

June 27, 2017

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

Dear Ms. Walli:

Re: EB-2015-0179 – Union Gas Limited – Community Expansion – Reply Argument Correction

We are writing on behalf of the Consumers Council of Canada (“Council”) with respect to what appears to be a fundamental misunderstanding by Union Gas Limited (“Union”) with respect to the Council’s submissions in the above-referenced proceeding. Those submissions were filed with the Ontario Energy Board (“Board”) on June 21, 2017. Union’s reply argument was filed on June 26, 2017. We are conscious that there is no general right of reply in the Board’s process for this proceeding, however in this instance Union has asserted that the Council has ignored a portion of the Board’s Decision in EB-2016-0004, which the Council does not agree is the case.

At paragraph 17 of Union’s argument Union asserts the following:

However, the focus of CCC’s position is that rates applicable to the expansion community must be wholly “stand-alone” and that existing rates with a surcharge are not sufficient. According to CCC on this basis, expansion customers should not be subject to changes in existing rates. However, CCC’s position is not valid for two reasons. First, it ignores the Board’s ruling in EB-2016-0004 in which the Board indicated that, as noted above, an incumbent utility with existing rates may still propose to collect a surcharge over and above those rates to make up for the shortfall in revenues to cover the cost of expansion.

The Council would like to respectfully clarify that it agrees that Union has the option to charge existing rates with a surcharge to new customers under the Board’s ruling in EB-2016-0004, and that in the normal course new customers would be subject to changes in existing rates in the same way existing customers would be subject to those changes. Indeed, the Council’s submissions are specifically concerned with the consequences, if any, of choosing that option given the context within which that option exists.

We hope that this clarification is of assistance to the Board.

Yours truly,

Julie E. Girvan

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CC: Union Gas
C. Keizer, Torys
Interested Parties