

ONTARIO ENERGY BOARD

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

AND 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 TO
UNION GAS LIMITED ("UNION")
ON BEHALF OF THE
SCHOOL ENERGY COALITION**

1. With regards to risks and benefits of Union's proposed community expansion methodology:
 - a. provide a list of all benefits and risks borne by each of the following:
 - v. Existing customers
 - vi. New customers
 - vii. New communities (i.e. municipalities)
 - viii. Union
 - c. Please explain why Enbridge believes the allocation of benefits/risk is appropriate.
2. [p.5] Notwithstanding Union's position on issues 2 and 3, please provide its detailed views on how a cross-utility subsidization program should be implemented if the Board determined such an approach appropriate.
3. [p.8-11] Which of the proposed clarifications and adjustments to the economic assessment factors in EBO 188 did Union include in its application and evidence in EB-2015-0179? If it did not include all, please provide a revised P.I. for each of its proposed 29 projects which does so.
4. [p.12] Considering a significant reduction in natural gas usage is going to be required to meet the GHG reduction targets set out in Bill 172, please explain why it is appropriate to expand natural gas service when consumption is going to need to be reduced dramatically.
5. [p.18, Enbridge Evidence, p. 15, Table 1] Please provide a similar table to that of Table 1 in Enbridge's evidence. Please also add an additional column that shows the payback period if the SES was set at a rate to ensure that each community expansion project met the PI of 0.8 (i.e. there was no subsidy from existing customers).
6. [p.15, Table 1] Please add an additional column to table that shows the payback period if the SES was set at a rate to ensure that each community expansion project met the PI of 0.8 and there was no subsidy from existing customers.

7. [p.22] Please explain why Enbridge has limited collecting the ITE for only 10 years.
8. [p.35] Please provide Union's forecast of annual natural gas consumption for each of the next 40 years, on a per customer basis for the average:
 - a. Residential customer
 - b. Commercial customer
 - c. Industrial customer
9. [Enbridge Evidence] If the Board were to adopt Enbridge's community expansion project methodology, including allowing projects with PI's below 0.4, how many additional communities would Union be able to connect, how many additional forecast customers would be added, and what would the additional capital costs be?
10. Does Union currently, or has it ever, paid a fee or made payment(s) to a municipality which it has a Municipal Franchise Agreement with, for the purposes of provide compensation for or in recognition of, it permitting Union to operate within its municipalities. If so, please provide details.
11. [EPCOR, Yachew Report, p.12-13] Notwithstanding the position regarding Issues 2 and 3, please provide Union's view regarding the approach to cross-utility subsidization proposed in the evidence of Dr. Yachew on behalf of EPCOR.
12. [LEI Report, p.8] What was the criteria LEI used to determine which North American jurisdictions to review? Is LEI aware of any other jurisdiction in North America that has undertaken an alternative funding mechanism for natural gas expansion that was not included in the report? If so, please provide details of those mechanisms.
13. [LEI Report] Is LEI aware of any other regulatory changes that have been considered and/or adopted by North American jurisdictions for the expansion of natural gas service, besides some form of subsidization? If so please, provide details.
14. [LEI Report] Is LEI aware of any other economic tests besides that set out in EBO 188, which other jurisdictions have used to determine the economic feasibility of expansion projects?

Respectfully submitted on behalf of the School Energy Coalition this 8th day of April, 2016

Original signed by

Mark Rubenstein
Counsel for the School Energy Coalition