

VIA E-MAIL, RESS & DELIVERED TO THE BOARD

March 24, 2014

Ontario Energy Board  
Attn: Kirsten Walli, Board Secretary  
P.O. Box 2319  
27<sup>th</sup> Floor, 2300 Yonge Street  
Toronto ON M4P 1E4

**Re: EB-2014-0039 ENBRIDGE GAS APRIL 1, 2014 QRAM**

We are writing on behalf of the Federation of Rental-housing Providers of Ontario ("FRPO") in response to the Board's letter of March 21, 2014 in the above proceeding. In its letter, the Board requested input on the issue of rate mitigation.

To respond to the Board's issue, while we understand that this is sharp rate increase, it is not, in our view, substantially different than increases in the past (Exhibit I, Tab 1, Schedule 8, page 2 of 4). Given the Board's applicable Decision in EB-2008-0106 and the purposes behind a market sensitive price, we believe that following that Decision would be in the public interest and mitigation is not required.

We also reviewed the responses to Board staff and intervenor inquiries submitted by the company March 19, 2014. In its explanations, the company provides the Gas Supply plan was set recognizing the balance that is struck between having enough and not too much gas (Covering letter and Exhibit I, Tab 2 Schedule 1). We respect that this balance has been arrived at that through analysis, negotiation and as a result Board decisions. However, in our view, a gaping hole in the evidence is the actual implementation or operationalization of the plan. It is a fact that the weather was colder than normal. The issue is how did the company respond to the incremental consumption generated by the weather and did they stay on plan.

In our view, this information has not been provided sufficiently in the QRAM process in great part because the decreased timelines for the usually mechanistic process inhibited inquiry. However, from an exhibit provided in the company's Incentive Ratemaking proceeding EB-2012-0459, some information can inform this question and in our view, demonstrate the need for additional review. Exhibit K8.2 (attached for reference) provided in response to FRPO's inquiry regarding the company's use of transport provides the targeted storage levels at month end for the company. From that exhibit, while the company targeted having storage 78% and 47% full at month's end for December and January respectively, the actual numbers were 66% and 39%. These deficiencies represented thousands of Terajoules of gas that was not purchased in December and January to keep storage at plan levels but was deferred and likely purchased in February when the cost of gas was highest.

In our view, Enbridge has not discharged its onus in demonstrating that it managed this winter's challenges by sticking with its Gas Supply plan. Respectfully, we do not believe the Board has sufficient evidence with which it can make a final determination on the disposition of the winter costs. Given the company's choice of option (i) in response to Board staff #2 in Exhibit I, Tab 1 Schedule 2, we would respectfully request the Board clear the deferral account balances on interim basis pending a more comprehensive review.

Respectfully submitted on Behalf of FRPO,



Dwayne R. Quinn  
Principal  
DR QUINN & ASSOCIATES LTD.

- c. EGD Regulatory Proceedings, A. Mandyam – EGD  
Interested Parties – EB-2014-0039  
M. Chopwick - FRPO

500 Consumers Road  
North York ON M2J 1P8  
P.O. Box 650  
Scarborough, ON  
M1K 5E3

**Andrew Mandyam**  
Director, Regulatory Affairs  
Tel 416-495-5499 or 1-888-659-0685  
Fax 416-495-6072  
Email [egdregulatoryproceedings@enbridge.com](mailto:egdregulatoryproceedings@enbridge.com)



February 27, 2014

**VIA RESS and COURIER**

Ms Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Suite 2700  
Toronto, Ontario, M4P 1E4

Dear Ms Walli:

**Re: Enbridge Gas Distribution Inc. 2014 to 2018 Rate Application**  
**Ontario Energy Board File No. EB-2012-0459**

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On February 15, 2014 the Company received an informational request from DR Quinn & Associates on behalf of FRPO.

FRPO requested that EGD confirm or correct figures in the table provided by FRPO as well as additional information. EGD had difficulty completing the request with respect to some of the information that was provided on the table and has included comments as such on the attached Table 1.

In an effort to comply with Mr. Quinn's request the Company has provided Table 2 which provides a breakdown of actual information for the months of November and December of 2013 as well as a breakdown of the 2014 budget information on a monthly basis.

Item Numbers 1 to 8 in Columns 3 to 15 provide a monthly breakdown of the 2014 gas supply forecast as was filed at Exhibit D3, Tab 3, Schedule 1 updated 2013-10-29 and includes forecasted deliveries on behalf of Direct Purchase customers who have their own transport. Item Numbers 9, 10, and 11 provides the 2014 forecasted information that was originally filed as part of Exhibit D1, Tab 2, Schedule 1, page 20.

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Column 1 and Column 2 provides a breakdown of the actual monthly supplies in November and December of 2013 that were used to meet the demand in the respective months. There was no UDC incurred in November and December of 2013 and Item Number 11 provides the actual degree days for November and December as well.

Yours Truly

[original signed]

Andrew Mandyam  
Director, Regulatory Affairs

[illegible]

2013 Actual		2014 Budget												
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12	Column 13	Column 14	Column 15
November	December	January	February	March	April	May	June	July	August	September	October	November	December	
43.7	62.0	69.7	60.7	53.5	33.2	20.8	14.7	13.4	13.3	15.0	27.2	41.5	60.4	423.3
51.1	70.3	-	-	-	-	-	-	-	-	-	-	-	-	
PJ's														
1.	Forecasted Demand													
	Actual Demand													
Supply														
2.	EGD Contracted Long Haul TCPL Capacity	19.9	18.0	19.9	19.3	19.9	19.3	19.9	19.9	19.3	19.9	19.3	19.9	234.4
3.	Less Utilized Capacity	(8.5)	(7.5)	(11.0)	(5.0)	(5.1)	(5.0)	(5.1)	(5.1)	(5.0)	(5.1)	(3.8)	-	(66.1)
		11.4	10.5	8.9	14.3	14.8	14.3	14.8	14.8	14.3	14.8	15.5	19.9	168.3
4.	Direct Purchase Own Transportation	9.8	8.9	9.8	9.5	9.8	9.5	9.8	9.8	9.5	9.8	9.5	9.8	115.9
5.	Alliance/Vector	9.0	8.1	9.0	8.7	9.0	8.7	9.0	9.0	8.7	9.0	8.7	9.0	105.9
6.	Dawn Discretionary	4.6	4.2	4.7	2.1	2.3	1.7	3.1	3.1	3.4	2.4	1.5	1.6	34.9
7.	Peaking Supplies	1.1	0.3	-	-	-	-	-	-	-	-	-	-	1.4
	Total Supply	35.9	32.1	32.4	34.7	35.9	34.3	36.8	36.8	36.0	36.1	35.2	40.3	426.4
8.	Storage Requirement	33.8	28.7	21.1	(1.5)	(15.1)	(19.6)	(23.4)	(23.5)	(21.0)	(8.9)	6.3	20.1	(3.0)
	Total Supply	69.7	60.7	53.5	33.2	20.8	14.7	13.4	13.3	15.0	27.2	41.5	60.4	423.3
9. Forecasted Monetary Impacts by Delivery Area														
\$ millions														
UDCDA														
- CDA														
- EDA														
DDCTDA														
- CDA														
- EDA														
10. Forecasted Monthly Unutilized Capacity by Delivery Area														
PJ's -														
UDCDA														
- CDA														
- EDA														
DDCTDA														
- CDA														
- EDA														
Total														
- CDA														
- EDA														
11. Forecasted Degree Days														
Central Region														
Niagara Region														
Eastern Region														
12. Month end Storage Capacity														
% Fill														