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Mr. Khalil Viraney
Case Manager
Ontario Energy Board
2300 Yonge Street
Toronto ON M4P 1E4

Re: Board File Number EB-16-0004
Natural Gas Expansion Generic Proceeding

April 27, 2016

Dear Mr. Viraney:

The responses from EPCOR Utilities Inc. to the questions raised in your e-mail of April 26, 2016 are set out below.

Interrogatories that Require Further Information

1. Union Interrogatory from EPCOR 2 (b)

Reason

The response to part (a) of that interrogatory lists five authors of the LEI report. The curriculum vitae of these individuals, which are requested in part (b), do not appear to be included.

2. Union Interrogatory 4(a) (b) (c) (d) and (f))

Reason

The answers are relevant to Issues 8 and 9 set out in Procedural Order No. 2, March 9 2016, at p.18 and the evidence of Adonis Yatchew at para 48,49 and 50 (See Schedule A attached).

One of the barriers to entry new distributors face in Ontario is the lack of information regarding (a) available franchises (b) franchises where no construction has taken place and (c) franchise termination dates. A more complete public data base could promote entry. The answers to the questions also serve to measure the degree to which incumbent distributors are securing exclusive franchise rights but not constructing facilities within a reasonable time.

3. Enbridge Interrogatory 1(b) (c) (d) and (e)

Reason

The answers provided are incomplete in the case of the 13 markets identified with an asterisk * on Schedule B (attached). The rationale for providing this information is identical to the rationale stated above with respect to Union's lack of response to a similar interrogatory. Enbridge however has produced a great deal more information than Union.

Witness Availability

Dr. Yatchew is available May 10 and 11.

Cross Examination

At the present, EPCOR intends to prepare cross examination for Union, Enbridge and Parkland witnesses. In each case, we do not expect to exceed an hour of hearing time. There is also the possibility of a few questions for the Canadian Propane Association and VECC witnesses.

Further with respect to point 1. above, it is important that the curriculum vitae of any witnesses or authors of evidence be made available to all parties well in advance of the oral proceedings.

Yours truly,

Gordon Kaiser

Counsel for EPCOR

Schedule A

The following paragraphs are quoted from the evidence of Adonis Yatchew, on behalf of EPCOR, at page 17, March 21 2016.

“C.4 Facilitating Competitiveness

48. In order to minimize barriers to entry, potential entrants should be given unimpeded opportunity to compete for franchise areas against incumbent distributors.
49. An opaque environment, where information is difficult to obtain and its reliability uncertain, creates an additional barrier to entry. Keeping in mind that many expansion opportunities are small in size, external candidates are less likely to explore business ventures unless information is readily available. The Board should therefore consider instituting a series of changes to facilitate a competitive process.
50. A registry of interested proponents and a comprehensive database of franchise agreements should be made available. (The Board can determine the information that must be provided publicly while ensuring protection of commercially sensitive data.) Board approvals should be conditional on the municipality or other governing authority having conducted a process of due diligence. This may be, but does not necessarily need to be a comprehensive ‘RFP’ process. Rather, it could be within a range of processes such as a request for information, request for expressions of interest, request for qualifications, and so forth.¹”

¹ In some instances, it could be that the due diligence process leads to the conclusion that an extensive competitive process is not feasible, for example due to the size of the proposed expansion.