

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 by Union Gas Limited for an order
or orders clearing certain non-commodity related deferral accounts.

INTERROGATORIES TO UNION GAS LIMITED (Union)

From

INDUSTRIAL GAS USERS ASSOCIATION (IGUA)

Regarding

Exhibit B, Tab 1, Appendix N

11. **Reference:** Exhibit B, Tab 1, Appendix N, page numbered 5.

If any two or more of the projects listed in the gas savings summary table apply to the same customer, please provide a table which is structured so as to indicate, for each applicable customer, which projects relate to that customer.

12. **Reference:** Exhibit B, Tab 1, Appendix N, page numbered 13.

A number of the projects reviewed involved steam leak repairs, and the report in respect of many of these projects states as follows:

Leaks developed and were repaired on a continuous basis.

- a. Please expand on this statement to indicate whether it applies only to the 2014 program year evaluated, or whether it refers to ongoing maintenance practices at the customers' facilities.

- b. Did Diamond Engineering make any attempt to determine whether steam leak repairs were conducted prior to or following the program year being evaluated?

13. **Reference:** Exhibit B, Tab 1, Appendix N, page numbered 19.

For a number of the projects, the evaluator makes an assumption regarding work performed for safety reasons, versus work performed for energy conservation reasons. For example, the following statement appears at the referenced page:

It is assumed that 20% of the work performed was driven not by energy conservation, but due to safety concerns.

With respect to each project for which a savings allocation assumption such as the foregoing is made, please explain and detail the basis for the assumption.

14. **Reference:** Exhibit B, Tab 1, Appendix N, page numbered 42.

The report contains the following statement at the referenced page:

Base Case assumes the Customer continues to operate with the failed traps. The Customer has sufficient steam raising capacity to operate with this steam loss. The cost of lost steam is far less than the cost of a complete system shutdown so operating with the steam loss would be a rational action.

Please explain how Union's program altered the foregoing cost/benefit position of the customer in order to allow the DSM project to proceed. Please include detailed calculations to explain this result, using the incentive value and substantiated project costs provided for this customer and any other information considered by Union in approving the project.

15. **Reference:** Exhibit B, Tab 1, Appendix N, page numbered 54.

The report contains the following statement at the referenced page:

The number of blowing traps reported does seem to be excessive given the population of traps inspected but there is no authoritative information to allow the CPSV to reduce the blowing trap count.

- a. Please explain what "blowing trap" means, and how such characterization impacts gas savings derived/reported.

- b. Please explain the basis upon which the evaluator formed the view that the number of blowing traps reported seemed excessive.
- c. Please provide the evaluator's best view on what an appropriate number of blowing traps would be, given the view expressed.
- d. Please restate the gas savings derived for the subject project using the view provided in response to part c.

16. **Reference:** Exhibit B, Tab 1, Appendix N, pages numbered 88 – 92 (Project 2014-IND-0608)

The report indicates that this project received an \$80,000 incentive, on estimated and actual installed project cost of \$261,272. The report also indicates that:

[REDACTED]

- a. Please confirm that the incentive paid on this project equates to more than 30% of the total project cost.
- b. Please explain how Union determined that an incentive of this magnitude was appropriate for this project.
- c. Please explain the view expressed in the statement referenced regarding the [REDACTED] in light of the fact that an incentive equal to 30% of the total project cost was required in order for the customer to proceed with the project.

17. **Reference:** Exhibit B, Tab 1, Appendix N, page numbered 109.

The report includes the following statement regarding the subject project:

The Customer was asked to apportion the savings based on the risk assessment performed to support the funding of the project. The Customer estimates that 80% of the savings was the result of the company's desire to save energy and 20% as (sic) the result of the safety hazard presented by the failed insulation. From this information, savings reported will be reduced by 20%.

- a. Was any independent analysis or verification conducted to validate the customer's reported allocation of the rationale for the project as between safety and gas savings?

- b. If the customer wanted to address only its safety concerns, how might it have addressed the repairs differently?

18. **Reference:** Exhibit B, Tab 1, Appendix N, page numbered 121.

The report includes the following statement regarding the subject project:

It was estimated by the Customer that 20% of the repair efforts were required for safety reasons. This is in keeping with estimates of the percentage of piping in a [] [] facility that can be contacted by plant personnel.

- a. Was any independent analysis or verification conducted to validate the customer's reported allocation of the rationale for the project as between safety and gas savings for the particular facility in question?
- b. If not, why not?

19. **Reference:** Exhibit B, Tab 1, Appendix N, pages numbered 127 and 128.

On page numbered 127 the following statement appears:

Repair and replacement of 8,328 linear feet of missing, damaged and/or wet mechanical insulation on the process piping located throughout the plant.

On page numbered 128 the following statement appears in respect of heat loss calculations for the same project:

All piping is considered to be located outside.

Please reconcile these two statements.

20. **Reference:** Exhibit B, Tab 1, Appendix N, page numbered 130.

The report includes the following statement regarding the subject project:

The Customer was asked to apportion the savings based on the risk assessment performed to support the funding of the project. The Customer estimates that 80% of the savings was the result of the company's desire to save energy and 20% as (sic) the result of the safety hazard presented by the failed insulation. From this information, savings reported will be reduced by 20%.

- a. Was any independent analysis or verification conducted to validate the customer's reported allocation of the rationale for the project as between safety and gas savings?
- b. If the customer wanted to address only its safety concerns, how might it have addressed the repairs differently?

21. **Reference:** Exhibit B, Tab 1, Appendix N, pages numbered 133 and 134.

On page numbered 133 the following statements appear:

Repair and replacement of 86,002 square feet of missing, damaged and/or wet mechanical insulation on the process piping located throughout the plant.

....

To calculate savings, it was assumed the distribution of various temperatures were equal to the distribution of steam piping within the facility.

On page numbered 134 the following statement appears in respect of heat loss calculations:

All piping is considered to be located outside.

Please reconcile these statements.