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January 26, 2018

Via RESS and Courier

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

Dear Ms. Walli:

**RE: EB-2017-0306 - Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union)  
Application to Amalgamate**

**OAPPA's Comments on Issues List**

The following are the comments of the Ontario Association of Physical Plant Administrators (OAPPA) with respect to the issues list for EB-2017-0306.

Represented by Aegent Energy Advisors, OAPPA participated in the intervenor discussions that resulted in the alternative proposed issues list (Alternative Issues List) filed with the Board on January 17, 2018. OAPPA endorsed the Alternative Issues List and remains of the view that the matters identified in the Alternative Issues List are the appropriate issues for this proceeding and therefore, the intervenors' list should be adopted by the Board.

OAPPA's membership includes the physical plant administrators for provincially-assisted universities in Ontario, most of whom are distribution customers of either Enbridge Gas Distribution or Union Gas. Member universities take services from the two gas utilities under a number of different rate groups, depending on each member's requirements. The range of groups covers both the general service and contract rate classes.

From budgeting and operating perspectives, the rate structures, rate levels (and therefore bill impacts), and terms and conditions of service are of key importance to OAPPA. If approved, the amalgamation of EGD and Union raises numerous questions about the impacts of the amalgamation on the rates and terms and conditions for the utilities' regulated services – at the outset of and during any transition as well as post-transition. Identifying and exploring these potential impacts needs to begin in this proceeding, and the broader nature of the Alternative Issues List facilitates that inquiry.

Issues 4 and 5 of the Alternative Issues List serve to begin the inquiry. Testing the appropriateness of deferred rebasing (Issue 4) and exploring the questions to be considered if a deferral period is allowed (Issue 5) will help to inform the various ways in which rates and services could be affected during the various stages of any amalgamation.

Issue 6 of the Alternative Issues List is an appropriate matter for inquiry in this proceeding. The commitments made by EGD and Union during their respective 2014-2018 incentive rate plans did not contemplate the possibility of amalgamation nor deferred rebasing and so it is important to explore when and how these various commitments will be handled.

Issue 7 recognizes that there are Board policies, rules and orders that have an impact on the rates, services and operations of the two utilities (e.g. Gas Distribution Access Rule, Storage and Transportation Access Rule, Regulatory Framework for the Assessment of Cost of Natural Gas Utilities' Cap and Trade Activities) and that may be affected by an amalgamation of EGD and Union. It is important to identify now what those impacts could be and steps for addressing them if required. By doing so, there will be clarity for the utilities and their customers in how the various facets of the natural gas sector will be guided and regulated if the EGD / Union amalgamation is approved.

Issue 8 addresses the matter of conditions that should apply should the proposed amalgamation be approved. OAPPA notes that Issue 8 expands the questions encompassed by Issues 9-11 to which parties have already agreed. Issue 8 would allow for the identification of other conditions that may be necessary to ensure the interests of customers with respect to all aspects of their natural gas utility rates and services are dealt with in a transparent, reasonable and fair manner.

The proposed amalgamation of EGD and Union represents the potential for a significant change in the Ontario landscape for the natural gas sector given it would involve the merger of the two largest natural gas utilities in the province. OAPPA submits that the intervenor's Alternative Issues List represents the appropriate scope and questions to be answered in order to allow for a broader and more thorough review of the application. OAPPA appreciates the opportunity to provide its comments on the issues list to the Board.

Yours truly,

A handwritten signature in black ink that reads "Valerie Young". The signature is written in a cursive, flowing style with a large, decorative flourish at the end of the name.

Valerie Young  
Director, Research and Analysis

- cc.      A. Mandyam, Enbridge Gas Distribution  
          M. Kitchen, Union Gas  
          F. Cass, Aird & Berlis  
          N. Splinter, OAPPA / Queen's University  
          M. Millar, Board Staff  
          K. Viraney, Board Staff  
          I. Richler, Board Staff  
          EB-2017-0306 Intervenors