

VIA E-MAIL

June 5, 2017

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

**RE: EB-2017-0102 Enbridge Gas Distribution - 2016 ESM & Deferral Account Disposition
FRPO Intervention Request**

REQUEST & SUPPORT

I am writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) in regard to the Notice of Application in the above proceeding. In its Application, Enbridge is seeking an Order or Orders approving the clearance or disposition of amounts recorded in certain Deferral or Variance Accounts under section 36 of the OEB Act. The rate impacts from these dispositions will have impact on our members.

FRPO is Ontario's leading advocate for quality rental housing, representing over 800 private owners and managers who supply over 350,000 rental suites across the province. Our members strongly believe that the rental-housing sector is best served by a competitive marketplace that offers choice and affordability in the provision of energy services. As a not-for-profit organization, FRPO does not have other funding sources to ensure experienced representation to participate in and assist the Board in these regulatory proceedings. FRPO has previously assisted the Board in other matters and has been awarded costs by the Board. Therefore FRPO would respectfully request a determination of eligibility for cost award in this proceeding.

ISSUES & INVOLVEMENT

This is the third year of the Earnings Sharing and Deferral Dispositions under the new Incentive period whereby Enbridge has been setting rates under the novel custom Incentive Ratemaking Framework approved in EB-2012-0459. That proceeding was exceedingly complex and we want to ensure the resulting determination, allocation and disposition of these accounts are appropriate under the Board's orders and directives. In particular, Enbridge is seeking disposition of significant Commodity Related Accounts. FRPO has assisted in providing insight to the Board and advancing ratepayers' interests in these areas in the past. As such, we would expect to be involved in all aspects of the proceeding.

In addition, Enbridge is continuing its adaptation to evolutions in the North American gas supply market. The result has been major capital additions and changes to the gas supply management approach. As outlined in our request for intervention request in the comparable Union Gas proceeding, EB-2017-0091¹, we have similar concerns with the regulatory gap in oversight on gas supply decisions with short-term and long-term impact on ratepayers while a framework is being developed in another

¹ EB-2017-0091 FRPO Submissions dated May 12 and May 24, enclosed with this request for completeness.

DR QUINN & ASSOCIATES LTD.

proceeding, EB-2017-0129. That proceeding may provide improvements to close this regulatory gap. However, the utilities are not asking for any specific approvals in that proceeding and the Board will not be rendering a decision on the specific plans of the utilities. Absent other means of testing the decisions that Enbridge is making on behalf of its ratepayers at this time, we respectfully request that the Board consider inquiry into Gas Supply matters for cost awards in this proceeding. We note that if the Board does not provide inquiry into Gas Supply matters in this proceeding, the only other proceedings available for testing the merits of the utilities' choices are the QRAM proceeding or potentially a prudence review. We stand so strongly behind our belief in the importance of these Gas Supply issues that we are willing to pursue those interests, with or without upfront eligibility for cost awards. Therefore, we respectfully request the inclusion of Gas Supply issues on the Issues List for this proceeding.

In response to the Board's notice requesting input on the manner of hearing, given our experience with matters arising from recent Deferral Account proceedings, we believe that an oral hearing preceded by interrogatories and a settlement conference would be an effective process to determine these issues.

REPRESENTATION

If the intervention requested is granted, then FRPO asks that further communications with respect to this matter be sent to the following:

Mr. Dwayne R. Quinn
DR QUINN & ASSOCIATES LTD.
130 Muscovey Drive,
Elmira, Ontario
N3B 3B7

Phone: (519) 500-1022
Email: drquinn@rogers.com

Thank you for your consideration of this request

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

- c. A. Mandyam, K. Culbert, EGD Regulatory Proceedings - EGD
L. Gluck – Board Staff
K. Lauesen – FRPO
Interested Parties EB-2017-0102

Enclosure: EB-2017-0091 FRPO Submissions

VIA E-MAIL & COURIER

May 12, 2017

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

RE: EB-2017-0091 - UNION GAS 2016 Deferral Account Disposition

REQUEST & SUPPORT

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (FRPO) in regard to the Notice of Application received from Union Gas on May 9th. The Application by Union Gas is seeking order or orders clearing certain non-commodity related deferral accounts and sharing utility earnings pursuant to a Board-approved earnings sharing mechanism. The resulting rates impact the members of the FRPO.

FRPO is Ontario's leading advocate for quality rental housing, representing over 800 private owners and managers who supply over 350,000 rental suites across the province. Our members strongly believe that the rental-housing sector is best served by a competitive marketplace that offers choice and affordability in the provision of energy services. As a not-for-profit organization, FRPO does not have other funding sources to ensure experienced representation to participate in and assist the Board in these regulatory proceedings. FRPO has previously assisted the Board in other matters and has been awarded costs by the Board. Therefore FRPO would respectfully request a determination of eligibility for cost award in this proceeding.

ISSUES

FRPO has participated in recent Union applications and desires to assist the Board in reviewing the application in light of the rate impacts that would be generated by this Application. FRPO represents the direct interest of its members who are impacted by changes to the regulated rates of Union Gas. Therefore, FRPO respectfully requests involvement in all aspects of the review of this Application.

Given that the notice of application provided a list of issues for which the Board would consider for cost award, we are concerned that the Board's lack of awareness of emerging issues could preclude intervenor funding in pursuit of assisting the Board in the understanding and determination of issues in the public interest. As such, FRPO's request that it be determined eligible for recovery of its reasonably incurred costs herein is not confined only to the issues listed in the Notice, and is made without prejudice to positions which FRPO may advocate in this proceeding regarding the appropriate scope of cost awards to eligible intervenors.

As a specific example, Gas Supply issues were omitted from the list of issues considered for cost award in Union Gas' 2017 rates proceeding (EB-2016-0245). We respect that the Board has undertaken a process to develop a framework to review the Gas Supply plans of the utilities (EB-2017-0129). However, given the timeframe projected for the Staff report, more than a year of Gas Supply planning would go untested prior to the Board's opportunity to implement a new framework, if that is the outcome of the framework proceeding. While there is no specific approval requested by Union, their provision of Incremental Transportation Contracting Analysis was the agreed upon documentation that Union would provide in its Deferral Account disposition proceeding to allow insight into Gas Supply contracting decisions for more than a decade. Absent other means of testing the decisions that Union is making on behalf of its ratepayers at this time, we respectfully request that the Board consider inquiry into Gas Supply matters for cost awards in this proceeding.

REPRESENTATION

If the intervention requested is granted, then FRPO asks that further communications with respect to this matter be sent to the following:

Mr. Dwayne R. Quinn
DR QUINN & ASSOCIATES LTD.
130 Muscovey Drive,
Elmira, Ontario
N3B 3B7

Phone: (519) 500-1022
Email: drquinn@rogers.com

Thank you for your consideration of this request

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

- c. K. Hockin - Union Gas
K. Lauesen - FRPO

VIA E-MAIL

May 24, 2017

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

RE: EB-2017-0091 – Union Gas 2016 Deferral Acct. Disp. – FRPO Response to Union Gas

We are writing in response to Union Gas' letter of May 19th in the above proceeding. In its letter, Union requests a rejection of our request to seek cost awards in dealing with issues of Gas Supply because Union has not asked for an approval of their Gas Supply plan and there is a process underway to develop a framework to review utility Gas Supply plans. We respectfully request the Board consider our concerns and our opportunity to inform the Board about the short- and long-term implications of Union's Gas Supply decisions.

Short-Term Concern

In EB-2015-0166, Union Gas requested the prior approval of the cost consequences of delivering about 20% of the Union South annual volumes through the Nexus pipeline starting November 1, 2017. The Board approved that request. However, that project is still awaiting regulatory approval and will not be in place for this coming winter. On behalf of its system gas customers, Union is making alternate arrangements for the gas that will not be delivered via Nexus. Absent inclusion in this proceeding, the only forum available for the approval of these Gas Supply decisions is the QRAM proceeding and we understand the Board does not want extensive discovery and submissions in that forum. In our view, inclusion in this proceeding is more appropriate as the Gas Supply framework proceeding is not scheduled for conclusion prior to the time that winter contracting for additional supplies must be completed.

Long-term Concern

Recently, TransCanada Pipelines held an open season for a Long-term Fixed Price opportunity to deliver gas to Dawn at a significant discount to existing tolls and likely at a discount, on a landed cost basis to many transportation paths to Dawn. While we do not know with certainty that Union expressed interest, we are aware that Union did not even include that path in its Incremental Transportation Contracting Analysis and are not listed as a shipper in the evidence submitted by TransCanada to the NEB¹. Given that this offering was larger in scale in annual deliveries to Dawn than the Nexus pipeline and is projected to provide gas to Dawn at a lower

¹ RH-003-2017 TCPL Dawn Long-Term Fixed Price Service Application, page 11 of 29

landed cost, it is disconcerting to have Union Gas omit that path in its submitted analysis in evidence for Incremental Transportation Contracting Analysis. This Incremental Transportation Contracting Analysis was established in EB-2005-0520 as a means of demonstrating the analysis undertaken in support of seeking approval of the costs of upstream transportation contracts.²

Conclusion

We respect and appreciate the Board's initiation of the proceeding to consider a Framework to review the Gas Supply plans of the utilities³. However, if and until the Board orders changes to the regulatory construct, there is a considerable gap in oversight on significant decisions impacting the short- and long-term landed costs to the consumer. We believe including these issues in the current proceeding issues list would be most efficient and in the public interest. We stand so strongly behind that belief that we are willing to pursue those interests, with or without upfront eligibility for cost awards. Therefore, we respectfully request the inclusion of Gas Supply issues on the Issues List for this proceeding.

Thank you for your consideration of this request

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

- c. K. Hockin - Union Gas
- K. Viraney, L. Gluck, M. Millar – Board Staff
- Interested Parties – EB-2017-0091
- K. Lauesen - FRPO

² EB-2005-0520 Decision with Reasons, dated June 29, 2006, Settlement Agreement, Appendix B

³ EB-2017-0129