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June 19, 2017

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

DELIVERED BY EMAIL

Dear Ms. Walli,

RE: EB-2017-0091-Union Gas Limited, 2016 Disposition of Deferral Account Balances and 2016 Utility Earnings

Please find enclosed the interrogatories of the Ontario Greenhouse Vegetable Growers in the above noted proceeding.

Yours very truly,



Michael R. Buonaguro

CC: All Participants

UNION GAS LIMITED
2016 Disposition of Deferral Account Balances and 2016 Utility Earnings
INTERROGATORIES OF THE ONTARIO GREENHOUSE VEGETABLE
GROWERS
FOR
UNION GAS LIMITED

June 19, 2017

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Interrogatory #1

Reference: Exhibit A, Tab 1 page 7.

Preamble: Account No. 179-131 Upstream Transportation Optimization

In setting rates for 2016, the Board-approved a forecast of optimization revenue of \$14.918 million. Of that amount, 90%, or \$13.426 million, was credited to ratepayers in the Board-approved 2016 rates. On an actual basis, consistent with the method approved in its EB-2011-0210 Decision and Rate Order, Union credited \$14.668 million in rates to ratepayers during 2016, \$1.242 million greater than the Board-approved amount of \$13.426 million. The credit is due to Union's actual sales service volumes exceeding the forecast sales service volumes in rates. The main driver of actual sales service volumes exceeding the forecasted amount is customer growth since 2013.

- a) Please explain why it is that the apparent excess credit in rates of \$1.242 million as a result of actual sales service volumes exceeding the forecasted amount is not offset by a corresponding over-collection in rates on debit items? In other words, why is it appropriate for Union to benefit from volume risk on debit items built into rates, but be protected from volume risk on this credit item?

Interrogatory #2

Reference: Exhibit A, Tab 1, page 69.

Preamble: Account No. 179-152 Greenhouse Gas Emissions Impact Deferral Account

As outlined in Union's December 17, 2015 letter to the Board, examples of the types of costs for inclusion in the GGEIDA include, but are not limited to: emissions reporting compliance costs, external consultant costs, and implementation costs, including additional salaries and employee expenses.

- a) Please confirm that Account No. 179-152 only captures Union's direct costs associated with complying with its Greenhouse Gas Emissions related obligations, and does not capture the impacts of Greenhouse Gas Emission related obligations on Union's or its customers' use of natural gas, i.e. this account does not track declining use of natural gas as a result of programs implemented by Union or any other party. If not confirmed please explain which impacts are proposed to be captured in the account and how they would be captured.
- b) Assuming it is confirmed in part a) that the impacts of Greenhouse Gas Emission related obligations on Union's or its customers' use of natural gas are not captured in Account No. 179-152, please identify the accounts, if any, where such impacts are captured.