

March 30, 2017

Via Email and RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
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File no. A155258

Dear Ms. Walli:

**Re: Southern Bruce Expansion Applications - EB-2016-0137, 2016-0138, 2016-0139
Applications to serve the Municipality of Arran-Elderslie, the Municipality of Kincardine
and the Township of Huron-Kinloss (Municipalities) with natural gas distribution services.**

On January 16, 2017, Parkland Fuel Corporation (**Parkland**) filed a Notice of Intervention requesting intervenor status in this proceeding, which request was granted by the Board in its Procedural Order No. 2 dated March 3, 2017.

In that same order, the Board indicated that it intended to structure the proceeding in two stages: Phase 1 would hear submissions from interested parties with respect to the draft Issues List and Phase 2, the "main phase", would involve the actual hearing of the competing proposals.

The Board also indicated that it intended to limit interventions in Phase 2 to "directly affected parties." Apart from the proponents, the Southern Bruce Municipalities and directly affected ratepayer groups, all of whom the Board indicated would be given standing in Phase 2, the Board advised that any other parties wanting to participate in the "main phase" would have to "provide a compelling explanation for how their interests align with the selection of a distributor for the Southern Bruce Municipalities."

In Procedural Order No. 3 dated March 23, 2017, the Board deferred the date for Phase 1 submissions on the draft Issues List until it makes determinations on intervenor status for Phase 2 (as well as cost eligibility). In this order, the Board reiterated its intention to limit Phase 2 interventions, and directed that by March 30, 2017:

- (a) "parties whose constituencies are directly affected by the provision of natural gas service in the relevant municipalities" should apply for intervenor status for Phase 2, and
- (b) other Phase 1 intervenors wanting to continue to participate in Phase 2 could also apply, by providing "a compelling explanation for how their interests align with the selection of a distributor for the Southern Bruce Municipalities."

For the reasons which follow, Parkland applies for intervenor status in Phase 2 of this proceeding, as a party whose constituencies will be directly affected by the provision of natural gas service in the Municipalities.

1. Parkland was granted intervenor status and actively participated in EB-2016-0004, and the Board has indicated that the findings made in its Expansion Decision will be relevant to the decisions to be made in this proceeding. Further, in the Expansion Decision the Board recognized Parkland's interest as a fuel provider in areas not currently served by gas (page 6) and expressed the view, amongst other matters, that market distortions which would operate to the detriment of existing energy services that compete with gas, such as propane (page 4), should be avoided. In other words, the Board recognized the current Parkland constituency as a competitive supplier of fuel and energy services.
2. Parkland's January 16 intervention in this proceeding was similarly focused on its competitive service offerings in Ontario, as well as its capital investment in the Province. Parkland summarized its reason for intervening in this proceeding as follows:

"Having regard to the Expansion Decision, Parkland remains concerned to ensure that the playing field on which it may compete with EPCOR [or Union] is a level one, and that no unwarranted regulatory advantage is conferred on EPCOR [or Union] that could have a material adverse consequence for Parkland and other competitive fuel offerings."
3. Clearly, by granting intervenor status to Parkland in its Procedural Order No. 2 in this proceeding, the Board affirmed its prior recognition of the current Parkland constituency as a competitive supplier of energy services.
4. Through its Sparlings and Bluewave Energy brands, Parkland provides residential and commercial services throughout the Municipalities to approximately 6500 customers. Parkland's constituency in the Municipalities is growing, having added an average of 500 new customers in each of the last few years.
5. Parkland employs approximately 75 permanent employees in the area, including professional drivers, service technicians, customer service and administrative, mechanics, logistics personnel, and various managers.
6. In the second and main phase of this proceeding, the Board and intervenors will hear and test the evidence to be led by the proponents as to why each of them should be selected as a gas distributor for the Municipalities. Irrespective of which proponent is selected, Parkland expects to continue to provide fuels in the region and to compete with that distributor, on a level playing field.

Having regard to the above, the current and future Parkland constituency as a competitive supplier of low-GHG propane fuel and energy services will be directly affected by the provision of natural gas service in the Municipalities, and Parkland should be accorded intervenor status in Phase 2 of this proceeding.

Yours very truly,

Gowling WLG (Canada) LLP

<Original signed by>

James H. Smellie

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