

Ontario Energy Board

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

AND IN THE MATTER OF an Application by Enbridge
Gas Distribution Inc. for an order or orders approving the
clearance or disposition of amounts recorded in certain
deferral or variance accounts.

**ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

COMMENTS ON DRAFT RATE ORDER

April 2, 2013

**ENBRIDGE GAS DISTRIBUTION INC.
DISPOSITION OF 2011 BALANCES IN CERTAIN DEFERRAL AND
VARIANCE ACCOUNTS**

EB-2012-0055

**COMMENTS ON DRAFT RATE ORDER OF ENERGY PROBE
RESEARCH FOUNDATION**

A - Introduction

In the March 14, 2013, Decision and Order, the Ontario Energy Board ("Board") ordered Enbridge Gas Distribution Inc. ("Enbridge") to propose a methodology for disposing of the incremental amount resulting from the Board's findings. Intervenors and Board staff were to file any comments on the Draft Rate Order ("DRO") with the Board and forward a copy to Enbridge within 14 days of the filing of the DRO.

Enbridge filed the DRO on March 22, 2013. These are the comments of the Energy Probe Research Foundation ("Energy Probe") related to the DRO and its responses to the directions from the Board.

B - Additional 2011 Capacity Release Net Revenues

The Board directed Enbridge to propose a methodology for disposing of the incremental amount of \$776,300 to ratepayers. This amount was the amount credited to Enbridge's shareholder in 2011 related to net revenues from capacity release transactions.

Enbridge has proposed that this amount be recorded as a one-time credit adjustment to the transportation component of the Purchased Gas Variance Account ("PGVA"). This proposal is consistent with the previous disposition of the capacity release related net revenues that were previously rebated to ratepayers.

Energy Probe supports this disposition methodology. The incremental capacity release related revenues, as determined by the Board, will be disposed of to ratepayers in the same manner as the original ratepayer portion.

Enbridge proposed to make this one-time credit adjustment to the transportation component of the PGVA as part of the July 1, 2013 QRAM. Energy Probe supports this timing.

C - 2012 Capacity Release Net Revenues

The Board also directed Enbridge to discuss how it proposes to dispose of the 2012 capacity release net revenues in the DRO filing.

In the cover letter attached to the DRO, Enbridge indicated that during 2012, it had capacity release net revenues of \$18,629,800, of which it allocated \$4,657,500 (25%) to its' shareholder and \$13,972,300 (75%) was recorded in the 2012 Transactional Services Deferral Account ("TSDA") for clearance to the credit of ratepayers.

Enbridge plans to provide the Board with "a more comprehensive explanation" of capacity release transactions when it files an application for the clearance of the 2012 Earnings Sharing Mechanism Deferral Account. Enbridge further submits that the 2012 capacity release net revenues are beyond the scope of this proceeding, which dealt with the 2011 balances.

Enbridge states that there was not sufficient evidence to give the Board a full understanding of the circumstances and nature of capacity release transactions. Enbridge indicates that because of the magnitude of the 2012 capacity release net revenues, which is much larger than it was in 2011, it will lead evidence in the 2012 ESM proceeding and revisit the issue in that proceeding, "subject to any further directions from the Board".

While Energy Probe agrees with Enbridge that the 2012 capacity release net revenues should be dealt with in the 2012 ESM proceeding, it does not agree with Enbridge that the change in the magnitude of the capacity release net revenues is sufficient grounds to revisit the issue in 2012.

If there is a significant change in the nature of capacity releases in 2012 from that in 2011, then Enbridge can provide evidence of these changes and indicate why the Board's Decision in this proceeding for 2011 should not apply to some or all of the capacity release net revenues in 2012.

ALL OF WHICH IS RESPECTFULLY SUBMITTED

April 2, 2013

**Randy Aiken
Consultant to Energy Probe**