

December 16, 2013

VIA RESS AND COURIER

Ms. Kirsten Walli
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Dear Ms. Walli:

Re: EB-2013-0406: Enbridge Gas Distribution Inc. (EGD) January 1, 2014 QRAM Application.

Industrial Gas Users Association (IGUA) Comments.

We write as legal counsel to IGUA.

IGUA's Position on Proposed Rate Adjustments

IGUA's advisors, Aegent Energy Advisors Inc. (Aegent), have reviewed EGD's Application for quarterly adjustment of rates (QRAM) to be effective January 1, 2014.

Aegent has noted in particular:

1. The current QRAM filing is based on the volumetric forecast for 2014 which was approved on an interim basis by the Board on November 5, 2013, in conjunction with approval of EGD's 2014 gas supply plan in EB-2012-0459.
2. The amount of \$2.6 million arising as revenue from extraction activities and recorded as a reduction to purchased gas costs, which treatment is consistent with the treatment of 2012 extraction revenues brought forward by EGD in its October, 2013 QRAM application.
3. The total on \$10.1 million in "corrections" from previous QRAM filings proposed for credit to system supply customers (and which are the subject of questions from OEB Staff filed herein).
4. The \$6.8 million credit in the transportation component of the PGVA rider resulting from collection over the period from July to September, 2013 of TCPL

tolls at the level approved by the NEB at the time of the July, 2013 QRAM filing but subsequently reduced in accord with TCPL's NEB toll compliance filing.

Based upon Aegent's advice, IGUA is satisfied that EGD has properly followed the QRAM methodology approved by the OEB's EB-2008-0106 Decision, and has properly accounted in the instant filing for the particulars enumerated above.

IGUA thus has no objection to approval of EGD's application as filed.

IGUA agrees with the suggestions implicit in Board Staff's questions that:

- (a) Review by EGD of the errors that have of late occurred in calculation of the rate riders, to minimize future errors, would be appropriate.
- (b) Separate reporting of revenues associated with extraction activities would provide greater transparency in future QRAM filings and would be of assistance.

Costs

Pursuant to the Board's *Practice Direction on Cost Awards*, IGUA is eligible to apply for a cost award as a party primarily representing the direct interests of ratepayers in relation to regulated gas services. IGUA requests that the Board award it costs reasonably incurred in review of EGD's QRAM.

IGUA has, in the past, been consistently awarded modest costs for review of QRAM applications. IGUA respectfully submits that the Board, in making such awards, has recognized some value (commensurate with modest costs) in the independent and informed review of such applications.

IGUA continues to be mindful of the need for efficiency in its regulatory interventions, in particular in respect of relatively non-contentious matters such as is normally the case with QRAM applications. For QRAM reviews, IGUA has retained Aegent, whose professionals are expert in Ontario gas commercial and regulatory matters, including rate matters in particular. Aegent conducts a review of the QRAM application as filed, and provides a report to IGUA. Provided that Aegent's report does not indicate any concerns with either the application of the QRAM protocols or the rate outcome, IGUA is in a position to advise the Board that it has no cause for objection, as is the case in this instance.

IGUA submits that it has acted responsibly with a view to informing the Board's review and decision on this Application, while maintaining due attention to cost efficiency. On this basis, IGUA is requesting recovery of its costs for participation in this process.

Yours truly,



Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)
Andrew Mandyam (EGD)
Tania Persad (EGD)
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All Interested Parties (EB-2012-0459)

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