



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

**ENBRIDGE GAS INC. (ENBRIDGE)
EB-2018-0305
2019 RATE APPLICATION**

Submission
of the
Vulnerable Energy Consumers Coalition
(VECC)

July 5, 2019

Vulnerable Energy Consumers Coalition

Public Interest Advocacy Centre
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1.0 VECC's Submission

- 1.1 These are the submissions of VECC with respect to Enbridge Gas Distribution (EGD) seeking approval for changes to its natural gas rates to be effective January 1, 2019. On December 3, 2018, the OEB declared current rates of Enbridge Gas to be interim effective January 1, 2019. A settlement conference was held with the parties, including VECC, May 13, 2019 and filed with the Board on May 31, 2019.
- 1.2 Due to time constraints and mindful of the Board's directions for parties to coordinate and work together VECC's submissions are constructed in consideration of arguments filed by likeminded parties and which we have had an opportunity to review prior or at filing. Specifically, VECC commends to the Board the arguments of the following parties:
- Building Owners and Managers Association of Greater Toronto ("BOMA");
 - School Energy Coalition; and,
 - London Property Management Association;
- 1.3 We agree with the arguments of these parties, which are similar in conclusion, if not reason, on the following issues for which we also agree:
- Rejection of the ICM threshold calculation used by the Applicant which used a PCI of 0.72% rather than 1.07% price cap index (PCI) proposal of EGD (Issue 1)
 - Rejection of the proposed one-time adjustment for capital pass-through projects for, among other reasons, the proposal is inconsistent with the Decision with Reasons of the Board in the merger proceeding EB-2017-0306/0307 (Issue 7);
 - Rejection of the Stratford project for ICM treatment because among other reasons, the conclusion that the Utility System Plan (USP) does not provide the basis for accepting these capital programs and they are otherwise "business as usual." (Issues 9, 11, 12);
 - The rejection of Sudbury project for ICM treatment for the same reasons as the Stratford project and because the Sudbury project is out of period for the purpose of ICM/ACM treatment (Issues 9, and 12)
- 1.4 For the issues listed above the parties that VECC relies upon were largely in unison, if for different reasons. We think it compelling that while approaching the issues differently all three came to the same conclusion – as did we. However with respect to the ICM proposed projects of the Don River Crossing and the Kingsville-Leamington projects these parties diverged. We understand this divergence because the elements which separate "business as usual" from true ICM/ACM projects in the natural gas is less clear than those which have been articulated by Board in a number of recent decisions in the electricity distribution sector.
- 1.5 We are inclined to hold that the Kingsville Leamington project, due to its association with prior approved reinforcement in this area to serve incremental load, meets ICM/ACM criteria. We do not see the Don Mills Bridge project in the same way and are inclined to recommend it not be approved for ICM treatment, as it represents in our view "business as

usual". However, we admit the case for either be allowed ICM treatment or not is not self-evident. In any event, in concordance with the submissions of LPMA we believe that should the Kingsville-Leamington project be approved for ICM treatment then the incremental revenues should be incorporated into any rate adjustment.

- 1.5 VECC makes two distinct submissions which while congruent with those made by SEC we believe merit separate statements. The first is with respect to the Open Bill Variance Account. We agree with the submissions of SEC in this case - that the Board should not allow changes to this account until completion of EB-2018-0319. VECC is not a party to this proceeding. We chose not to participate in the proceeding based on our understanding that the issues to be determined were limited to the terms and conditions that a third party must adhere to in order to access the regulated utilities billing service. As such we thought the matter had limited impact on low income consumers. It has only recently come to our attention that the current EGD agreement with regard to third-party billers includes the following provision:

For both gas and non-gas accounts, if a customer does not pay its Service Bill in full, EGD will move out the customer in accordance with its customary billing procedures. For the 30 day period immediately after a customer's meter is disconnected for non-payment, no information on the disconnection will be sent to the Biller. If no payment or arrangements to pay have been made by the customer with EGD within the 30 day period, the EGD contract account will be red locked/customer moved out and the account will be finalized.¹

The intent of this provision appears to allow or require a regulated service provider to disconnect a customer from natural gas service in the case where the customer makes a payment at, or in excess of, the amount required by the regulated utility for natural gas service but less than that for competitive market ancillary services invoiced on the same bill. If correct, it is not clear to us what authority is relied upon by the regulated utility or, if it is the case, the Ontario Energy Board, to enforce a private contract through the regulated service offering. VECC is currently assessing what steps to take in regard to the ongoing proceeding or otherwise to understand the current environment so as ensure low income customers enjoy any rightfully granted protections from an unregulated company using access to a monopoly regulated service to enforce their contracts.

- 1.6 The second matter is with respect to the change in connection policy and the charges for connections which have been made unilaterally by the Applicant. We also agree with the submissions of SEC in this regard. It is also our view EGD lacks the authority to make such changes without approval of the Board. It is axiomatic that the terms for a customer to connect to a monopoly regulated service are fundamental to the mandate of the Ontario Energy Board in approving rates for natural gas service. Otherwise it would be a simple matter for a utility to gain monopoly rents, otherwise denied in the setting of regulated rates, at the time of the initial customer connection. Whether this has been the case is a matter of fact to be determined by the Board. That determination has not been made. In our

¹ EB-2018-0319, Exhibit I.B.EGI.BOMA.6, Attachment, page 15.

submission all customers charged a different amount than that which would have applied prior to the unilateral change in this policy in 2015 should be refunded any excess.

1.7 VECC takes no position on the other remaining unsettled issues.

2.0 Reasonably Incurred Costs

2.0 VECC respectfully submits that it has acted responsibly and efficiently during the course of this proceeding and requests that it be allowed to recover 100% of its reasonably incurred cost.

ALL OF WHICH IS RESPECTFULLY SUBMITTED