

March 18, 2014

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

Dear Ms. Walli:

**Re: EB-2014-0039 – Enbridge Gas Distribution Inc. – April 1, 2014 QRAM Application**

These are the initial submissions of the Consumers Council of Canada (“Council”) regarding the April 1, 2014, Enbridge Gas Distribution Inc. (“EGD”) Quarterly Rate Adjustment Mechanism (“QRAM”) application to the Ontario Energy Board (“Board”) filed on March 12, 2014.

The Council acknowledges that the QRAM process is typically expedited and relatively mechanistic. Gas cost adjustments are, in the normal course, modest and predictable. The current application is for significant adjustments to the cost of gas to reflect incremental purchases in January and February and to reflect gas cost forecasts for the coming year. These adjustments impose significant bill increases on residential consumers.

In light of the fact that the bill increases are so significant the Council proposes that the Board allow for a discovery process and argument phase prior to the Board’s final determination of rates with respect to this application. This would require interim rates to be established at this time. It may also be necessary to have an oral phase to the proceeding as well. It is incumbent on the Board to determine whether EGD has acted prudently in terms of its gas supply planning and contracting for the period subject to the application. We encourage the Board to establish a comprehensive process that allows for a determination of prudence. The Board needs to fully understand why these amounts are so large and what specific factors contributed to the accumulation of these amounts. It is also important that parties are given an opportunity to explore options to mitigate the impact of these significant cost increases on customer bills. To date customers have had little notice of these significant rate increases.

The Council remains concerned about the extent to which the gas costs that EGD, Union Gas Limited and others are currently seeking to pass on to their customers are so extreme relative to previous periods. We believe it is incumbent on the Board, in order to satisfy the public interest which it represents, to initiate a broader generic review to ensure that going forward, the factors that have contributed to these recent gas cost increases, are fully understood and adequately addressed in the future.

Yours truly,

*Julie E. Girvan*

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CC: EGD Regulatory  
Interested Parties  
Ken Whitehurst, CCC