

VIA E-MAIL & COURIER TO THE BOARD

January 25, 2016

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

Attn: Kirsten Walli, Board Secretary

RE: EB-2014-0200 Dawn-Parkway 2017 Expansion Project Cost Claims

Response of DR QUINN & ASSOCIATES LTD. to Union Gas Concerns

As directed by the Board, Union submitted its comments on Cost Claims in the Dawn-Parkway 2017 Expansion Project proceeding EB-2015-0200 on January 19, 2016. In its comments, Union Gas submitted some concerns related to our company, DR QUINN & ASSOCIATES LTD. (“DRQ”). Union’s identified that FRPO’s costs were 50% above the average of other claims and there was no specific identification of the use of Mr. John Rosenkranz as a consultant. We believe that it would be helpful for the Board to understand the facts supporting our hours claimed in response to Union’s assertions.

DRQ’s Role on behalf of FRPO

The Board has emphasized on many occasions in the past, the need for ratepayer groups to collaborate to improve efficiency. DRQ, on behalf of our clients, has taken the lead role in the area of natural gas system design and gas supply matters. Given the nature of this application and the striving to ensure economically rational expansion, DRQ performed additional analytics to assess alternatives to the portions of the proposed build and constructs to mitigate the need for additional builds on the Dawn-Parkway system. We trust that ratepayers and the Board will benefit from this time investment in the future.

Involvement of John Rosenkranz

In EB-2014-0261, Union’s Dawn Parkway 2016 Expansion Project proceeding, a number of parties, including FRPO, sponsored Mr. Rosenkranz as an expert witness to assess changing North American market conditions and the risk to in-franchise ratepayers of stranded assets on the Dawn-Parkway

system in the future. Mr. Rosenkranz produced evidence in these matters highlighting this risk for the benefit of ratepayers and the Board.

DRQ forwarded the Dawn-Parkway 2017 Expansion Project evidence to Mr. Rosenkranz to seek his opinion on the benefits of updating the evidence submitted in the 2016 proceeding. After reviewing the evidence, and having discussions with Mr. Rosenkranz, we determined that it was not necessary to undertake the preparation of further expert evidence. The most cost effective way to utilize his expertise and knowledge was through assisting with interrogatories. For this reason, DRQ requested Mr. Rosenkranz generate interrogatories and subsequent questions for the technical conference. This efficiency allowed Mr. Quinn to focus on matters of natural gas system design and the changing gas supply for the Union franchise area and cost allocation issues for in-franchise ratepayers.

If Union's concerns with relying upon Mr. Rosenkranz's expertise in this manner are accepted by the Board, it will result in parties being forced to always have evidence prepared and filed with the Board if an expert is engaged. While in most cases the retaining of an expert does result in the preparation of a formal expert report, this case demonstrates a situation where not filing expert evidence was the responsible cost-effective way to proceed.

We trust this information is of assistance to the Board in understanding the efficiency sought and the contributions made by FRPO. We respect the Board's desires in these areas and welcome the opportunity to provide any additional information that would be helpful.

Respectfully submitted on behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

- c. S. Andison – FRPO
- K. Hockin – Union Gas
- Interested Parties – EB-2015-0200