

May 19, 2017

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

Dear Ms. Walli:

**RE: EB-2017-0091 – Union Gas Limited - 2016 Disposition of Deferral Account Balances—  
Comments on FRPO Intervention Request Letter**

Union Gas Limited (“Union”) is writing in response to the intervention request letter filed on May 12, 2017 by Mr. Quinn on behalf of FRPO in the above noted case. In his letter, Mr. Quinn requests that he be granted cost eligibility for topics which are broader than those identified by the Ontario Energy Board (“Board”) in the Notice for this proceeding. Union opposes this request.

By Letter of Direction, the Board directed Union to serve Notice on May 9, 2017 in the above noted proceeding. Union issued Notice to parties the same day.

In the Notice, the Board specifically identified the issues that are eligible for cost awards:

The OEB intends to consider cost awards in this proceeding that are in accordance with the *Practice Direction on Cost Awards* and **only in relation to the following issues** (emphasis added):

- 1) The proposed balances for recovery / refund recorded in the following deferral and variance accounts:
  - Unabsorbed Demand Costs (UDC) Variance Account (Account No. 179-108)
  - Upstream Transportation Optimization (Account No. 179-131)
  - Short-Term Storage and Other Balancing Services (Account No. 179-70)
  - Conservation Demand Management (CDM) (Account No. 179-123)
  - Normalized Average Consumption (Account No. 179-133)
  - Unaccounted for Gas (UFG) Volume Variance Account (Account No. 179-135)
  - Parkway West Project Costs (Account No. 179-136)
  - Brantford-Kirkwall / Parkway D Project Costs (Account No. 179-137)
  - Parkway Obligation Rate Variance (Account No. 179-138)
  - Unaccounted for Gas (UFG) Price Variance Account (Account No. 179-141)
  - Lobo C Compressor / Hamilton-Milton Pipeline Project Costs (Account No. 179-142)

- Unauthorized Overrun Non-Compliance Account (Account No. 179-143)
- Lobo D / Bright C / Dawn H Compressor Project Costs (Account No. 179-144)
- Burlington-Oakville Project Costs (Account No. 179-149)
- Greenhouse Gas Emission Impact Deferral Account (Account No. 179-152)

- 2) The proposed 2016 utility results and earnings sharing amount.
- 3) The proposed method for allocating and disposing of the 2016 deferral account balances and 2016 earnings sharing amount, if any.
- 4) The evidence filed with respect to Union Gas' Data Centre Consolidation.

In the result, the Board has already determined which issues will be eligible for a cost award. It is not open to FRPO to purport to reserve for itself the right to claim costs in relation to other issues not specified in the Notice.

Even the example cited by FRPO does not support its request. It refers to gas supply issues. But even it acknowledges there is a separate and on-going proceeding that the Board has convened to develop a framework to review the Gas Supply Plans of the utilities (EB-2017-0129). FRPO also admits that Union has not sought any specific approval related to the information filed on Incremental Transportation Contracting Analysis in this deferrals proceeding.

Ultimately, while Union does not object to the request for intervenor status by FRPO, Union does object to this request to expand the scope of the intervention. Based on the Board's express intent in the Notice to exclude costs related to Gas Supply issues, and the existence of an ongoing and separate process to deal with Gas Supply issues, including a Working Group in which FRPO is a participant, Mr. Quinn's request should be denied.

If you have any questions concerning this application and evidence please contact me at (519) 436-5473.

Yours truly,

*[Original Signed by]*

Karen Hockin  
Manager, Regulatory Initiatives

c.c.: Crawford Smith (Torys)  
Mark Kitchen (Union)  
Dwayne Quinn (FRPO)