

# *Aiken & Associates*

578 McNaughton Ave. West  
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624

E-mail: [randy.aiken@sympatico.ca](mailto:randy.aiken@sympatico.ca)

March 29, 2017

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli,

**RE: EB-2016-0137 – EB-2016-0138 – EB-2016-0139 –South Bruce Expansion  
Applications – Notice of Intervention (Phase 2) and Cost Eligibility Request (Phase 1  
& 2) of London Property Management Association**

Please find attached the notice of intervention for Phase 2 of the above noted proceedings and the cost eligibility request of the London Property Management Association (“LPMA”) with respect to Phase 1 and 2 of the above noted application.

Yours very truly,

*Randy Aiken*

Randy Aiken  
Aiken & Associates

c.c. Britt Tan (EPCOR)

# *Aiken & Associates*

578 McNaughton Ave. West  
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624

E-mail: [randy.aiken@sympatico.ca](mailto:randy.aiken@sympatico.ca)

March 29, 2017

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli,

**RE: EB-2016-0137 – EB-2016-0138 – EB-2016-0139 – South Bruce Expansion Applications – Notice of Intervention (Phase 2) and Cost Eligibility Request (Phase 1 & 2) of London Property Management Association**

## **Statement of Interest**

1. The London Property Management Association (“LPMA”) is a non-profit organization whose overall goal is to help property managers and those who own/operate residential income properties in the City of London and surrounding communities. The LPMA offers information and assistance to its members to help them deal with the legislation, rules and regulations that affect their business.
2. LPMA is made up of approximately 400 landlord members ranging from single unit owners to managers and owners of in excess of 2,000 units. The membership consists of a representative cross section of the rental property owners in the London area. In total, the LPMA members own or manage more than 35,000 rental units in the London area.
3. LPMA members receive regulated natural gas service from Union Gas under a number of rates, including M1, M2 and M4.
4. The membership of the LPMA wishes to intervene in this application because the Ontario Energy Board (“OEB”) may consider issues regarding how franchise agreements and certificates will be considered within the broad framework of natural gas expansions, given the findings from the decision on the OEB’s generic hearing on natural gas expansion (EB-2016-0004), in which LPMA was an active participant.
5. The EB-2016-0004 natural gas expansion proceeding provided guidance on a new framework that the OEB intends to implement. Some of the matters contemplated included

potential competition amongst distributors to serve new areas, and the hearing of a rates case (or possibly a leave to construction case) prior to, or in conjunction with, the granting of a certificate or franchise. These components of the new framework and other elements of the natural gas expansion proceeding will likely be relevant to the EPCOR and Union Gas applications and to future applications of a similar nature.

6. LPMA intends to actively participate in this process for the purpose of ensuring the record in this process is complete and to make submissions on any issues which are raised in the process that could affect rates for current and/or future Union gas customers.

### **Intervention**

7. In Procedural Order No. 2, dated March 3, 2017, the OEB granted LPMA intervenor status in the first phase of the proceeding.

8. LPMA hereby gives notice of its intention to intervene in, and appear at, the second phase of the application. LPMA's interest in the second phase of the application will be limited to ensuring that the current ratepayers of Union Gas will not be adversely impacted by any proposals of Union Gas in their application to serve the South Bruce communities, in accordance with the decision in EB-2016-0004.

9. LPMA reserves the right to be heard, to appear by or with counsel and/or consultant, to ask questions and to seek clarification on all matters raised during the process that may relate to its interests and to present submissions.

10. LPMA hereby requests that the Board and all other parties provide it with **hard copies** of all material and correspondence related to the Applications and the Hearing.

### **Cost Eligibility**

11. LPMA intends to seek an award of costs in both phase 1 and 2 of the applications and is requesting that the Board determine that it is eligible for an award of costs in both phases.

12. As indicated above, the LPMA is comprised of small and mid-sized commercial customers that take regulated services from natural gas and electricity distributors. Its members have a substantial interest in these proceedings, including all issues that may affect rates and services available to them.

13. LPMA submits that it is eligible to apply for a cost award based on section 3.03 (a) of the Practice Direction on Cost Awards, revised April 24, 2014. In particular, LPMA "primarily represents the direct interests of consumers (e.g. ratepayers) in relation to regulated services".

14. The Board has found the LPMA to be eligible for cost awards in numerous natural gas, electricity and policy related proceedings before the Board. As indicated above, the LPMA is intervening on behalf of its members which are consumers (i.e. ratepayers) in relation to regulated services provided by regulated distributors. As such, the LPMA submits that it is eligible for a cost award under Section 3.03.

15. LPMA has conformed with section 3.03.1 of the Practice Direction, as a party that frequently applies for intervenor status and cost award eligibility in Board proceedings. The information requested in section 3.03.1 was filed with the Board in June, 2016, which can be found on the Board's website, here:

<http://www.ontarioenergyboard.ca/OEB/Industry/Regulatory+Proceedings/Applications+Before+the+Board/Annual+Filings+-+Frequent+Intervenors>

16. In Procedural Order No. 3, dated March 23, 2017, the OEB indicated it would consider cost eligibility for both phase one and phase two of the proceeding.

17. In its findings in the EB-2016-0004 Decision with Reasons dated November 17, 2016, the OEB indicated that project proposals would need to be self-financing and have no risk to existing ratepayers. The OEB also found that the issue of advancing upstream system expansion and enhancements should be considered in every case where they are shown to exist. LPMA notes that these costs are likely to exist for the South Bruce communities and will be costs incurred by Union Gas, regardless of who ultimately serves the communities.

18. The OEB also stated that *“Given the OEB’s determination with respect to stand-alone rates, it is preferable to consider the matter of the revenue requirement recovery in the context of individual proposals and not on a generic basis. The OEB will want to determine (among other things) if Union and Enbridge’s proposals negatively impact existing customers whose interests are protected by the settlement agreement. That would best be done in the context of a specific proposal that reflects the OEB’s determinations in this hearing with respect to stand-alone rates.”*

19. LPMA intends to include a number of potential issues for the OEB’s consideration in the draft issues list that relate to ensuring that Union’s existing customers do not incur, directly or indirectly, any additional costs or risks associated with Union serving or proposing to serve the South Bruce communities (i.e. phase one).

20. These issues would include, but not be limited to, how the allocation of costs (both OM&A and capital) between existing ratepayers and potential ratepayers in the expansion area should be done (fully allocated, incremental, other) and the accounting of these actual costs during the rate stability period to ensure no double counting of costs.

21. As a result, LPMA requests that the OEB find it eligible for cost awards for phase one of the proceeding.

22. With respect to phase two, LPMA also requests that the OEB find LPMA eligible for costs associated with dealing with issues that have a direct or indirect impact on existing ratepayers of Union Gas. LPMA is not requesting phase two eligibility with respect to issues that only deal with the selection of the party to serve the South Bruce communities.

23. LPMA intends to only pursue those issues that could have an impact on existing ratepayers if Union Gas was to be selected as the distributor for the South Bruce municipalities or is required to incur capital and ongoing O&M costs associated with expansions or enhancements upstream of the distribution system that would serve the South Bruce communities.

24. LPMA sees such issues as the issues associated with the implementation of the outcome of the EB-2016-0004 decision that clearly indicates that existing Union Gas ratepayers are not to be burdened with any additional costs or risks associated with providing distribution services to new communities.

### **Communications**

25. All communications related to this Notice of Intervention and to this proceeding should be directed to:

Mr. Randy Aiken  
Aiken & Associates  
578 McNaughton Ave. West  
Chatham, Ontario, N7L 4J6

Telephone: 519-351-8624  
E-mail: randy.aiken@sympatico.ca

26. As noted above, LPMA requests that hard copies of all the materials filed during these proceedings be provided directly to Mr. Aiken at the above noted address.

Yours very truly,

*Randy Aiken*

Randy Aiken  
Aiken & Associates

c.c. Britt Tan (EPCOR)