customers) about the value of energy efficiency measures?
- c) OGVG notes that the Commercial/Industrial Custom Projects described at Exhibit B, Tab 2, pages 19 and 20 include a number of greenhouse expansion projects where Union Gas claims savings associated with the difference between a "new construction baseline" and the results of the Custom Project in question. Please discuss whether this type of project was contemplated by the Summit Blue Custom Projects Attribution Study; more specifically, did the Summit Blue Custom Projects Attribution Study explore the appropriate free ridership rate for brand new expansion projects, as opposed to the retrofitting of existing facilities.

Interrogatory #2

Ref: Exhibit A Tab 4 Page 3 of 3

Preamble: For in-franchise contract rate classes, Union is proposing to dispose of the net 2014 DSM-related deferral and variance account balances as a one-time adjustment with the first available QRAM after Board approval. This one-time adjustment approach is consistent with the methodology used for the disposition of 2013 deferral account and earnings sharing balances in the 2013 Disposition of DSM Deferral and Variance Accounts (EB-2014-0273) proceeding.

- a) Please provide a table (or tables) that show the following information:
 - i) the number of customers within each in-franchise contract class that were charged a one-time adjustment relating to the 2013 DSM Deferral and Variance Accounts as described in the preamble;

- ii) for each in-franchise contract class the minimum, maximum, average, and mean one-time adjustments that were charged in 2013 (only including amounts related to the clearance of the 2013 LRAM, DSMVA and DSMIDA accounts) along with the related % distribution and total bill impact for each representative charge (namely the % impact of the one time charge in relation to the annual distribution and total bill for the relevant customer);
 - iii) the number of customers within each in-franchise contract class that Union forecasts it will charge a one-time adjustment relating to the 2014 LRAM, DSMVA and DSMIDA accounts if this application is approved;
 - iv) for each in-franchise contract class the minimum, maximum, average, and mean one-time adjustments Union forecasts it will charge if this application is approved, along with the related % distribution and total bill impact for each representative charge (namely the % impact of the one time charge in relation to the annual distribution and total bill for the relevant customer);
 - v) for each in-franchise contract class the number of customers that have participated in a Commercial/Industrial Custom Project in each year that Union has run the program. Please note that in addition to showing participation in each year, OGVG is specifically interested in how many customers in each in-franchise contract class that Union Gas forecasts will be charged a one-time adjustment relating to the amounts in this application have participated in a Custom Project;
 - vi) please explain Union Gas' approach when the customers in a particular in-franchise contract rate class all have (or when almost all have) participated in a Commercial/Industrial Custom Project; for example, does Union Gas redirect its budget to target rate classes with material numbers of customers that have not participated in material DSM spending? Please comment on any classes where participation has (cumulatively) become close enough to 100% in recent years such that DSM spending within that class has been or will be redirected to other rate classes.
- b) Please confirm that in-franchise contract class customers have the option of paying the approved one-time adjustment over time; if so confirmed please provide the process by which customers seeking to make their payment over time may arrange to do so, and explain how the maximum time period available to customers for such payments is determined. If not confirmed, please explain why this option is not available to in-franchise contract customers.
- c) Please explain how an in-franchise contract class customer can forecast the value of the one-time adjustment it will be charged if the application is approved as filed. If the information that a customer requires in order to forecast the level of its own one time adjustment is not readily available to the customer, please advise how the required information can be obtained from Union Gas.

Interrogatory #3

Ref: Exhibit A Tab 3 Schedule 2 Pages 2 and 3 of 3

Preamble: These schedules demonstrate the volumetric savings within the in-franchise contract classes from its DSM programs in 2014 as a result of 2013 and 2014 programs, and go on to calculate the related lost distribution revenue as a result of those volumetric savings.

- a) Please estimate the commodity savings associated with the total volumetric savings within the in-franchise contract classes in 2014 relating to 2013 and 2014 DSM programs, showing those savings on a class by class basis. Please explain any assumptions made with respect to the price of natural gas used in the estimation.
- b) Please provide the number of contract customers within each in-franchise contract class, if any, that fell below their applicable Minimum Annual Volume (MAV) in 2014, along with the total penalty paid by those customers as a result of falling below their MAV. To the extent any customers fell below their MAV and paid a related penalty, please provide the number of such customers that were participants in Union DSM programming either in 2014 or previous years.
- c) Assuming that there are (or could be in the future) customers that fall below their MAV, pay a penalty as a result of falling below their MAV, and have participated in Union Gas DSM programming, please explain how Union Gas ensures that it does not double recover the impact of its DSM programs by both charging a penalty to customers who fall below their MAV as a result of DSM programming while at the same time recovering that same lost revenue through the LRAM.

Interrogatory #4

Ref: Exhibit A Tab 3 Schedule 3

Preamble: This table illustrates the variation between the DSM costs embedded in 2014 rates for each class, and the DSM costs allocated to each class in 2014 on an actual basis.

- a) The evidence shows a variation between embedded and actual DSM costs of
 - i) 53.1% for the M4 rate class;
 - ii) (35.4%) for the M5 rate class; and
 - iii) 77.9% for the M7 rate class.

Please explain the drivers for these large variations between the embedded and actual amounts, and discuss whether the variations from the embedded amounts in 2014 is accounted for in planning for subsequent years.

- b) Please compare the total cumulative DSM Budget approved in the 2012-2014 DSM Plan against the actual total cumulative DSM spending in 2012, 2013 and 2014 on a rate class by rate class basis. To the extent there are variations in any of the rate classes in excess of 10% please why Union, on a 3 year basis, would deviate so materially from its budget for a rate class, and what measures it takes (if any) to stay within budget on a rate class by rate class basis either within the year or on a cumulative basis over a number of years (i.e. by offsetting material overspending in one year with underspending in a subsequent year).