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April 8, 2016

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

Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Community Expansion Generic Proceeding
EB-2016-0004**

Please find enclosed Ontario Sustainable Energy Association's interrogatories on evidence filed by Union Gas Limited.

Yours truly,

Robert Woon

Encl.

Document #: 972375

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B).

IN THE MATTER OF an Application under the Ontario Energy Board's own motion to consider potential alternative approaches to recover costs of expanding natural gas service to communities that are not currently served

INTERROGATORIES OF ONTARIO SUSTAINABLE ENERGY ASSOCIATION ("OSEA") ON EVIDENCE FILED BY UNION GAS LIMITED

April 8, 2016

Question 1

Reference: Exhibit A, Tab 1, Issue 4, Page 11 of 38

Preamble: *"Union has historically based the capital costs in the economic analysis of a project on the minimum pipeline system design necessary to service the demand expected through the project's customer forecast period."*

- a) When determining expected demand, what consideration is given to renewable energy options, such as ground source heat pumps, and the impact of these renewable sources of energy on expected demand?

Question 2

Reference: Exhibit A, Tab 1, Issue 4 b), Page 11 of 38

Preamble: *"However, in cases where the natural gas load is used for heating, it is very unlikely to be demolished if the incumbent business is sold or closed, so at minimum, continued use of natural gas for heat should be included in the economic assessment. For this reasons, Union proposes that a maximum 40 year term be used for heat and water heating load for commercial and industrial customers."*

- a) What assessment did Union perform to conclude that source of heating would not change from natural gas?
- b) Did Union consider the feasibility of switching to renewable energy options?
- c) Did Union review the uptake rates of renewable energy for heat and water heating in other jurisdictions?

Question 3

Reference: Exhibit A, Tab 1, Issue 4 f), Page 20 of 38

Preamble: Union proposed that one of the public interest factors to be considered in assessing whether to proceed with the projects include “environmental benefits of the project”

- a) How does Union define “environmental benefit” and how will it assess environmental benefits of a project?
 - i. Will Union include an assessment of greenhouse gas use, reduction or emission?
 - ii. Will Union compare only natural gas to the existing energy sources in the community?
 - iii. Will Union prepare an assessment of all alternatives, including the use of renewable energy?
- b) Is it Union’s position that if the environmental benefits of natural gas are inferior to an available and viable renewable energy source that this should not be considered as a reason to not expand natural gas service?

Question 4

Reference: Exhibit A, Tab 1, Issue 10, Page 35 of 38

Preamble: Union stated preference is to deal with the effects of Ontario’s cap and trade program in future proceedings (EB-2015-0363).

- a) Has Union done any preliminary or other assessments on the impacts of Ontario’s proposed cap and trade program on the costs of natural gas services? If so, please provide.
- b) Is Union gas intending to apply its conservation programs to potential customers in new communities to reduce the consumption of natural gas in advance of conversion?

- c) Has Union Gas completed its analysis of the costs and benefits of community expansion using “average consumption per customer”, pre-conservation consumption or post-conservation consumption?

Question 5

Reference: Exhibit A, Tab 1, Issue 11, Page 37 of 38

Preamble: *“Union believes that natural gas will remain an economic option for customers in a low carbon economy as the differential between natural gas and electricity is so high.”*

- a) Has Union considered how the anticipated increase in natural gas prices under a cap and trade program will compare to the costs for renewable energy? If so, please provide the results of the analysis.
- b) Has Union assessed how the increase in natural gas prices will impact conversion rates (e.g. will customers be more likely to switch from existing energy sources directly to renewable energy sources without converting to natural gas)? If so, please provide the results of the analysis.

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