



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION

AND PROCEDURAL ORDER NO. 3

EB-2015-0276

UNION GAS LIMITED

**Application for approval of final balances and for clearance of
certain Demand Side Management deferral and variance accounts
into rates**

BEFORE: Christine Long
Presiding Member

Susan Frank
Member

April 27, 2016

1 INTRODUCTION AND SUMMARY

Union Gas Limited (Union) is a major Canadian natural gas storage, transmission and distribution company serving about 1.4 million residential, commercial and industrial customers in communities across northern, southwestern and eastern Ontario.

Union filed an application with the Ontario Energy Board (the OEB) under section 36 of the *Ontario Energy Board Act, 1998* for an order or orders approving the final balances in certain 2014 Demand Side Management (DSM) deferral and variance accounts. Union is also seeking the disposition of the balances in these accounts, and inclusion into rates, within the next available Quarterly Rate Adjustment Mechanism following the OEB's approval.

The accounts for which Union seeks approval and disposition in this application are related to its 2014 DSM activities. The 2014 DSM activities were the activities for the third year of Union's 2012-2014 multi-year DSM plan (EB-2011-0327) and for the second year of Union's 2013-2014 DSM plan for large volume customers (EB-2012-0337), which were premised on the OEB's 2012-2014 DSM Guidelines.¹

The accounts which are the subject of the application and the balances recorded are as follows:

Account	Balance
Demand Side Management Incentive Deferral Account	\$8,988,000 (to shareholder)
Lost Revenue Adjustment Mechanism Variance Account	\$848,000 (to shareholder)
Demand Side Management Variance Account	\$1,664,000 (to shareholder)

The net balance of the DSM accounts is \$11,500,000 to be collected from ratepayers.

Pursuant to the OEB's *Practice Direction on Confidential Filings* (the Practice Direction) Union's application also included a request for certain areas of the two Custom Project Savings Verification (CPSV) reports to remain confidential. Customer names and sensitive commercial information were redacted by Union in these CPSV reports. Union filed redacted versions of the CPSV reports for the public record.

¹ [Demand Side Management Guidelines for Natural Gas Utilities](#), June 30, 2011 (EB-2008-0346)

2 THE PROCESS

In Procedural Order No. 1, the OEB granted intervenor status and cost eligibility to a number of parties. The OEB also scheduled dates for filing interrogatories, responding to interrogatories, and filing final submissions and indicated that the dates established for final submissions would apply unless the OEB orders otherwise.

Procedural Order No.1 also set out the process for the filing of submissions on whether the currently redacted information in the CPSV reports should remain confidential or be made public. In addition, Procedural Order No. 1 stated that Union was to provide confidential versions of the evidence to counsel and consultants for intervenors who have signed and filed with the OEB the form of Declaration and Undertaking from the Practice Direction.

Submissions on confidentiality were filed by the Industrial Gas Users Association (IGUA) and the School Energy Coalition (SEC). IGUA and SEC also each filed additional interrogatories past the due date for interrogatories set out in Procedural No. 1. Due to the submissions received on confidentiality, the OEB issued Procedural Order No. 2 which cancelled the schedule for final submissions and Union's reply submission that were set out in Procedural Order No. 1.

3 DECISION

The submissions and additional interrogatories filed by IGUA and SEC were on one of the confidential CPSV reports. The CPSV report was prepared by Diamond Engineering Company for the verification of large custom projects (the Diamond Report).

3.1 Confidentiality

SEC and IGUA did not oppose the confidential treatment of the Diamond Report but suggested that the public version did not require the amount of redactions made by Union. In its reply submission, Union indicated that it would file a revised version of the Diamond Report with less redactions.

After filing a revised version of the Diamond Report, IGUA filed another submission seeking clarification from Union on whether additional information from the Diamond Report can be placed on the public record. IGUA also requested direction from the OEB requiring Union to respond to its additional interrogatories. Similarly SEC filed interrogatories on the less redacted version of the Diamond Report including requests for fewer redactions to the Diamond Report.

Union replied to the requests for further public record portions of the Diamond Report from IGUA and SEC. Union stated that in its judgment the level of redactions in the revised Diamond Report were necessary to protect sensitive commercial information of its customers.

Findings

The OEB observes that the amount of public record information from the Diamond Report filed by Union is greater than provided in previous cases. Typically discussions on the Diamond Report occurred on a confidential basis and lead to a settlement on the variance account balance. The OEB appreciates that Union has reduced the amount of redaction and trusts Union's judgement that additional public record information could lead to commercially sensitive customer information being made available. Parties will continue to have access to the full Diamond Report on a confidential basis. The revised Diamond Report is accepted as filed.

Given the timing of the filing of the revised Diamond Report, it is reasonable to allow for additional interrogatories on this report. The intervenors will be allowed to put questions pertaining to the Diamond Report on the public record and Union will respond. To the extent that the intervenors have questions on the redacted material, they will need to

ask these questions on a confidential basis. Union is directed to answer these questions on a confidential basis if the material was redacted in the Diamond Report.

Given the OEB's decision on the subject of confidentiality of the Diamond Report, SEC and IGUA are required to re-file any interrogatories they wish to ask on the Diamond Report reflecting the OEB's decision.

4 ORDER

THE BOARD ORDERS THAT:

1. IGUA and SEC shall re-file any interrogatories on the Diamond Report. Any other intervenor, including OEB staff, may also request any additional information and material from Union on the Diamond Report that is in addition to any interrogatories already filed by **May 2, 2016**. Interrogatories shall be filed on a confidential basis if the material was redacted in the Diamond Report.
2. Union shall file with the OEB complete written responses to the interrogatories and copy intervenors by **May 6, 2016**. Union's responses shall be filed on a confidential basis if the material was redacted in the Diamond Report.
3. Any written submission by OEB staff and intervenors, including any submission on the absence of the baseline boiler study, shall be filed with the OEB and delivered to all other parties by **May 13, 2016**.
4. Union may file a written reply submission with the OEB, and deliver it to intervenors by **May 19, 2016**.

All filings to the OEB must quote the file number, EB-2015-0276, and be made electronically through the OEB's web portal at <https://www.pes.ontarioenergyboard.ca/eservice/>, in searchable / unrestricted PDF format. Two paper copies must also be filed at the OEB's address provided below. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.ontarioenergyboard.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below. Those who do not have internet access are required to submit all filings on a CD in PDF format, along with two paper copies. Those who do not have computer access are required to file 7 paper copies.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Vince Mazzone at

Vince.Mazzone@ontarioenergyboard.ca and OEB Counsel, Michael Millar at Michael.Millar@ontarioenergyboard.ca.

ADDRESS

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DATED at Toronto April 27, 2016

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary