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February 1, 2018

Via RESS and Courier

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

Dear Ms. Walli:

RE: EB-2017-0307 - Enbridge Gas Distribution Inc. (EGD) and Union Gas Limited (Union)
Application for Rate Setting Mechanism

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-2017-0307.

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 23, 2018. OAPPA fully supports the Alternative Issues List since it is a comprehensive list of important questions to be addressed from a rate setting perspective if the Board approves the amalgamation of EGD and Union and a deferral of rate rebasing.

OAPPA would like to offer brief comments on three of the issues from the intervenors' Alternative Issues List that EGD and Union have indicated are "unnecessary or inappropriate", namely, A.5, A.8 and C.1.¹

Issue A.5 from the Alternative Issues List asks what changes to rates, regulated services, cost allocation or rate design are appropriate during the rate plan period and what the appropriate process is for any such changes to be made. OAPPA notes that at Exhibit B, Tab 1, page 29 of their prefiled evidence, EGD and Union specifically cover the possibility of proposed changes to regulated service offerings, cost allocation and rate design during the deferred rebasing period. Also at Exhibit B, Tab 1, page 26, the pre-filed evidence refers to including the pricing of any new regulated services or cost allocation and rate design proposals in an application for approval as part of the annual rate adjustment process. Given that EGD and Union considered it necessary and appropriate to address the topics included in Issue A.5 in their prefiled evidence, it would seem that Issue A.5 is a reasonable question to be considered in this proceeding, particularly since it appears to OAPPA that this proceeding will be the only opportunity to explore this aspect of the utilities' proposals.

¹ Argument-in-Chief on Issues List, p.6

Issue A.8 from the Alternative Issues List asks what the annual rate adjustment process should be. The prefiled evidence covers this topic at Exhibit B, Tab 1, pages 26 to 27 and so like Issue A.5, it is an appropriate question for inclusion on the issues list, again since it may be the only opportunity to inquire about the general process that the utilities propose to follow for annual rate adjustments.

In OAPPA's view, it is important for the questions posed by Issues A.5 and A.8 to be included on the issues list since they cover topics which are key considerations from the perspective of a customer's planning and budgeting activities as well operations. Issue C.1 on the Alternative Issues List, which addresses the possible harmonization of rates and conditions of service, is also an important matter for customers for much the same reason as Issues A.5 and A.8. At the very least, it would be helpful for customers to know if and when the rates and terms and conditions of service of the two utilities might be reviewed for harmonization and what the process might be for that review.

Yours truly,

A handwritten signature in black ink, reading "Valerie Young". The signature is fluid and cursive, with the first name "Valerie" and last name "Young" clearly distinguishable.

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-2017-0307 Intervenors