

VIA E-MAIL & COURIER TO THE BOARD

September 30, 2014

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attn: Kirsten Walli, Board Secretary

RE: EB-2014-0289 Scope of Natural Gas Market Review

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) and the Ontario Greenhouse Vegetable Growers (OGVG) in the subject proceeding. We appreciate the initiative of the Board to review the Ontario market at this important crossroads in gas supply to the province. With this evolution of the natural gas market in North America, we respectfully submit that the review would be enhanced with the inclusion of the following issues:

Issues related to the recent past evolution of the market.

- To what extent could the available Ontario gas storage capacity have been utilized differently to avoid or mitigate the gas market events experienced during the winter of 2013-2014?
- With the recent changes in discretionary services policy for TransCanada Pipelines approved by the National Energy Board, what should utilities be doing and required to demonstrate for risk management including price spikes and unutilized demand (UDC) ?

Issues related to the Board's regulatory framework/policies.

- Should in-franchise customers be at-risk for the cost of gas transmission facilities that are constructed to provide ex-franchise services?
 - Has there been an adequate assessment of the risk that Northeast U.S. LDCs will reduce their commitments to M12 service within the next five years?
 - Should Union be subject to an at-risk condition for the cost of new transmission facilities built for ex-franchise customers similar to the condition placed on Enbridge for incremental Segment A costs in the EB-2012-0451 proceeding?
- Has the Board's regulatory framework for natural gas storage, as modified by the 2006 NGEIR decision, supported the rational development of gas storage?

- How can the gas supply plan review processes be evolved to ensure appropriate assessment of the proposed plan and adherence to the plan without compromising the benefits of the existing QRAM methodology?

Further as submitted in the QRAM proceeding, we would encourage the consideration of the value of an Ontario Landed Reference Price. We question the value of the historical approach of using an Empress price when, within a few years, over 85% of the gas will be sourced elsewhere if the Settlement Agreement between TCPL and the eastern LDC's is approved by the National Energy Board. We respectfully submit that changing the location of the reference price to Ontario would provide a more effective and transparent reference price. If considered by the Board to be preferable, this change may be best undertaken in the re-basing years of the LDC's to allow appropriate system changes and customer communication.

Respectfully Submitted on Behalf of FRPO and OGVG,



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- c. Interested Parties EB-2014-0289
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M. Chopowick - FRPO