

# *Aiken & Associates*

578 McNaughton Ave. West  
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624

E-mail: [randy.aiken@sympatico.ca](mailto:randy.aiken@sympatico.ca)

June 13, 2017

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
Suite 2700  
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

**RE: EB-2017-0091 - Interrogatories of London Property Management Association**

Please find attached the interrogatories of the London Property Management Association in the above noted proceeding.

Sincerely,

*Randy Aiken*

Randy Aiken  
Aiken & Associates

Encl.

cc: Karen Hockin, Union Gas Limited (e-mail)

**Union Gas Limited**

**Application for disposition and recovery of certain 2016  
deferral account balances and approval of earnings  
sharing amount with ratepayers.**

**INTERROGATORIES OF THE  
LONDON PROPERTY MANAGEMENT ASSOCIATION**

**Interrogatory #1**

Ref: Exhibit A, Tab 1, Table 2

- a) How much of the UDC costs incurred shown in line 1 of Table 2 for each of Union North and Union South is attributable to warmer than normal weather?
- b) Other than the weather and the UDC collected in rates, shown in Table 1, what are the other drivers of the UDC costs incurred in each of the north and south?

**Interrogatory #2**

Ref: Exhibit A, Tab 1, page 7

The evidence states that the main driver of actual sales service volumes exceeding the forecasted amount is customer growth since 2013. Please provide an estimate of the actual sales service volume that is in excess of the forecasted amount into the following categories: customer growth, return to system gas from direct purchase, changes to average use due to DSM and other factors, and other.

**Interrogatory #3**

Ref: Exhibit A, Tab 1, Table 6

- a) Please provide a table that shows the actual (non-normalized) average consumption for each of the rate classes shown in Table 6 for the last 10 years.
- b) Please provide a table that shows the actual normalized average consumption for each of the rate classes shown in Table 6 for the last 10 years.
- c) Please provide a table that shows for each of the last 10 years, the actual number of heating degree days and the forecasted number of heating degree days using the current Board approved methodology. If more than one set of heating degree days is used (for example, north and south), please provide the requested table for each set of heating degree days.

**Interrogatory #4**

Ref: Exhibit A, Tab 1, pages 21-22

- a) For each rate class (M1, M2, 01 & 10), please provide a table that shows the monthly difference in the average use figures that were used to generate the NAC volume variances shown in the explanations. Please also show the customer figures used in the calculation of the NAC volume variances.
- b) For each rate class (M1, M2, 01 & 10), please show the aggregate excess calculations that result in the increased/decreased storage requirements shown in the evidence.

**Interrogatory #5**

Ref: Exhibit A, Tab 1, pages 25-27

- a) Please explain why there is no savings associated with compressor fuel shown in Table 9.
- b) How did Union take into account the different percentages noted (75% and 50% shown on page 25) for the first and second half 2016?

**Interrogatory #6**

Ref: Exhibit A, Tab 1, pages 27-28

- a) To what does Union attribute the near doubling of the UFG percentage in 2016 as compared to the 2013 Board approved figure?
- b) Please provide the actual UFG percentage for the last 10 years.

**Interrogatory #7**

Ref: Exhibit A, Tab 1, page 34

- a) Please confirm that the 3.82% was the average long term debt rate for 2015. If not confirmed, please explain the statement at lines 4-6.
- b) What was Union's average long term debt rate for 2016?

**Interrogatory #8**

Ref: Exhibit A, Tab 1, Table 13

Are there any further capital expenditures associated with Parkway West incurred or expected to be incurred in 2017? If yes, quantify and explain what the expenditures are for.

**Interrogatory #9**

Ref: Exhibit A, Tab 1, Table 16

Are there any further capital expenditures associated with Brantford-Kirkwall/Parkway D incurred or expected to be incurred in 2017? If yes, quantify and explain what the expenditures are for.

**Interrogatory #10**

Ref: Exhibit A, Tab 1, pages 27-28 & page 52

a) Please reconcile the .427% UFG volume percentage noted on page 27 with the volumes shown in Table 17.

b) Please reconcile the Board approved cost of \$11.676 million, the actual cost recovery of \$10.784 million and the actual cost of \$20.969 of UFG noted on pages 27-28 with the volumes and rates shown on page 52.

**Interrogatory #11**

Ref: Exhibit A, Tab 1, pages 34 & 48

Please explain the difference between the long term debt rate of 3.82% noted on page 34 and the 3.36% noted on page 48. Are these rates both based on 2015?

**Interrogatory #12**

Ref: Exhibit A, Tab 1, Table 19

Please provide a table in the same level of detail as Table 19 for the Lobo C Compressor/Hamilton-Milton Pipeline project that shows the Board approved capital expenditures and the current projection for the final expenditures, including the most recent year-to-date actuals available for 2017.

**Interrogatory #13**

Ref: Exhibit A, Tab 1, page 59

Please explain why Union has used a long term debt rate of 4%.

**Interrogatory #14**

Ref: Exhibit A, Tab 2

Please explain any changes Union has made in financial accounting and/or regulatory accounting that impacts the 2016 figures relative to the Board Approved 2013 figures.

**Interrogatory #15**

Ref: Exhibit A, Tab 2

Is the calculation of utility earnings consistent with the methodology used to calculate the earnings in previous years? If not, please explain any differences.

**Interrogatory #16**

Ref: Exhibit A, Tab 2, Appendix B, Schedule 1

What was Union's normalized actual return on equity for 2016?

**Interrogatory #17**

Ref: Exhibit A, Tab 2, Appendix A, Schedule 13

a) Please explain the approximate \$21 million increase in DSM program costs in 2016 relative to 2015.

b) How was this increase in DSM costs factored into 2016 rates?

**Interrogatory #18**

Ref: Exhibit A, Tab 2, Appendix A, Schedule 13

Did Union incur any expenses in 2016 related to its community expansion application filed in EB-2015-0179, including the updating of evidence or any other impacts related to the EB-2016-0004 Decision related to the Generic Proceeding on Community Expansion, including but not limited to regulatory costs, customer/municipality meetings and project design costs?

If yes, please provide an estimate the costs incurred in 2016.

**Interrogatory #19**

Ref: Exhibit A, Tab 2, Appendix D, page 8

Union's SQR for the number of days to reconnect a customer was below 85% in 6 out of the 12 months in 2016, mainly in the fall and winter months. What steps has Union taken to increase this figure in those seasons?

**Interrogatory #20**

Ref: Exhibit A, Tab 3, page 2

With respect to the unabsorbed demand variance account, it appears that the allocation in the north is based on 2013-Board approved figures, while in the south, the proposal is based on forecasted figures. Please explain why the south allocation is not based on 2013 Board approved volumes for sales service customers.

**Interrogatory #21**

Ref: Exhibit A, Tab 3, pages 3-4

With respect to the upstream transportation optimization revenues, it appears that the allocation in the north is based on 2013-Board approved figures, while in the south, the proposal is based on forecasted figures. Please explain why the south allocation is not based on 2013 Board approved volumes for sales service customers.