



Fogler, Rubinoff LLP
Lawyers

77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

June 1, 2016

Reply To: Thomas Brett
Direct Dial: 416.941.8861
E-mail: tbrett@foglers.com
Our File No. 163097

VIA RESS, EMAIL AND COURIER

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attention: Kirsten Walli
Board Secretary

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc., Storage and Transportation Access Rule (STAR)
Application; Board File No. EB-2016-0028**

Please find enclosed BOMA's Written Submissions.

Yours truly,

FOGLER, RUBINOFF LLP

A handwritten signature in black ink, appearing to read "Thomas Brett", written over the firm name.

Thomas Brett

TB/dd

Encls.

cc: All Parties (*by email*)

ONTARIO ENERGY BOARD

**Enbridge Gas Distribution Inc.
Application for approval of the tariff for transportation
service on the Albion Pipeline**

**Written Submissions of Building Owners and Managers Association,
Greater Toronto ("BOMA")**

June 1, 2016

Tom Brett
Fogler, Rubino LLP
77 King Street West, Suite 3000
P.O. Box 95, TD Centre North Tower
Toronto, ON M5K 1G8

Counsel for BOMA

Submissions

BOMA is prepared to support EGD's terms of service, allocation methodology and rate schedule for gas transportation service under Rate 332, subject to the following conditions:

First, the Open Season which EGD will hold in or about August 2016 for 1,200 TJ of transmission capacity on the Albion Line should be conducted in a manner that assures all potential bidders, not only TCPL, access to the capacity.

While TCPL may be obliged to bid for the entire 1,200 TJ/day available transmission capacity on Albion, they may not be the only bidder for the capacity. Union and Gaz Met may also bid. It is not clear whether if they bid they must assign their capacity to TCPL. If a bidder other than TCPL, Union and Gaz Met bids for capacity and qualifies under the tariff or will qualify under this tariff when current facilities under construction are completed and is prepared to pay the tariff 332 in the meantime, it should be awarded a portion of capacity. The evidence is not clear, and EGD/Union/TCPL have never been clear on what happens if another party, other than TCPL, Gaz Met, or Union, bids for capacity if that party had bidding commitment from Union and TCPL to offer (and it to take) capacity on their systems when it becomes available (and meet the other tariff conditions, eg. financial assurances) and again to pay the Rate 332 transmission toll commencing immediately.

Second, EGD explicitly agrees with BOMA's approval of the 332 rate should in no way be constrained as approval of placing in rate base the substantial cost overruns on the Albion Line (the April 2016 forecast costs of \$922 million, relative to LTC cost forecasts of \$687 million). BOMA understands that there will be an opportunity to challenge these cost overruns on

prudency grounds in EB-2016-0142 or elsewhere prior to any of them being included in rates.

BOMA notes EGD's response to Exhibit I.EGDI.CCC.4 (p1) that:

"During Enbridge Gas Distribution's customized incentive regulation ("CIR") term (2014 – 2018), the revenue requirement is to be derived utilizing the approved forecast of capital costs."

BOMA understands that evidence to mean the forecast of capital costs made at the time of the LTC, in other words the \$687 million, noted above.

Third, in BOMA's view, it is not clear whether the Albion Line is operational, that is, whether it is delivering gas to EGD at the Albion gate station for use in EGD's distribution franchise. In response to Exhibit I.EGDI.BOMA.6, EGD stated that the Albion Line was "energized" on March 22, 2016. BOMA does not know whether being energized means that gas is flowing continually and at planned volumes through the Albion pipeline into EGD's distribution system. If gas is not flowing on a daily, substantial, planned basis into EGD's distribution system at Albion, then EGD ratepayers should not be paying in rates for any part of their forty percent share of the revenue requirement of the line. If the gas is not flowing on a daily basis in substantial volumes to the EGD distribution customers, then the line is not in-service to EGD distribution ratepayers, and is not, therefore, used or useful. EGD ratepayers should not be required to pay any amount in rates.

BOMA will support the proposed rate, terms and conditions, and open season only if those three conditions are met.