

National Office  
205 Placer Court  
Toronto, ON M2H 3H9



Bureau national  
205 Placer Court  
Toronto (Ontario) M2H 3H9

---

**Jerry Dias**  
*National President*  
*Président national*

**Renaud Gagné**  
*Quebec Director*  
*Directeur Québécois*

**Robert J. Orr**  
*National Secretary-Treasurer*  
*Secrétaire-trésorier national*

---

March 9, 2018

Reply to: Anthony Dale  
Email: [anthony.dale@unifor.org](mailto:anthony.dale@unifor.org)  
Phone: 416-495-3750 or 416-718-8475

Ms. Kirsten Walli  
Board Secretary  
**Ontario Energy Board**  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli,

**Re: Enbridge Gas Distribution and Union Gas  
Amalgamation and Rate-Setting Mechanism Applications  
Ontario Energy Board File Numbers: EB-2017-0306 and EB-2017-0307**

**Interrogatories of Unifor**

---

Attached in the required format are the written interrogatories of Unifor, filed with the Board and by copy of this letter also delivered to the applicants and all intervenors.

Two paper copies will follow.

Yours very truly,

**Anthony F. Dale**  
**Director, Unifor Legal Department**

AFD\lc\cope343

cc. Applicants and Intervenors

G:\Legal\Files\Enbridge\13867 - Union Gas Amalgamation\OEB ltr - Mar 9 2018.docx

## COMBINED PROCEEDING - EB-2017-0306 and EB-2017-0307

### INTERROGATORIES of UNIFOR to Enbridge Gas Distribution (EGD) and Union Gas (Union)

#### Context of Unifor's Interrogatories

Unifor represents approximately 2,000 employees of the applicants. Unifor is well positioned to question whether the proposed amalgamation will achieve the Board's statutory objectives.

With reference to the Amalgamation Application (Exhibit B, Tab 1, pp. 25 of 44), notably the Estimated Cost Efficiency Opportunities section, a variety of things are unclear to us. First, what is behind the projected cost savings, which ranges from \$350 million to \$750 million? Second, how is the range and lower bound of the projected cost savings explained? Third, what are the employment implications of the potential 'cost efficiencies'? Fourth, if there will be reduced staffing, what method will be used to achieve it, namely attrition, layoffs or some combination of these? Fifth and finally, how will the newly-merged entity ensure the reliability and quality of service, given the projected (but particularized) reductions in staffing and the non-overlapping nature of the service areas?

Naturally, Unifor is concerned that three of the six areas expected to generate 'efficiencies and synergies' (Exhibit B, Tab 1, p, 25 of 44) are staffed by of Unifor members. We doubt whether in the face of either layoffs or attrition, 'Amalco' will be able to maintain the adequacy, quality and reliability of service that Enbridge Gas Distribution and Union Gas as separate entities currently demonstrate. For all intents and purposes, Amalco will be a 'virtual utility' without all the accompanying assets, including the expertise to operate the province's natural gas transmission and distribution systems on a stand-alone basis.

Our interrogatories to the applicants are in the following list, broken down by the nature of the claimed efficiency and the affected job classification.

#### Unifor's Interrogatories

All of Unifor's interrogatories relate to Issue #1 which relates to the "No Harm" Test.

#### **Question #1: with reference to Section 4.6: Estimated Cost Efficiency Opportunities (Exhibit B, Tab 1, p. 25 of 44)**

- a. What workforce restructuring and alignment are the applicants contemplating in the area of Customer Care?

- b. What workforce restructuring and alignment are the applicants contemplating in the area of Distribution Work Management?
- c. What workforce restructuring and alignment are the applicants contemplating in the area of Utility Shared Services?
- d. What workforce restructuring and alignment are the applicants contemplating in the area of Storage and Transmission, Gas Supply and Gas Control?
- e. What workforce restructuring and alignment are the applicants contemplating in the area of Management Functions?
- f. What workforce restructuring and alignment are the applicants contemplating in the area of Other Functions?
- g. What system and process integration are the applicants contemplating in the area of Customer Care?
- h. What system and process integration are the applicants contemplating in the area of Distribution Work Management?
- i. What system and process integration are the applicants contemplating in the area of Utility Shared Services?
- j. What system and process integration are the applicants contemplating in the area of Storage and Transmission, Gas Supply and Gas Control?
- k. What system and process integration are the applicants contemplating in the area of Management Functions?
- l. What system and process integration are the applicants contemplating in the area of Other Functions?

**Question #2: with reference to Table 4 (Exhibit B, Tab 1, p. 26 of 44)**

- a. How did the applicants arrive at potential O&M savings of between \$350 million and \$750 million?
- b. How did the applicants arrive at potential capital investment costs of between \$50 million to \$250 million?

**Question #3: with reference to Distribution Work Management (Exhibit B, Tab 1, p. 31 and 32 of 44)**

- a. How did the applicants arrive at a related savings estimated at \$11 million per year?
- b. How do the applicants' estimated savings increase to \$16 million per year in 2024-2028? The explanation given, namely 'optimizing third party contracts and consolidating the workload planning and dispatching functions' is unclear in its meaning and potential implications.