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September 15, 2019

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli,

**RE: EB-2018-0305 - 2019 Rates Application – Enbridge Gas Inc. – Submissions of London Property Management Association on Effective Date**

Please find attached the submissions on the effective date of the London Property Management Association in the above noted proceeding.

Yours very truly,

*Randy Aiken*

Randy Aiken  
Aiken & Associates

c.c. EGI Regulatory Proceedings

Enbridge Gas Inc.

IN THE MATTER OF the *Ontario Energy Board Act 1998*,  
S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an Application by Enbridge Gas  
Inc., pursuant to section 36(1) of the *Ontario Energy Board  
Act, 1998*, for an order or orders approving or fixing just and  
reasonable rates and other charges for the sale, distribution,  
transmission and storage of gas of January 1, 2019.

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EFFECTIVE DATE SUBMISSIONS  
OF  
LONDON PROPERTY MANAGEMENT ASSOCIATION

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**A. BACKGROUND**

In the September 12, 2019 Decision and Order (“Decision”), the Ontario Energy Board (“Board”) noted that Enbridge Gas Inc. (“EGI”) filed its application on December 14, 2018 seeking rates effective January 1, 2019.

On December 3, 2019, the Board approved the current EGI rates on an interim basis effective January 1, 2019.

In the Decision, the Board found that it was unreasonable for EGI to expect that an application filed on December 14, 2018 could be processed in time for rates effective January 1, 2020. Indeed, the Board did not determine that the application was complete until after this proposed effective date, on January 8, 2019.

The Board noted in the Decision that parties did not make submissions on the effective date for rates and that the settlement proposal filed by the parties did not include settlement of the effective date for rates. The Board indicated that it was considering April 1, 2019 as the effective date but provided an opportunity for intervenors and Board staff to make submissions on the effective date for base rates and for EGI to reply.

The following are the submissions of the London Property Management Association (“LPMA”) with respect to the effective date for the base rates.

## **B. SUBMISSIONS**

LPMA notes that the Board's Decision in this case is dated September 12, 2019, 2 days short of 9 months after EGI filed its application. For the reasons below, LPMA submits that the Board should not reward EGI with an effective date as early as April 1, 2019.

First, as the Board noted in the Decision, in a recent decision for Ontario Power Generation.

*The OEB expects any applicant to make a reasonable assessment of the time that it will take to process its application based on the nature of that application and the experience of previous applications, and to file with sufficient time before the requested effective date. To the extent that this assessment is not reasonable, customers should not bear any negative consequence.<sup>11</sup>*

LPMA notes that the implementation date determined by the Board is November 1, 2019. This means that the time between the effective date of April 1 and the implementation date is 7 months. LPMA submits that such a long period of revenue to be recovered from ratepayers is a large negative consequence to them. They will be forced to pay higher rates post November 1, 2019 for the gas consumed for the previous 7 months. It is the view of LPMA that this is not a reasonable outcome for customers.

Second, LPMA notes that the Board acknowledged that EGI **could not file** the application until after the Board issued its MAADs Decision on August 30, 2018. While LPMA agrees with this point, LPMA submits that EGI has not provided any explanation why it took them 3.5 months after the MAADs decision was released to file the rates application.

LPMA submits that while EGI could not file prior to the MAADs decision being released, there was no reason why EGI could not have been working on the preparation of its 2019 rates submission based on its proposal for setting rates in the MAADs application. EGI should have been preparing an application with the knowledge that adjustments may have been required based on the MAADs decision on the rate setting methodology going forward. Indeed, the EGI proposals for the rate setting methodology were in large part approved by the Board in the MAADs decision, with a number of discrete changes approved by the Board. These changes would not have taken 3.5

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<sup>1</sup> Decision and Order on a motion to review and vary by Ontario Power Generation Inc. (OPG), August 30, 2018 (EB-2018-0085), in which a review panel upheld the decision to set an effective date for OPG payment amounts that was later than what OPG had requested.

months to incorporate in a filing of the type envisioned in either the original EGI proposal in the MAADs application or in the Board's MAADs decision.

Third, the Board has a current performance standard of 165 days for complex, incentive rate-setting applications, as was the current application. This is roughly 5.5 months. With a filing date of December 14, 2018, this would imply a performance period ending at the end of May, 2019, with a corresponding effective date of June 1, 2019.

Fourth, LPMA submits the application proceeded in a timely manner with no delays due to any party. In that regard, LPMA notes that the hearing ended with the filing of the EGI argument-in-chief on June 17, 2019, intervenor submissions on July 4, 2019 and EGI reply on July 12. Again, LPMA must ask the question, why should rates be made effective before submissions were even made? How is that reasonable to EGI ratepayers.

Fifth, the Board has on numerous occasions made rates effective at the beginning of the month following the release of its Decision and Order in a case. If that approach were taken for this proceeding, the effective date would be October 1, 2019. LPMA submits that this is a reasonable approach where the time and any delays in the process are primarily the responsibility of the filing utility, as was in this case as discussed below.

Finally, as the Board noted in its Decision, the timing of the amalgamation following the Board's approval was at the discretion of EGI. The MAADs decision stated that leave to amalgamate would expire 18 months from the date of the MAADs decision. EGI decided to amalgamate effective January 1, 2019, even though it could have waited until a future date, including January 1, 2020. This was communicated to the Board by way of an October 15, 2019 letter in which Enbridge Gas Distribution and Union Gas Limited notified the Board that Enbridge Inc. announced it would proceed with the amalgamation of the two distributors with an expected effective date of January 1, 2019.

LPMA submits that the timing of the amalgamation and the timing of the rate filing were entirely within the discretion of EGI. LPMA submits that ratepayers should not bear the negative consequences of having to pay for the delivery of gas that has already occurred.

In summary, LPMA submits that the effective date should be later than April 1, 2019 and should be no earlier than June 1, 2019 and no later than October 1, 2019.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED**  
**September 15, 2019**

**Randy Aiken**  
**Consultant to London Property Management Association**