

DR QUINN & ASSOCIATES LTD.

VIA E-MAIL & RESS

September 6, 2013

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attn: Kirsten Walli, Board Secretary

RE: EB-2012-0459 Enbridge 2013/14 System Reliability- FRPO Submissions

We are writing to express our concerns with Enbridge's letter of August 29th regarding its plan to purchase additional TCPL Firm Transport ("FT") capacity to meet its newly determined System Reliability requirements for a peak day between January and March of 2014. We are very cognizant of the evolution of pricing for discretionary services by TCPL and therefore have no concerns with the pricing of the respective Options for transportation costs in the Table provided on page 2 of the Enbridge letter.

Our primary concern is the conclusion drawn by Enbridge that Option 4 ought to be preferred. In the paragraph that precedes the table, Enbridge informs that the "FT option will result in unutilized capacity and associated demand charges of \$55M throughout the summer of 2014". However, that anticipated cost is not included in the table and Enbridge concludes that there is only a \$3M difference between Option 3 and Option 4. When this \$55M is brought into account the total cost of Option 4 is \$149.16 M which is \$58 M more than the cost of Option 3. The resulting ratepayer impact could be as great as \$58M if the unutilized capacity is not optimized for associated ratepayer benefit. With no certainty in what ratepayer impact mitigation may occur, we would submit that the preferred option would be Option 3 and, if it is no longer available, Option 2.

More broadly, we are concerned that Enbridge would pursue an Option without considering ratepayer impact. This brings us to our secondary concern. The subject letter refers to "an incremental 170,000 GJ". In reviewing the previous July 12th letter referenced, the quantity sought for System Reliability was not provided nor was any anticipated associated unutilized demand charges (UDC). We respectfully request that Enbridge provide the contracted quantity, anticipated UDC and the analysis undertaken prior to proceeding with the FT contracting at that time.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

c. Interested Parties - EB-2010-0231 and EB-2012-0459
V. Brescia