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EB-2005-0551
ONTARIO ENERGY BOARD SECRETARY
File No: Sub File: 24
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00/04 Undertaking responses

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ONTARIO ENERGY BOARD

June 1, 2006

VIA SAME DAY COURIER

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario, M4P 1E4

Attention: John Zych, Board Secretary

Dear Mr. Zych:

Re: City of Kitchener - NGEIR Undertakings
Board File No.: EB-2005-0551.

Enclosed please find 10 hard copies of the responses to Undertakings by the City of Kitchener, pursuant to the Board's Procedural Order No. 7.

Yours truly,

RYDER WRIGHT BLAIR & HOLMES LLP

Alick Ryder per RG

J. Alick Ryder, Q.C.
JAR/rg
Encls.

cc: All EB-2005-0551 Participants

Undertaking No. 1 – To provide a definition of the rate classes

Response:

Kitchener provides gas delivery service to its end use customers under Rates M2, M4 and M5. The eligibility criteria and rate structure for each of these rates are identical to the criteria and rate structure of Union's Rates M2, M4 and M5 in the Southern Area.

Witness: D. Quinn & J. Gruenbauer
Answer: June 2, 2006
Docket: EB-2005-0551

Undertaking No. 2 – To provide determination of how much of the load was interruptible on peak days.

This Undertaking is a multi-part question. Kitchener has responded below in four parts. Part (a) provides historical monthly gas demand by rate class. Parts (b) and (c) provide information with respect to historical peak day demand and the level of curtailment of interruptible customers. Part (d) provides a description of weather normalization techniques used to develop forecasts of gas demand by Kitchener.

Part (a)

Kitchener's actual monthly deliveries by rate class for the past five (5) calendar years is provided in the tables below (volumes are in 10^3 m^3).

	M2	M4	M5	Total
Jan-01	38,342	3,639	2,667	44,649
Feb-01	34,138	3,209	2,417	39,764
Mar-01	32,306	3,424	2,558	38,288
Apr-01	17,461	2,486	1,775	21,721
May-01	8,144	1,982	1,644	11,769
Jun-01	6,356	1,891	1,521	9,767
Jul-01	5,564	1,467	1,379	8,410
Aug-01	5,334	1,840	1,398	8,572
Sep-01	7,185	1,875	1,454	10,515
Oct-01	15,219	2,425	1,587	19,231
Nov-01	19,825	2,771	1,871	24,467
Dec-01	29,485	2,623	2,140	34,247
	219,360	29,630	22,410	271,401

Witness: D. Quinn & J. Gruenbauer
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	M2	M4	M5	Total
Jan-02	34,558	3,278	2,431	40,267
Feb-02	32,236	3,077	2,274	37,587
Mar-02	32,111	3,596	2,231	37,938
Apr-02	19,741	2,921	1,814	24,476
May-02	14,237	2,826	1,719	18,782
Jun-02	6,266	1,992	1,471	9,728
Jul-02	5,187	1,616	1,367	8,170
Aug-02	5,377	2,023	1,374	8,775
Sep-02	5,710	2,026	1,371	9,108
Oct-02	17,053	2,762	1,825	21,640
Nov-02	27,125	3,226	2,035	32,385
Dec-02	36,829	3,114	2,088	42,031
	236,430	32,457	22,001	290,887
Jan-03	45,582	4,046	1,378	51,006
Feb-03	35,164	2,817	7,244	45,226
Mar-03	26,333	3,768	7,555	37,657
Apr-03	16,809	3,308	6,643	26,760
May-03	7,345	2,651	5,165	15,160
Jun-03	3,683	2,199	4,229	10,111
Jul-03	2,963	1,850	3,676	8,489
Aug-03	2,326	2,145	3,864	8,335
Sep-03	3,751	2,211	4,289	10,251
Oct-03	12,223	3,011	6,027	21,261
Nov-03	23,473	3,223	2,067	28,763
Dec-03	32,976	3,247	2,174	38,397
	212,628	34,476	54,311	301,415

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	M2	M4	M5	Total
Jan-04	47,026	3,976	1,817	52,818
Feb-04	35,641	3,943	2,176	41,761
Mar-04	30,731	3,478	2,164	36,373
Apr-04	19,145	2,884	1,899	23,927
May-04	10,054	2,489	1,731	14,275
Jun-04	5,920	2,358	841	9,119
Jul-04	5,217	1,928	641	7,786
Aug-04	5,620	2,257	665	8,542
Sep-04	5,743	2,430	1,316	9,490
Oct-04	13,641	2,772	1,602	18,016
Nov-04	23,312	3,298	1,870	28,479
Dec-04	37,683	3,510	2,017	43,210
	239,733	35,323	18,739	293,795
Jan-05	44,958	3,747	2,227	50,931
Feb-05	35,145	3,206	2,009	40,360
Mar-05	34,491	3,336	2,118	39,944
Apr-05	18,460	2,539	1,776	22,775
May-05	12,095	2,092	1,683	15,869
Jun-05	5,477	1,935	1,382	8,793
Jul-05	4,885	1,519	981	7,385
Aug-05	5,346	2,056	1,384	8,785
Sep-05	5,640	2,070	976	8,686
Oct-05	13,727	2,562	1,515	17,804
Nov-05	24,579	3,170	1,760	29,510
Dec-05	39,348	3,554	1,988	44,890
	244,149	31,785	19,799	295,733

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Part (b)

Historical Peak Days – Five Highest Days

Five Peak Days in last 5 years

	Volume (GJ)	Volume (m3)	Date	Curtailed	Volume m3
1	82,908	2,196,820	Saturday, January 22, 2005	No	
2	80,199	2,125,040	Thursday, January 15, 2004	Yes	93,105
3	80,033	2,120,641	Friday, January 21, 2005	No	
4	79,701	2,111,844	Monday, January 17, 2005	No	
5	78,852	2,089,355	Thursday, January 27, 2005	No	

Part (c)

Historical Peak Days – Peak Day in Each of Last Five Years

Peak Days in Each Of Last 5 Years

	Volume (GJ)	Volume (m3)	Date	Curtailed	Volume m3
1	82,908	2,196,820	Saturday, January 22, 2005	No	
2	80,199	2,125,040	Thursday, January 15, 2004	Yes	93,105
3	76,505	2,027,147	Thursday, January 23, 2003	Yes	93,105
4	59,454	1,575,358	Friday, January 18, 2002	No	
5	64,597	1,711,626	Tuesday, January 02, 2001	No	

Part (d)

Weather Normalization

Kitchener uses an aggregate weather normalization technique to develop demand forecasts and has been doing so since 2003. Prior to 2003, Kitchener developed its demand forecast based on a hybrid of a number of months of past experience. However, Kitchener does not normalize its actual delivery volumes to adjust them for weather variations.

With respect to the role of weather normalization to develop a reasonable forecast of gas demand, in RP-2003-0063, Union Gas submitted an annual demand forecast of 286,000 10^3m^3 for Kitchener (2004 test year forecast). Union developed this forecast by taking the average of Kitchener's actual aggregate demand over the previous 3 years and adding 1% for growth. As noted in the record of that proceeding, Kitchener took issue both with Union's methodology and Kitchener's lack of input into the forecast. Kitchener provided Union with its weather-normalized forecast in a letter dated July 14, 2003. Kitchener produced this demand forecast by a simple regression analysis of the last 10 years of monthly volumes projected using the last 28 years of degree day history (30 years was not available in our records at that time). The forecast provided by Kitchener is embedded in the chart below.

In Kitchener's view, its methodology provided a better forecast than the use of a 3 year average actual demand plus 1% which neglected weather and the robust customer growth in Kitchener's service territory. Pursuant to the Board's direction in RP-2003-0063, Kitchener met with Union and reached agreement on the forecast approach. Based on this agreement on methodology, Kitchener accepted Union's weather normalization modeling for use in forecasting its gas demand (but Kitchener currently does not use that model, or any other model, to normalize actual volumes for weather).

The result was an agreed upon forecast that Kitchener has also included in the table below for the years 2005-2007 (volumes are in 10^3 m^3).

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2004[1]	51784	44590	37988	23478	14887	10270	7900	8502	12565	20847	29854	43769	306433
2005	49711	44313	38494	26375	15192	10354	8728	8476	10910	21466	31361	42569	307947
2006	51200	45433	39342	26847	15516	10503	8850	8547	11050	21853	31954	43529	314625
2007	52734	46582	40209	27328	15848	10654	8974	8619	11192	22248	32557	44510	321455

[1] The 2004 forecast is derived from Kitchener's methodology. The remaining years forecast was provided using the revised Union Gas / Kitchener methodology.