

June 8, 2016

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
P.O. Box 2319  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2016-0028 - Enbridge Gas Distribution Inc. – Application for Approval of Rate 332**

Enbridge Gas Distribution Inc. (EGD) filed an application with the Ontario Energy Board (OEB or Board) pursuant to section 36 of the *Ontario Energy Board Act, 1998*, and sections 2.1.1 and 2.3.3 of the OEB's *Storage and Transportation Access Rule (STAR)* for an order approving Enbridge's terms of service, allocation methodology and rate schedule for gas transportation service under Rate 332. Rate 332 will apply to the Parkway to Albion King's North transportation service on the Albion Pipeline (Segment A of the GTA Project).

The Consumers Council of Canada (Council) is an intervenor in this proceeding. The Council intervened in this proceeding to determine whether there were impacts arising from EGD's proposals on its in-franchise residential customers. These are the final submissions of the Council regarding EGD's Rate 332 proposals.

In the Greater Toronto Area (GTA) leave to construct proceeding (EB-2012-0451) EGD indicated that it planned to use 800 TJ/day of capacity on the Albion Pipeline to serve its in-franchise customers and make available 1,200 TJ/day of capacity for transportation services. EGD also proposed that 60% of the revenue requirement would be allocated to the Rate 332 customers and the 40% to in-franchise customers. The Board approved EGD's proposals.

The Council was concerned that if the total contracted capacity for the transportation service was not fully subscribed costs would be reallocated to EGD's in-franchise customers. Through the interrogatory process EGD confirmed that in the event the total capacity of 1,200 TJ/day was undersubscribed this would not impact the cost allocation to in-franchise customers. In the event this happened EGD would revise the Rate 332 unit rate to recover the full 60% from the transportation customers (Ex. I.EGDI.CCC.3).

The total GTA project capital costs examined and approved in EB-2012-0451 and EB-2012-0459 were \$685.5 million, of which \$336.7 million was forecast for the Albion Pipeline. The current forecast cost of the total GTA project capital costs is \$922 million, of which \$413.3 million relates to the Albion Pipeline. The Council wanted to ensure that any cost overruns associated with the Albion Pipeline would not be allocated to in-franchise customers prior to a full prudence review. EGD has confirmed that this would not be the case. Under EGD's custom incentive regulation term (2014-2018) the revenue requirement associated with the Albion Pipeline is to be derived on the basis of forecast costs. The actual cost or most updated costs will be considered when EGD applies for rates in 2019 (Ex. I.EGDI.CCC.4). This will allow for a full prudence review at the time of rebasing.

The Council has not reviewed the extent to which the proposals are in accordance with STAR. The Council submits that EGD's proposals are consistent with previous Board Decisions. Assuming compliance with STAR, and in light of the submissions above, the Council has no remaining concerns with EGD's proposals as set out in its Application.

Yours truly,

*Julie E. Girvan*

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CC: EGD, Regulatory Affairs  
Fred Cass, Aird&Berlis  
All parties