

August 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-2012-0459 – Enbridge Gas Distribution – 2014-2018 – Draft Rate Order

I am a consultant for the Consumers Council of Canada (“Council”), an intervenor in the above-referenced proceeding. These are the Council’s submissions regarding the Draft Rate Order (“DRO”) filed by Enbridge Gas Distribution (“EGD”) on January 31, 2014.

We have reviewed the submissions of the School Energy Coalition (“SEC”) and Canadian Manufacturers and Exporters (“CME”) and are, in large measure, supportive of those submissions.

With respect to the allocation of the Site Restoration Costs (“SRC”) refund EGD is proposing a front-loaded pattern which is consistent with the pattern it proposed in its Application. The Board, in its Decision, increased the amount to be refunded. Accordingly, if EGD’s proposal is adopted customers will experience a sharp decrease in their bills for 2014 with significant increases in each of the following years.

SEC has provided the Board with an alternative approach that provides customers with rate stability throughout the plan. The Council submits that this alternative approach is preferable to the approach presented by EGD. As noted by SEC a back-loaded approach not only acts to smooth customer bills, but results in a reduction in the incremental cost of capital.

With respect to the cost of debt the Council also supports the proposal made by SEC. The annual resetting of the cost of debt should start with the actual weighted average rate on EGD’s embedded debt, to which would be added the forecast cost of future issuances. This allows for the best available information to be used, that being the rate that is being actually paid and not what was forecast in a prior period.

With respect to the 2014 rebate (for the period January to September) the Council is of the view that the amount rebated to each customer should be based on what was actually consumed, not on what will be consumed from October to December. As a matter of principle the rebate should to the extent possible match the actual amount of overpayment.

Yours truly,

Julie E. Girvan

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CC: EGD Regulatory
Fred Cass, Aird & Berlis
All parties
Consumers Council of Canada