

File 9



Direct Dial: 416-718-5820  
Fax: 416-758-4272  
E-mail: Andrea.Gibbs@directenergy.com

May 4, 2007

**VIA EMAIL & COURIER**

Ms. Kirsten Walli  
Board Secretary  
ONTARIO ENERGY BOARD  
2300 Yonge Street, 26<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EB-2007-0599 – Union Gas Limited IVA Application**

Please find enclosed 10 hard copies of the Interrogatories of Direct Energy with respect to the above mentioned matter.

An electronic copy has also been sent.

If you have any questions please contact me,

Yours sincerely,  
**DIRECT ENERGY**  
Per:

Andrea Gibbs  
Manager, Government & Regulatory Affairs – Gas Markets, Eastern Canada

BOARD SECRETARY	
File No:	SubFile:
Panel:	Cc/es
Licensing:	mm/RM
Other:	
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**EB-2007-0599**  
**Interrogatories to Union Gas Limited**  
**Direct Energy Marketing Limited**

1. Please confirm that the Invoice Vendor Adjustment (“IVA”) was proposed by Union as a GDAR service, that the interim provision of this service was approved by the Board in its November 15, 2005 decision and that such a service would not be required by vendors using bill-ready distributor consolidated billing. If Union disagrees with any of these statements, please explain why (ref. UGL evidence, pages 1 and 2).
2. Please confirm that similar Board approved charges in for electricity billing are in the range of 25 to 30 cents, that the Board approved charge for Open Bill Access on Enbridge Gas Distributions bill is 80 cents and that Union did not discuss its proposed \$1.85 charge or why it was 2 to 7 times larger with any of the working group participants. If Union disagrees with any part of these statements, please explain why (ref. UGL evidence, page 3).
3. Please confirm that Union’s signed service agreements do not include specific IVA fees or IVA conditions of service that require OEB approval. If this is not the case, please explain how the contracts will be adjusted if the Board does not approve Union’s IVA proposal (ref. UGL evidence, page 3).
4. Is Union requesting that the Board approve the initial fee and allow Union to unilaterally adjust the charge in the future without OEB approval? If this is not the case, please explain the wording contained in the excerpt from Union’s proposed change to the Board’s standard form of service agreement shown on page 3 of its evidence.
5. Please confirm that the Direct Purchase Administration charge is 19 cents and that the Gas Supply Administration Charge is \$1.35 per bill or provide the correct amounts. What portion of the \$1.35 commodity charge is required to cover customer care calls? What portion of the \$1.85 IVA charge is required to cover customer care calls? Please provide a cost breakdown for all of the cost drivers in the proposed IVA charge (ref. UGL evidence, page 4).
6. With respect to Union’s estimate that 29% of the IVA transactions, please provide a percentage breakdown of Union’s annual calls for each of the categories listed on pages 4 and 5 of Union’s evidence. What is Union’s estimated call percentage and experience with call volumes related to bill credits, would the frequency of calls not be lower? What call percentage would Union estimate from customers who are expecting an adjustment will be made to their bill and why would it not be lower? (ref. UGL evidence, page 5).
7. Did Union give any consideration to the possibility that call volumes related to direct purchase commodity billing may actually go down as a result of the introduction of more expedient consumption data and IVA corrections; or that direct purchase customers who are accustomed to calling their gas supplier will call vendors directly when they have a

question related to their gas supply; or that the bill wording and IVA line text will direct the customer to call the vendor directly. If not please explain why. (ref. UGL evidence, page 5).

8. How does Union currently handle calls from customers on direct purchase and how will this differ from what is proposed under the IVA service? Are the costs associated with commodity calls covered in the Gas Supply Administration Charge? If a customer calls regarding a commodity billing error and is directed to the vendor for resolution is the cost of that call included in Gas Supply Administration Charge? If the matter is not resolved and there is no IVA adjustment but the same customer calls Union back on the same matter, is the cost of that call covered by the Gas Supply Administration Charge? If the matter is resolved and there is no need for a bill adjustment, but the customer phones Union back again on the same matter, is the cost of that call covered by the Gas Supply Administration Charge? If the answer to any of the last four questions is no, please explain why that would be the case (ref. UGL evidence, page 5).
9. Does Union pay the same \$6.20 charge for all of its calls regardless of their duration? Please provide an estimate of what the charge would be for a redirected call (calls directed immediately to the vendor) based on duration using historic service level data. If Union is unable to provide an estimate, please explain how it determined that the \$6.20 service fee is an appropriate charge for all of its calls (ref. UGL evidence, page 5).
10. Please explain how existing ratepayers and the rates they pay would be impacted in 2007 if the IVA charge was set a 25 cents rather than \$1.85 for the remainder of the year. (ref. UGL evidence, page 6).
11. At page 2 of Appendix B, Union states that "the design, development and final integration of the IVA functionality into the GDAR project will require a significant investment in terms of both resources and costs." Please provide a breakdown of the costs that Union has incurred to date to provide this service.
12. At page 2 of Appendix B, Union notes that amendments to the standard service agreement are allowed "by mutual agreement" of the parties. If a vendor does not agree with a change proposed by Union, please explain why the standard form of agreement approved by the Board would not be used or, in the alternative, how it would be changed.