

March 8, 2018

EMAIL AND RESS

Ms. Kirsten Walli
OEB Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

Re: EB-2017-0323 – Union Gas Limited (“Union”) – 2015 Disposition of Demand Side Management (“DSM”) Deferral and Variance Accounts – School Energy Coalition (“SEC”) Interrogatories Cover Letter.

I write on behalf of Union in response to the letter submitted by Mr. Jay Shepherd (on behalf of SEC) on March 7, 2017 with respect to Union’s above noted proceeding. Mr. Shepherd implies that Union’s application is *“largely, but not entirely (perhaps 90%), the same”* as an application submitted by Enbridge Gas Distribution (“EGD”) for disposition of its own 2015 DSM deferral accounts (EB-2017-0324). Mr. Shepherd goes on to suggest that because Union and EGD currently have a common parent *“it may benefit the Applicants, the intervenors, and the Board if these two applications were heard by the Board together”*.

Union fundamentally disagrees with both of Mr. Shepherd’s statements. Regarding the similarity of Union and EGD’s applications, similarities between the two DSM applications is a function of the utilities operating under the same DSM Framework, this is not a unique feature of these particular applications and is not related to the utilities ownership structures. Regarding the suggestion that the Board consider directing the utilities’ applications to be heard jointly, the DSM program results and the associated relief sought within Union’s application relates to the 2015 DSM program year specifically, which pre-dates the common ownership noted by Mr. Shepherd by over a year. Further, despite the subsequent merger of Union and EGD’s parent companies in February of 2017, the two utilities continue to operate as separate legal entities to this day. In addition, Union and EGD currently have an application before the Board to Amalgamate, and as such it is inappropriate to pre-suppose OEB approval of that application by treating the utilities as a single entity in this instance.

The inefficiency of 2015 Evaluation Measurement & Verification (“EM&V”) process that has caused Union’s 2015 DSM Deferrals proceeding to extend into 2018 is excessive. As a result of this lack of EM&V process efficiency, Union’s customers will bear the burden of disposition of 2015 deferral balances no sooner than 2018. Union is concerned that Mr. Shepherd’s suggestion to proceed jointly

could further complicate and delay these proceedings. Therefore, Union asks that the Board hear its unique application separately from EGD's, as filed, and consider the suggestions for continuous improvement put forward by Union within its application to improve EM&V process efficiency in the future.

Yours truly,

Original signed by

Myriam Seers

c.c.: Crawford Smith, Torys
Adam Stiers, Union Gas Limited