

March 18, 2019

**VIA RESS AND COURIER**

Ms. Kirsten Walli  
**ONTARIO ENERGY BOARD**  
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Dear Ms. Walli:

**Re: EB-2019-0095: Enbridge Gas Inc. (EG) April 1, 2019 QRAM Application.**  
**Industrial Gas Users Association (IGUA) Comments.**

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We write as legal counsel to IGUA.

### **IGUA's Position on Proposed Rate Adjustments**

IGUA's advisors, Aegent Energy Advisors Inc. (Aegent), have reviewed EG's Application for quarterly adjustment of rates (QRAM) to be effective April 1, 2019. Based upon Aegent's advice, IGUA is satisfied that EG has properly followed the QRAM methodology approved by the OEB's EB-2008-0106 Decision.

IGUA has no objection to approval of EG's application as filed.

### **Additional Comments**

IGUA notes that, as has been the case in the past, EG continued its past practice of frequently monitoring and layering in spot gas purchases as required as the winter season progressed. This approach has proven effective in controlling spot gas purchase costs while ensuring adequate gas supplies through March, and seems to have continued to do so this year. [Reference: Ex.D/S1/pp. 3-11].

IGUA further notes that in the January, 2019 QRAM filing [EB-2018-0313] Enbridge Gas described an error that had been made in the derivation of the Rider C unit rates in the October, 2018 QRAM. The error was corrected with the January, 2019 QRAM. However, the error also resulted in a Rider C over-collection in Q4/18. Since the true-up between forecast and actual recovery amounts for an October QRAM is typically dealt with in the April QRAM, Enbridge Gas is addressing the Q4/18

over-collection in this filing. The net amount to be refunded to customers on account of this over-collection is about \$7.6 million, as broken down in the evidence at ExB/T4/S1, p.4. Aegent has reviewed the true-up schedules [ExC/T1/S2, pp. 5-7 and Schedule 3, p. 2] and following a discussion with Enbridge Gas rates personnel is satisfied that the over-collection associated with the error has been dealt with appropriately in the determination of the new Rider C rates.

## Costs

Pursuant to the Board's *Practice Direction on Cost Awards*, IGUA is eligible to apply for a cost award as a party primarily representing the direct interests of ratepayers in relation to regulated gas services. IGUA requests that the Board award it costs reasonably incurred in review of EG's QRAM.

IGUA has, in the past, been consistently awarded modest costs for review of QRAM applications. IGUA respectfully submits that the Board, in making such awards, has recognized some value (commensurate with modest costs) in the independent and informed review of such applications.

IGUA continues to be mindful of the need for efficiency in its regulatory interventions, in particular in respect of relatively non-contentious matters such as is normally the case with QRAM applications. For QRAM reviews, IGUA has retained Aegent, whose professionals are expert in Ontario gas commercial and regulatory matters, including rate matters in particular. Aegent conducts a review of the QRAM application as filed, and provides a report to IGUA. Following receipt and review of Aegent's report, IGUA is either in a position to advise the Board of any concerns or, as is the case in this instance, that it has no cause for objection.

IGUA submits that it has acted responsibly with a view to informing the Board's review and decision on this Application, while maintaining due attention to cost efficiency. On this basis, IGUA is requesting recovery of its costs for participation in this process.

Yours truly,

  
Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)
- Brandon Ott (EG)
- Tania Persad (EG)
- Fred Cass (Aird & Berlis LLP)
- Valerie Young (Aegent)
- Intervenors of Record (EB-2017-0086; EB-2017-0087)