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June 21, 2018

VIA RESS, EMAIL and Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

Re: EB-2016-0137/EB-2016-0138/EB-2016-0139 South Bruce Expansion Applications Procedural Order NO. 11

On June 7, 2018 the Ontario Energy Board (the "Board") issued Procedural Order No. 11 (the "P.O.") in the above noted proceedings. The P.O. provided for submissions from Union Gas Limited ("Union Gas") and Enbridge Gas Distribution Inc. ("Enbridge") on a motion filed by EPCOR Southern Bruce Gas Inc. ("EPCOR") to vary the cost orders for the South Bruce Expansion Applications. These are the submissions of Enbridge filed in accordance with the P.O.

In support of its motion to vary the cost orders, EPCOR asserted that "at least parts of the proceeding [the South Bruce Expansion Applications Proceeding] were generic in nature, will benefit the Board and other utilities competing to serve new areas, and [that] EPCOR understood [the Decision and] P.O. No. 8 to suggest that the question of who should bear the responsibility for cost awards as being subject to determination via a further process." Further EPCOR submitted that "the costs of this proceeding should be apportioned among all rate regulated gas distributors in Ontario" or in the alternative that "the costs of this proceeding should be borne by all proponents who participated in the proceeding."

Enbridge submits that the EB-2016-0004 Ontario Energy Board Generic Proceeding on Community Expansion proceeding (the "Generic Proceeding") dealt with the generic aspects of expansion of the gas distribution system in relation to community expansion projects. The South Bruce Expansion Applications are clearly a result of the Board implementing the outcomes of the Generic Proceeding. To suggest that Enbridge should bear the costs related to a proceeding in which it was not a potential proponent is quite simply wrong. Enbridge did not identify itself as a potential proponent in the South Bruce Applications, nor did it submit an alternative proposal for the Board's consideration in the South Bruce Expansion Applications.

Further, the Generic Decision contemplated the implementation of a competitive process for community expansion projects. The Board has now processed two community expansion applications made by Enbridge. EPCOR had the opportunity to participate in the Fenelon Falls Pipeline Project competitive process but chose not to do so. EPCOR sought to participate in the competitive process for the Scugog Island Pipeline Project. Ultimately EPCOR was unable to fulfill the Board's requirements for becoming a potential proponent for this proceeding. Enbridge has borne all of the costs related to the Fenelon Falls Pipeline Project and the Scugog Island Pipeline Project and has not requested nor did it contemplate requesting that EPCOR pay for a portion of the costs associated with these leave to construct applications. A successful proponent will clearly gain all of the benefit of being chosen as the gas distribution service provider for a community expansion project. Other than in exceptional circumstances Enbridge submits that a successful proponent and should bear all of the costs associated with becoming the gas distribution service provider of choice. There are no such exceptional circumstances to support the motion made by EPCOR and indeed there is no basis for a cost order against Enbridge in respect of the Board's consideration of a proposed community expansion project where Enbridge did not identify itself as a proponent.

Enbridge has had the opportunity to review the submissions by Union Gas and supports the position taken by Union Gas.

In Enbridge's submission the Board should dismiss the motion brought forward by EPCOR.

Regards,

[original signed by]

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