

VIA E-MAIL, RESS & COURIERED TO THE BOARD

April 23, 2014

Ontario Energy Board

Attn: Kirsten Walli, Board Secretary

P.O. Box 2319

27th Floor, 2300 Yonge Street

Toronto ON M4P 1E4

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

In the Board Decision of March 27th in this proceeding, the Board set the gas supply rates for April 1st.. In its decision, the Board stated its view that rate mitigation may be warranted to smooth the bill impact to customers that buy their gas from Enbridge. The Decision also stated that the Board finds nothing on the record to trigger a more extensive review of prudence of the actions taken by Enbridge.

On point of mitigation, in its Procedural Order No.1, the Board made provision to allow for further discovery on Enbridge's ability to mitigate rates, alternatives available for rate mitigation and the consequences of those alternatives. While viewing the process with interest, we had already submitted our position on mitigation on March 24th and believed the Board would be better assisted by others who believed mitigation was warranted. In that regard, having reviewed the record including Board staff's submission this afternoon and understanding the positions of others, FRPO submits at this time, that it takes no position on the issue of mitigation.

On the concerns regarding Enbridge's actions over the course of the winter, we accepted that we had not made our case for a review of the issue of prudence even though we believed the evidence demonstrated that Enbridge did not adhere to its plan.. While we did consider the option of submitting a Motion to Vary that determination, we recognized that our goal was not to punish Enbridge for its actions, which may have been discovered to be completely above reproach, but to create transparency in this important area. In our respectful submission, the constrained time frames of the QRAM process did not allow for sufficient opportunity for appropriate discovery especially given the magnitude of customer bill impact (\$100 million in our estimation).

However, when Enbridge provided its final submissions on March 25th, they presented a substantial amount of numeric evidence and assertions about scenarios, impacts and limitations which we, to this day, do not understand. What we do understand is that in their submissions, they misapprehended our submission and provided a response that only explained part of their actions. Specifically, their response indicated that Enbridge made the decision "to eliminate budgeted underutilization of long haul capacity for the month of February". However with data available in the document referenced in and attached to our March 24th submission¹ on this matter, it is clear that the underutilized capacity would not be sufficient to meet Enbridge's incremental demand experienced in February, let alone the shortfall in storage fill from the preceding months resulting in premium commodity and potentially transport costs.

¹ EB-2012-0459 Exhibit K8.2

Let us reiterate that these submissions are intended to identify concerns regarding the lack of transparency that has precluded our ability to learn from this past winter. We understand and respect that the QRAM process is designed to be a mechanistic process to allow for a market sensitive price to be established on a quarterly basis. We are not making submissions about the need to change this process and we accept that the Board has determined the April 1st rates.

So that the public interest may be served from lessons learned from last winter, we would respectfully request the Board order Enbridge to provide evidence in its 2013 Deferral Accounts proceeding that speaks to their gas supply planning and execution with actual numbers from this past winter. This submission is aligned with our request of the Board in EB-2012-0459 that Enbridge increases its transparency in the gas supply function similar to Union Gas with its recent commitment to provide an annual Gas Supply Plan memorandum that resulted from an independent review of Union's Gas Supply practices. In our view, the Deferral Accounts proceeding would be a more effective forum to create understanding of Enbridge's Gas Supply approach.

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