

March 26, 2018

BY EMAIL, COURIER & RESS

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

**RE: EB-2017-0255 – Union Gas Limited 2018 Cap-and-Trade Compliance Plan –  
Interrogatories on the Evidence of Mr. Chris Neme**

Dear Ms. Walli,

Pursuant to Procedural Order No. 3, please find enclosed Union Gas Limited's ("Union") interrogatories on the evidence of Mr. Chris Neme filed on behalf of the Green Energy Coalition ("GEC") and Environmental Defence ("ED"). This has been filed through the Ontario Energy Board's ("OEB") RESS, to the OEB by courier, and distributed to all parties to this proceeding by email.

Yours truly,

*[On behalf of]*

Adam Stiers  
Manager, Regulatory Initiatives

c.c.: EB-2017-0255 Parties (*by email*)  
Myriam Seers, Torys (*by email*)  
Crawford Smith, Torys (*by email*)  
Valerie Bennett, OEB (*by email*)  
Ljuba Djurdjevic, OEB (*by email*)  
Lawren Murray, OEB (*by email*)

**ONTARIO ENERGY BOARD**  
**IN THE MATTER OF** the Ontario Energy Board  
Act, 1998, S.O. 1998, c.15 (Sched. B);

**AND IN THE MATTER OF** an Application by  
Union Gas Limited, pursuant to section 36(1) of the  
*Ontario Energy Board Act, 1998*, for an order or  
orders approving rates resulting from the 2018 Cap-and-  
Trade Compliance Plan.

**UNION GAS LIMITED**

**INTERROGATORIES ON THE EVIDENCE AND DIRECT TESTIMONY OF CHRIS NEME FILED ON  
BEHALF OF THE GREEN ENERGY COALITION AND ENVIRONMENTAL DEFENCE**

1. **Reference:** EB-2017-0255, Exhibit L, p. 8  
**Preamble:** Mr. Neme states that *“The companies’ failure to pursue these additional cost-effective energy savings in 2018 likely means that each Company’s customers will bear an additional \$9 million in energy costs (about half of which is associated with otherwise unnecessary purchases of carbon emission allowances). This is likely a conservatively low estimate.”*  
  
Union seeks to understand the analysis performed by Mr. Neme to develop this estimate.  
**Question:** Please provide references and/or calculations along with all assumptions used to quantify the estimated \$9 million in energy costs.
  
2. **Reference:** EB-2017-0255, Exhibit L, p. 21  
**Preamble:** Mr. Neme references the term Utility Cost Test (“UCT”).  
**Question:** Has the OEB, through Cap-and-Trade proceedings, specifically directed the Utilities to apply the UCT to their 2018 Compliance Plans? If yes, please provide the supporting Cap-and-Trade proceeding references.
  
3. **Reference:** EB-2017-0255, Exhibit L, p. 32, Table 1  
**Preamble:** In Table 1, Mr. Neme provides his calculations of the UCT Cost-Effectiveness of Incremental CPS Efficiency.  
**Question:** Please provide all supporting references and calculations along with all assumptions used to arrive at each figured presented in Table 1.