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June 19, 2017

VIA E-MAIL

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

Dear Ms. Walli:

Re: EB-2017-0091 – Union Gas Limited
2016 Disposition of Deferral Account Balances and 2016 Utility Earnings
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)

Please find enclosed the Notice of Intervention of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

Mark Garner

Consultant for VECC

Ms. Karen Hockin, Manager Regulatory Initiatives
khockin@uniongas.com

REQUESTOR NAME	**VECC**
TO:	**Union Gas Limited ("Union")**
DATE:	**June 19, 2017**
CASE NO:	**EB-2017-0091**
APPLICATION NAME	**2016 DVA and Earning Sharing**

1.0 EXHIBIT A

1.0-VECC-1
Reference: Exhibit A/Tab 1/pg.6

a) Please amend Table 2 to show the 2015 UDC Costs Incurred.
b) Please compare and explain the variation for lines 1 through 3 for 2015 as compared to 2016 costs.

1.0-VECC-2
Reference: Exhibit A/Tab 1/ pg.7 & Table 1/Appendix A Schedule 2

a) With respect to the Transportation Optimization Deferral Account (1779-131) please explain the cause of the significant decrease in Base Exchange revenue from 2013 to 2016.

1.0-VECC-3
Reference: Exhibit A/Tab1/pg.10

a) At the above reference it states: "*The storage requirement for the contract market was calculated using* ***either*** *the Board-approved aggregate excess methodology or the 15 times obligated Daily Contracted Quantity ("DCQ") storage methodology*" (emphasis added). Please explain why one methodology is not consistently used.
b) What is the difference in storage requirements as between the two methodologies? Is there a material difference?

1.0 – VECC - 4
Reference: Exhibit A /Tab 1/ pg. 15

a) Please explain the need for the continuation of Account No. 179-120 IFRS Conversion costs.

b) When does Union expect to convert to IFRS accounting standards?

1.0-VECC-5
Reference: Exhibit A/Tab 1/pg.22

a) Please explain how Union determined that *“the majority of the NAC volume variance increase incurred in the summer months*”.

1.0-VECC-6
Reference: Exhibit A/Tab 1/pg. 33

a) Please provide a breakdown of the $4.934 million budget overrun for the LCU compressor unit.
b) Please explain what “commissioning” costs are.

1.0-VECC-7
Reference: Exhibit A/Tab1/pg.46

a) Please explain why Union is not requesting the closure of Account No. 179-139 Energy East Pipeline Consultation Costs?

1.0-VECC-8
Reference: Exhibit A/Tab 1/pg. 54

a) How many customers were charged penalties for Unauthorized overrun in 2016?

1.0-VECC-9
Reference: Exhibit A/Tab1/pg.53 -60

a) With respect to Account 179-142 (Lobo C/Hamilton-Milton Pipeline) Union states that “*The 2016 actual required return calculation was derived using a capital structure of 64% long-term debt at 3.36%, and 36% equity at the Board-approved rate of return of 8.93%*.“ Whereas for Account No 179-144 (Dawn H et al) Union states that: “*The 2016 actual required return calculation was derived using a capital structure of 64% long term debt at 4.0% and 36% common equity*” Similarly for Account 179-149 (Burlington-Oakville) a 4.4% long-term debt rate is used to calculated the required return. Please explain why different long-term debt rates are used for calculating the required returns on these various accounts.

1.0-VECC-10

Reference: Exhibit A/Tab 1/pg.74

a) Has the Board reviewed the costs of Union's implementation of Cap & Trade/GHG (i.e. Account 179-151) in any other proceeding? If yes please provide the amounts that have been previously approved.
b) What are the costs related only to the Technology and Innovation group (pg. 74).
c) Please explain why Union is expending resources on "t*he pursuit of new technologies and innovations that could result in GHG emissions reductions in the province*". Specifically why is this activity the responsibility of the gas utility and how does the activity benefit ratepayers?

2.0-VECC-11

Reference: Exhibit A/Tab 2/Table 1/pg.3 & Appendix A, Schedule 2 / Schedule 13

a) OM&A expenses as between 2015 and 2016 have increased by almost 4% ($382.9 to $397.8). This is significantly higher than inflation (CPI) during the same period. What are the main drivers of the increase in OM&A expenses?

3.0-VECC-12

Reference: Exhibit A/Tab 3/pg.8

a) Given the large increase in unaccounted for gas please explain why using the 2013 allocation of costs to allocate the balance of account 179-141 is proper. Specifically, how does Union understand which classes have caused the unusual /large increase in UFG?

End of document (3/3)