

January 16, 2017

VIA RESS AND COURIER

Ontario Energy Board
PO Box 2319
2300 Young Street, 27th Floor
Toronto, ON M4P 1E4

**Attention: Kirsten Walli
Board Secretary**

James H. Smellie
Direct +1 403 298 1816
Direct Fax +1 403 695 3427
james.smellie@gowlingwlg.com
File no. A155258

Dear Ms. Walli:

**Re: EPCOR Southern Bruce Gas
Applications for Approval of Franchise Agreements and Certificates of Public
Convenience Necessity for the Municipality of Arran-Elderslie, the Municipality of
Kincardine and the Township of Huron-Kinloss
Parkland Fuel Corporation - Request for Intervenor Status**

We are counsel to Parkland Fuel Corporation ("Parkland") in this matter. In accordance with the Notice of Hearing issued on December 21, 2016, we enclose Parkland's Notice of Intervention requesting intervenor status in this proceeding.

Yours very truly,

Gowling WLG (Canada) LLP

<original signed by>

James H. Smellie

JS:mc
Enclosure

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*, S.O. 1998, c.15, Sch. B, as amended.

AND IN THE MATTER OF the *Municipal Franchises Act*, RSO 1990, c. M.55, as amended.

AND IN THE MATTER OF applications by EPCOR Southern Bruce Gas Inc. (**EPCOR**) for approval of franchise agreements and Certificates of Public Convenience and Necessity for the Municipality of Arran-Elderslie, the Municipality of Kincardine and the Township of Huron-Kinloss (**Applications**).

INTERVENTION OF PARKLAND FUEL CORPORATION (PARKLAND)

A. Parkland's Interest in the Proceeding

1. In accordance with the Notice of Hearing issued on December 21, 2016, Parkland applies for intervenor status in this proceeding.
2. Parkland distributes and sells residential propane and heating oil in the Province of Ontario, in competition with natural gas distributors in areas where natural gas service is provided, as well as in areas of the Province which are not currently served by natural gas. In particular, Parkland provides these services in competition with other fuel suppliers. As it relates to the areas covered by the EPCOR Applications, Parkland delivers these services to customers under its Sparlings brand, out of three (3) area branches. More than a third of Parkland's 260-plus Ontario employees are engaged in the company's growing business in this region of the Province, and Parkland's investment in the necessary infrastructure to support its business reflects its commitment to the region. Within its Blyth branch, Parkland is also developing a Centre of Excellence for logistics and planning as a template of its national delivery operations.
3. Parkland was an active intervenor in the Ontario Energy Board's (**Board or OEB**) generic proceeding EB-2016-0004 to review opportunities for natural gas expansion in Ontario, leading to the Board's decision with reasons of November 17, 2016 (**Expansion Decision**).

4. The Expansion Decision provides guidance on a new framework which the Board intends to implement in relation to applications to expand gas service to new areas. The Board indicated in Procedural Order No. 1 of January 5, 2017 that it will be considering the EPCOR Applications in light of its findings in the Expansion Decision.
5. In its Procedural Order No. 1, the Board also advised that if it receives an indication from other parties of their interest to serve the areas covered by the EPCOR Applications, it will establish a process to hear competing applications. Absent such indication, the Board will require EPCOR to identify the rates and/or leave to construct applications which it intends to file before the Board hears the EPCOR Applications.
6. In either of the foregoing scenarios, Parkland has a substantial interest in the subject matter of the EPCOR Applications, which cannot be adequately represented by any other party. Amongst the important elements of the framework established in the Expansion Decision, the Board concluded that:
 - (i) Subsidies from existing Ontario natural gas consumers in support of community expansion projects are not appropriate, and will distort the market to the detriment of existing energy services that compete with natural gas, such as propane;
 - (ii) 'Stand-alone' rates for community expansion projects are appropriate, but there is no need to modify or depart from the E.B.O. 188 principles; and
 - (iii) Proposed rates for community expansion projects will be considered at the same time as any requested franchise agreement or Certificate approvals.
7. Having regard to the Expansion Decision, Parkland remains concerned to ensure that the playing field on which it may compete with EPCOR is a level one, and that no unwarranted regulatory advantage is conferred on EPCOR that could have a material adverse consequence for Parkland and other competitive fuel offerings.

B. Nature and Scope of Parkland's Participation

8. Whether the Board considers the EPCOR Applications alone or with competing applications, this initial proceeding to consider specific proposals for community expansion of gas service is of vital importance to Parkland and the Board's public interest mandate. Parkland intends to participate in all aspects of the proceeding as necessary to ensure that its interests are protected, including commenting on any proposed process

and issues, submitting interrogatories, potentially submitting evidence, and submitting argument.

9. Given the importance and anticipated scope of the proceeding, Parkland believes that an oral hearing is appropriate. Should the Board proceed with an oral hearing, Parkland's participation may include cross examining witnesses.

C. Costs

10. Parkland does not intend to seek an award of costs in this proceeding.

D. Parkland's Representatives

11. Parkland requests that further correspondence and copies of all documents and material filed in this proceeding be directed to Parkland and its counsel as follows:

Parkland Fuel Corporation
5101 - 333, 96th Avenue NE
Calgary AB T3K 0S3

Attn: Pierre Magnan, Vice President, General Counsel and Corporate Secretary

P: 403-567-2569
F: 403-567-2599
e: pierre.magnan@parkland.ca

Attn: Christy J. Elliott, Legal Counsel

P: 403-567-2541
F: 403-567-2599
e: christy.elliott@parkland.ca

GowlingWLG (Canada) LLP
1600 - 421, 7th Avenue SW
Calgary AB T2P 4K9

Attn: James H. Smellie

P: 403-298-1816
F: 403-695-3427
e: james.smellie@gowlingwlg.com

Attn: John R. Cusano

P: 403-298-1826
F: 403-695-3482
e: john.cusano@gowlingwlg.com

