

VIA E-MAIL & COURIER

September 16, 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-2014-0191 ENBRIDGE GAS DISTRIBUTION - QRAM October 1,2014**

I am writing on behalf of the Federation of Rental-housing Providers of Ontario ("FRPO") in above matter.

As the Board would know from our inquiry in Enbridge's last QRAM (EB-2014-0039), we are very concerned about how gas procurement over this past winter has impacted customers. In our desire to understand these issues, we requested that the Board order Enbridge to provide evidence on these matters in its Deferral Account disposition process. The Board acknowledged our request and stated that we would " have the option of making that request in that proceeding". In that current Deferral proceeding, EB-2014-0195, by way of interrogatory, FRPO made its request. However, Enbridge refused to answer the questions (Exhibit I, Tab 4, Schedules 2-7) pointing to future opportunities.

In this instant application, Enbridge is now seeking the disposition of an additional \$175 million based on limited evidence in yet another proceeding that is designed to be mechanistic with little opportunity for discovery. Attached are our questions that were not answered in the Deferral Account proceeding with some additional questions specific to the current evidence which we believe are important to establish the appropriateness of additional gas supply dispositions.

In our respectful submission, Enbridge has not met its onus in demonstrating its dispositions are in the public interest. We respect that this application is also implementing rate changes as a result of Enbridge's incentive ratemaking application and the evidence blends the impacts of gas supply with those delivery rate changes. Respectfully, we would ask the Board give consideration to making the resulting rates for October 1, 2014 interim until such time as the Board is satisfied with the gas supply evidence as completed by Enbridge in response to inquiries by Board staff and FRPO.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn  
Principal  
DR QUINN & ASSOCIATES LTD.

- c. A. Mandyam - EGD, EGD Regulatory Proceedings, Parties to EB-2012-0459

- 1) Please file the interrogatory responses of EGD in EB-2014-0039 and the EGD reply submission of March 25, 2014 in that same proceeding.

**Reference: EGD Reply Submission, March 25<sup>th</sup>, 2014, page 11**

Preamble: The above reference includes the following sentences:

*"As discussed above, the main difference between average unit costs incurred by Enbridge and Union occurred in the month of February. In order for Enbridge to have "layered" on its purchases, Enbridge would have been required to purchase additional volumes in January in order to maintain higher-than-target deliverability in February. Such an action would have been a significant deviation from the gas supply plan developed by Enbridge and approved by the Board and any such deviation would have meant attendant risks for Enbridge."*

- 2) Please provide the specific aspects of the Enbridge Gas Supply Plan that EGD believed could not be varied due to Board approval and a reference to those specific approvals.
- 3) Please provide a description with specific numeric values the "higher-than-target deliverability" in February.

**Reference: EGD Reply Submission, March 25<sup>th</sup>, 2014, page 12**

Preamble: EGD states that gas supply personnel met on a weekly basis.

- 4) Please provide all internal minutes from these meetings and all correspondence (emails, etc.) that include the analysis of alternatives reviewed and actions taken as a result of colder than normal temperatures from the meetings of December to March.
- 5) Please provide the specifics of the gas supply plan for December to March that showed gas supply to be received for each month by source including expectations of unutilized transport.
  - a) Please provide specific information that was used to draw the conclusion that the deficit in storage plan could be eliminated in the subsequent period by utilizing the full transport contracted.
  - b) Please provide the daily prices for the forward prompt month at Dawn throughout the months of December to March.
  - c) Please provide the daily price at Dawn from December to March.
  - d) For the gas brought in by peaking service, please provide the nature of the contract(s) including demand charges, notice, delivery point, etc.

**Reference: Exhibit I, Tab 1, Schedule 1, Attachment 1 and EB-2012-0459 Exhibit K8.2**

Preamble: In response to Board staff inquiry, Enbridge prepared Attachment 1 and stated in their response:

*"The attached table provides a breakdown of the effect of higher prices for Enbridge's planned or budgeted purchases as well as the effect higher prices had on the incremental purchases required to meet the increased demand."*

We would like to understand another view of last winter. In Exhibit K8.2, Enbridge provided the targeted and actual levels for storage at the end of each month starting with November. The Exhibit has been updated subsequently to include additional months.

- 6) For the entire period of November to August and using the format provided in Attachment 1, between columns 8 and 9, please add additional columns for Target Volume showing the Budget and Actual price consistent with the monthly actual price for delivered supply for that month in the table (column 7) and the resulting variance for those volumes. Target Volume would be defined as the volume needed to be purchased (or not purchased in later winter months as a result of earlier purchases) to meet the Targeted Volume in storage per Exhibit K8.2. For greater clarify, the intent is to show a hypothetical case of buying delivered supply throughout the winter to meet the targeted level of storage at month end throughout the winter.
  - a) Please ensure to include subtotals similar to rows 3.5 and 3.6 and a grand total for the winter.

**Reference: EB-2014-0191 Exhibit Q4-2 Tab 1 Schedule 1 Page 4**

Preamble: Paragraph 10 on the above referenced page starts with the following:

*"EGD's gas supply plan fundamentally changed in 2014 as a result of the Settlement Agreement on Aspects of Enbridge Gas Distribution 2014 Gas Supply Plan".*

- 7) Please summarize the changes made to the Gas Supply Plan as a result of the Settlement Agreement, providing, at a minimum, the changes to:
  - a) the numeric values and percentage changes in storage targets as a result of the additional FT
  - b) dates where critical reductions in storage deliverability would be breached (i.e., storage deliverability is ratcheted due to storage balance threshold is crossed)
  - c) any other significant variable that contributed to decisions affecting quantity of gas purchased throughout the winter

**Reference: EB-2014-0191 Exhibit Q4-2 Tab 1 Schedule 1 Page 6**

Preamble: Paragraph 13 on the above referenced page outlines a process of determining the amount and type of additional gas purchases made by EGD throughout the winter

- 8) Please provide a table that provides the details of the additional purchases that includes:
- a) Date purchased
  - b) Type of purchase (e.g., FT fill, spot gas purchase, Rest of Month)
  - c) Delivery point
  - d) Delivery dates
  - e) Cost of gas

**Reference: EB-2014-0191 Exhibit Q4-3 Tab 4 Schedule 1 Page 1**

- 9) Please describe the methodology change (Current vs. Proposed) referred to in the title of this table.
- a) When was this methodology change approved or is EGD seeking a change in this proceeding?