



PUBLIC INTEREST ADVOCACY CENTRE
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VIA MAIL and E-MAIL

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli:

Re: EB-2011-0242 and EB-2011-0283
Enbridge Gas Distribution and Union Gas Limited -Renewable Natural Gas
Comments on behalf of Vulnerable Energy Consumers Coalition (VECC)

Please find enclosed Comments of VECC on the draft issues list as directed in Procedural Order # 1.

We have also directed a copy of the same to the Applicants.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

cc: Karen Hockin Manager Union Gas Limited
Norm Ryckman, Enbridge Gas Distribution

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B; and in particular section 36 (2) thereof;

AND IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for an Order or Orders approving and setting prices for Enbridge Gas Distribution Inc.'s purchase of biomethane;

AND IN THE MATTER OF an application by Union Gas Limited for an Order or Orders approving and setting prices for Union Gas Limited's purchase of biomethane.

Comments on behalf of the Vulnerable Energy Consumers Coalition (VECC)

VECC's primary concern is the assumption by the Applicants, reflected in the Draft Issues List, that, if approved, the incremental costs of RNG (Biomethane) should be recovered only from System Gas Customers/Sales Service customers as part of their gas commodity costs.

VECC suggests there are other alternatives for recovery of the approved incremental costs. These include for example:

- Assigning the RNG to marketers to provide an environmental/green alternative to customers who elect such an option;
- Providing RNG as an elective option for System Gas Customers/Sales Service customers; and
- Incorporating the RNG into Company Own Use gas supply and recovering the costs from all customers.

Accordingly VECC proposes that an additional set of issues be added to the proposed Issues list:

5.1 If approved, is the proposed assignment/recovery of the incremental costs of RNG reasonable and appropriate?

5.2 What alternatives have been considered for assignment of the commodity portion of RNG costs?

5.3 How should the capital and operating costs be recovered?

5.4 How should approved costs be allocated to the rate classes?

With regard to the rest of the Issues List, VECC has the following Comments:

1.0: Role of the Utilities

1.1 Do the applications fit with the **Objectives** for natural gas under the OEB Act? **Objectives** should be Capitalized to refer to the enumerated Objectives under the Act.

2.0: Pricing Framework

2.1 Are the proposed purchase prices from landfill sources reasonable and appropriate, **including in comparison to Ontario Local Supply?**

There are local economic benefits to development of Ontario local gas supply. It is reasonable and in the public interest that such comparisons be made.

2.2 Is the proposed annual breakpoint per site for landfill sources reasonable and appropriate?

The term breakpoint is not commonly used; **break-even point** is, in VECC's view, more appropriate.

2.3 Are the proposed purchase prices from anaerobic digester sources reasonable and appropriate, **including in comparison to Ontario Local Supply?** (see above)

4.0: Supporting Structure

4.7 Is the proposed system for treating any and all environmental **impacts** and attributes reasonable and appropriate?

The term **impacts** should be added to indicate that environmental impacts, not merely attribute, are at issue.