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December 15, 2017

**Delivered by Email and Courier**

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

Dear Ms. Walli:

**Re: Application by Enbridge Gas Distribution Inc. and Union Gas Limited for an Order or Orders approving or fixing rates for the sale, distribution, transmission and storage of gas commencing January 1, 2019  
Board File No. EB-2017-0307**

We are counsel to the Association of Power Producers of Ontario ("APPrO") in the above-captioned matter. Please find attached APPrO's Notice of Intervention in this proceeding. Paper copies of this letter and the accompanying Notice will be delivered to you by courier.

Should you have any questions or require further information in this regard, please do not hesitate to contact me.

Yours very truly,

**BORDEN LADNER GERVAIS LLP**

Per:

*Original signed by John A.D. Vellone*

John A.D. Vellone

cc: David Butters, APPrO  
John Wolnik, Elenchus  
Andrew Mandyam, Enbridge Gas Distribution Inc.  
Vanessa Innis, Enbridge Gas Distribution Inc.  
Mark Kitchen, Union Gas Limited  
Fred Cass, Aird & Berlis LLP  
Crawford Smith, Torys

TOR01: 7196005: v1

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sched. B, as amended;

**AND IN THE MATTER OF** an Application by Enbridge Gas Distribution Inc. and Union Gas Limited for an Order or Orders approving or fixing rates for the sale, distribution, transmission and storage of gas commencing January 1, 2019.

**NOTICE OF INTERVENTION OF THE  
ASSOCIATION OF POWER PRODUCERS OF ONTARIO (“APPrO”)**

**December 15<sup>th</sup>, 2017**

**APPrO:**

**David Butters**

President  
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AND

**Elenchus Research Associates  
Inc.**

83 Guildford Cres.  
London, ON N6J 3Y3

**John Wolnik**

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Facsimile: (416) 348-9930  
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## INTRODUCTION:

1. Enbridge Gas Distribution Inc. (“Enbridge”) and Union Gas Limited (“Union”) have jointly filed an application with the Ontario Energy Board (the “Board”) under section 36 of the *Ontario Energy Board Act, 1998*, as amended, for an Order or Orders approving or fixing rates for the sale, distribution, transmission and storage of gas commencing January 1, 2019 (the “Application”).
2. The rates that Enbridge and Union currently charge customers for the delivery of natural gas are set using two separate five-year frameworks, approved in EB-2012-0459 for Enbridge and EB-2013-0202 for Union, both of which are due to expire at the end of 2018. APPrO actively participated in both the EB-2012-0459 and EB-2013-0202 proceedings. The Board would normally review the costs of each of the gas utilities to set new rates starting in 2019. However, in a separate application, Enbridge and Union have asked the Board for approval to amalgamate the two utilities to form a single natural gas distribution, transmission and storage company effective January 1, 2019 (EB-2017-0306) (the “Amalgamation Application”). As part of the Amalgamation Application, the utilities have asked to defer the full review of their costs for 10 years.
3. Through this Application, Enbridge and Union are seeking approval for a rate setting framework that: escalate rates annually based on an index driven by inflation without reductions to account for productivity or for a stretch factor; allow the continued recovery of certain costs such as gas commodity, upstream transportation and cap and trade costs; allow the recovery of certain costs provided they are alleged to be outside of the applicants’ control and exceed a threshold of \$1 million; approvals related to qualifying for incremental capital, adjustments to currently approved revenues and for the continuation of some, and the discontinuation of other deferral and variance accounts; and the determination of all other issues that bear upon the Board’s approval or fixing of just and reasonable rates for the sale, distribution, transmission, and storage of gas by Enbridge and Union for the year commencing January 1, 2019.
4. APPrO hereby requests intervenor status in this proceeding. APPrO is concurrently

requesting intervenor status in the Amalgamation Application.

#### **INTEREST OF THE INTERVENOR:**

5. APPrO is a non-profit organization representing more than 100 companies involved in the generation of electricity in Ontario, including generators and suppliers of services, equipment and consulting services. APPrO members produce power from natural gas, as well as hydro, gas, nuclear, wind, waste wood and other sources.
6. Among APPrO's members are gas-fired generators in Enbridge's franchise area. These generators take service from Enbridge primarily under Rate 125. All customers in the Rate 125 rate class are power generators and are not represented by any other consumer group. Within the Union franchise, gas-fired generators contract for distribution and transportation services under several rate classes, including Rate 100 and Rate 20 in Union North, and Rate T2 and Rate M12 in Union South. APPrO's members have a direct and significant interest in this proceeding.

#### **SCOPE OF PARTICIPATION:**

7. APPrO reserves the right to participate in all aspects of the proceeding. APPrO also reserves the right to present evidence as it may deem necessary.

#### **FORM OF HEARING REQUESTED**

8. APPrO believes the nature of the Application is sufficiently complex and impactful to warrant an oral hearing.

#### **APPrO's EXPERIENCE AS A FREQUENT INTERVENOR:**

9. APPrO has a record of participating in Board proceedings as an intervenor. As required by Rule 22.03(b) of the Board's Rules of Practice and Procedure and Rule 3.03.1 of the Board's Practice Direction on Cost Awards, APPrO filed with the Board information on APPrO's mandate, objectives, membership, constituency, programs and activities and other relevant information within the previous 12 month period as part of EB-2017-0102,

EB-2017-0091, EB-2017-0127, EB-2016-0246, EB-2016-0296 / EB-2016-0300 / EB-2016-0330, EB-2016-0186 and EB-2015-0179. This document has been updated and attached as Attachment 1 to this Notice of Intervention.

## **COSTS:**

10. Pursuant to s. 3.06 of the Board's Practice Direction on Cost Awards, APPrO intends to seek an award of costs from Enbridge and Union. In accordance with s. 3.03(a) of the Board's Practice Direction on Cost Awards, APPrO represents the direct interests of consumers in relation to Enbridge's and Union's regulated services.
11. APPrO has a record of participating in Board proceedings in a responsible and efficient manner and the Board determined that APPrO was eligible for cost awards in other proceedings, including Union and Enbridge rates cases and several natural gas proceedings that had unique impacts on power generators (including, among others, NGEIR and storage allocation proceedings). APPrO believes it is appropriate for the Board to do so again in the context of this proceeding and in light of the potential impacts of the proposed 10-year rate adjustment framework on APPrO's members.

## **COUNSEL/REPRESENTATIVES**

12. APPrO requests that the Board, Enbridge and all intervenors provide it and its counsel and consultant with copies of all written evidence and correspondence related to the proceeding, at the contact information below. APPrO asks that Enbridge and Union deliver (i) a paper copy of its Application and all of its prefiled evidence to Elenchus Research Associates Inc. at the coordinates listed below; (ii) other than the Application and prefiled evidence, electronic versions of the remainder of the filings in this matter will be satisfactory for Elenchus Research Associates Inc. at this time; and (iii) electronic copies of its Application and all other evidence to Borden Ladner Gervais LLP and APPrO at the coordinates listed below.

**APPrO:**  
**David Butters**  
President  
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**John Wolnik**  
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ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 15<sup>th</sup> DAY OF DECEMBER, 2017

**BORDEN LADNER GERVAIS LLP**

**Per:**

*Original signed by John A.D. Vellone*

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John A.D. Vellone  
Counsel to APPrO

## **Attachment 1**

### **The Association of Power Producers of Ontario**

**Description:** The Association of Power Producers of Ontario ("APPrO") is a non-profit trade and professional organization representing more than 100 companies involved in the generation of electricity in Ontario, including generators and suppliers of services, equipment and consulting services. APPrO is the largest organization of its type in Canada. APPrO was established in 1986 as the Independent Power Producers' Society of Ontario and changed its name to APPrO in 2003.

**Mandate and objectives:** APPrO's principal objective is the achievement of an economically and environmentally sustainable electricity sector in Ontario that supports the business interests of electricity generators. APPrO's role in the electricity sector is to raise awareness and understanding of its members' concerns with senior decision-makers in government, regulatory bodies and the public at large.

**Membership and representative constituency:** APPrO currently has over 100 corporate members, twenty two of which collectively produce more than 50% of the electricity made in Ontario. APPrO's members produce electricity from a range of sources, including natural gas, hydroelectricity, cogeneration, windpower, solar energy, biomass, biogas, nuclear energy and other sources.

**Programs and activities:** APPrO acts as an advocate for its members. It aims to have a voice on regulatory and policy issues which affect generators in Ontario, including electricity market rules, power procurement processes, the regulation of the natural gas market (both provincially and federally), climate change rules and compliance mechanisms, approval requirements, transmission development, distributed generation, and a number of other issues. APPrO is a leading advocate for public policies and regulatory treatments that it believes will facilitate the development of power generation in the province and assist in the development of a more open and competitive market for power. APPrO also organizes industry conferences and produces a number of publications. APPrO's magazine, IPPSO FACTO, is an authoritative periodical on the electricity business and policy issues in Canada.

**APPrO's authorized representative in OEB proceedings:** APPrO's principal authorized representative in proceedings before the Ontario Energy Board (the "Board") is Elenchus Research Associates Inc. ("Elenchus"), represented by John Wolnik. Borden Ladner Gervais LLP ("BLG"), represented by John A.D. Vellone and Ada Keon with support from other BLG associates, will provide support to APPrO and Elenchus for this proceeding EB-2017-0307. Elenchus and BLG's representation of APPrO in proceedings before the Board is pursuant to written retainer agreements.