

October 5, 2018

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

Dear Ms. Walli:

**Re: OM Limited Partnership
2018-2023 Rates Application
Ontario Energy Board File No. EB-2018-0234**

Pursuant to Procedural Order No. 1 in the above noted proceeding, Union Gas hereby submits its information requests to OM Limited Partnership.

Should you have any questions on these submissions, please do not hesitate to contact me.

Yours truly,

[Original signed by]

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Encl.

c.c. (email only): Scott Lewis, On-Energy Corp.
 Bill Blake, On-Energy Corp.
 Randy Aiken, Aiken & Associates
 Peter Budd

UNION GAS LIMITED
INTERROGATORIES TO OMLP

1. *Reference:* OMLP Application – Exhibit 1, Tab 2, Schedule 1, Page 1
OMLP states that it is a new gas distributor, that it has no historical data to file and that it will commence to distribute gas to its one customer upon receipt of a rate order from the OEB.

Reference: EB-2017-0289 Decision and Order dated June 14, 2018, page 5
The Ontario Energy Board states that OMLP is not exempt from the need to have an approved tariff to serve the new greenhouse facility and that a rate order will be required prior to commencing service to the new Greenhouse Facility.

Reference: EB-2018-0234 - Decision and Interim Rate Order, September 19, 2018
The OEB approved the interim rate as proposed effective September 19, 2018.

Reference: OMLP Application - Exhibit 1, Tab 5, Schedule 1, Page 2
OMLP states in its application dated August 13, 2018 that all of the assets needed to serve Maricann have been constructed and placed into service upon provision of service to the customer.

Questions:

- (a) Please confirm when all of the assets in the OMLP system to serve Maricann were placed into service.
 - (b) Please confirm that OMLP did not supply any gas to the Maricann operations in Norfolk County prior to September 19, 2018.
 - (c) If OMLP did supply gas to Maricann prior to September 19, 2018, please provide details on when the service was commenced, amounts provided and rates charged.
 - (d) Please provide details of all franchise agreements that OMLP has in place with lower-tier and upper-tier municipalities in which it has assets for distribution of gas. If no franchise agreements exist, please explain why.
2. *Reference:* OMLP Application - Exhibit 1, Tab 5, Schedule 1, Page 2 and Exhibit 4, Tab 2, Schedule 5
OMLP states that it is requesting an exemption from the *Affiliate Relationship Code for Gas Utilities*.

Reference: Affiliate Relationship Code for Gas Utilities (ARC)
Article 2.3.9 - Where a reasonably competitive market exists for a service, product, resource or use of asset, a utility shall charge no less than the market price of the service, product, resource or use of asset when selling that service, product, resource or use of asset to an affiliate.

Questions:

- (a) Please provide details of how and why OMLP should be exempt from the Affiliate Relationship Code.

- (b) Given that ON-Energy will be providing services to a separate and related company and that this is not simply a cost allocation exercise, please explain how article 2.3.9 of the ARC is not relevant to OMLP.
- (c) Given that OMLP and ON-Energy may each have access to non-public information, please explain how article 2.2 of the ARC (Sharing of Services and Resources) is not relevant.

3. *Reference:* OMLP Application - Exhibit 1, Tab 5, Schedule 1, Page 3 and Exhibit 5, Tab 2, Schedule 2
OMLP states that it is requesting a return on equity of 9%

Reference: OMLP Application - Exhibit 1, Tab 5, Schedule 1, Pages 3 and 4
OMLP has proposed a fixed monthly charge to be applied to Maricann and that it is not requesting the establishment of any new deferral or variance accounts in this proceeding.

Reference: OMLP Application - Exhibit 1, Tab 5, Schedule 1, Page 4
OMLP has proposed a trigger mechanism with an annual regulatory return on equity dead band of +/- 300 basis points. If OMLP's regulatory financial performance is outside of this earnings dead band, a regulatory review may be initiated.

Reference: OMLP Application - Exhibit 10, Tab 1, Schedule 1
OMLP states that it has filed a test year cost of service application based on 12-month period from the commencement of service to the customer, to be followed by 4 years of a price cap incentive plan where the inflation factor less the productivity and stretch factors is set to 0% for each of the 4 years.

Question:
Please confirm OMLP's intention to annually file for approval of rates.

4. *Reference:* OMLP Application - Exhibit 2, Tab 7, Schedule 1
OMLP states that compressed natural gas offloading facilities are being installed to back up and bolster pipeline gas at the facility.

Question:
Please confirm whether the CNG offloading facilities are an asset included in OMLP's regulated rate base.

5. *Reference:* OMLP Application - Exhibit 3, Tab 1, Schedule 2
OMLP states that Maricann's annual volumes will be 8,800,000 m³ and that its firm contract demand will be 30,000 m³.

Question:
Please confirm that Maricann's required volumes are not expected to vary from these amounts during the first 5 years of operation.