

K1.2

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EB-2017-0087
Exhibit B.Staff.12
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UNION GAS LIMITED

Answer to Supplementary Interrogatory from
Board Staff

Reference: Rate Order, Working Papers, Schedule 8, p. 2

Bill Impacts

Although Union Gas South residential customers will see a slight decrease in the annual bill as a result of the settlement, Union North customers will see a slight bill increase. Considering that the settlement has resulted in a slightly lower revenue requirement as compared to the original filing, Union Gas has not provided any explanation for the bill increase relating to northern customers as a result of the settlement proposal. The explanation for the increase should be provided at the presentation of the settlement proposal.

Response:

- a) As part of the Settlement Rate Order, the bill impact for a typical Union North Rate 01 residential customer with annual consumption of 2,200 m³ increased by \$0.09 for customers located in Union North West and \$0.12 for customers located in Union North East. The slight increase to the Union North bill impacts is caused by the decrease to the capital cost of \$242.8 million for Union's Panhandle Reinforcement Project Leave to Construct application (EB-2016-0186). As the cost of the Panhandle Reinforcement Project included in 2018 Rates decreased, the benefit of the shift in indirect costs to Union North customers also decreased. In Union's pre-filed evidence, Rate 01 received a credit of \$0.941 million, which decreased to a credit of \$0.894 million in the Settlement Proposal, for a total increase of \$0.047 million.

Ontario Energy Board	
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