

VIA E-MAIL

August 15, 2016

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

RE: EB-2016-0186 Union Gas Panhandle Replacement Project

I am writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) in response to the Board's Procedural Order No. 1 dated August 11, 2016. We appreciate the Board's acceptance of our request for intervention and eligibility for cost award. As requested by the Board, we provide the following comments on the Draft Issues List in Schedule B.

Union's Proposed Replaced Includes Significant Variations from Board-Approved Methodologies

The Draft Issues list includes many of the typical issues addressed in a significant pipeline project which will aid the proceeding. However, in our view, the proposed approach to recovery includes two significant departures from Board-approved methodologies which we believe warrant specific attention. The application requests accelerated recovery of the costs of the assets reducing the depreciation period from 50 yrs. down to 20 yrs. Further, the application requests approval of a significant revision to cost allocation by selectively updating some parameters resulting changes to the demand allocators affecting rates. In our submission, these significant changes warrant careful determination. As a result we propose two additional items that may be included as specifically delineated sub-issues to Issue 3.

- **Is the proposed Useful Life for the project appropriate?**
- **Is the proposed Cost Allocation methodology appropriate?**

Thank you for your consideration of the inclusion of these specific issues.

Respectfully Submitted on Behalf of FRPO,



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