

March 5, 2018

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

Dear Ms. Walli:

Re: EB-2017-0306/0307 – Union Gas Limited and Enbridge Gas Distribution Inc. Applications for Amalgamation and Rate-Setting

We are representing the Consumers Council of Canada (“Council”) in the above-referenced proceeding. On March 1, 2018, the Ontario Energy Board (“OEB”) issued Procedural Order No. 3 establishing an Issues List for the proceeding.

The Council is generally supportive of the approved Issues List. The Council is concerned, however, that the OEB’s approved Issue’s List restricts any adjustments to 2019 rates to those adjustments proposed by Union Gas Limited (“Union”) and Enbridge Gas Distribution Inc. (“EGD”). Issues 8-11 refer to specific adjustments proposed by Union and EGD:

- Is the proposed adjustment to reflect the full amortization of union Gas’ accumulated deferred tax balance at the end of 2018 appropriate? (Issue 8)
- Is the proposed adjustment to unwind smoothing of costs related to Enbridge Gas’ Customer Information System and customer care forecast costs appropriate? (Issue 9)
- Is the proposed adjustment to Enbridge Gas’ Pension and OPEB costs appropriate? (Issue 10)
- Is the proposed adjustment to reflect the removal of Enbridge Gas’ tax deduction associated with the discontinued SRC refund appropriate? (Issue 11)

The Council is of the view that the OEB should not restrict adjustments to the base rates at this time, prior to a full discovery process. This should be an open issue in the proceeding. If the OEB accepts that the basis for rates going forward is 2019 rates all parties should be given an opportunity to propose adjustments, not just Union and EGD. Most of the intervenors were supportive of including an issue regarding adjustments to 2019 rates, but the OEB considered this to be too general.¹ As the list now stands, only Union and EGD can propose adjustments. The Council urges the OEB to reconsider its decision in this regard. In the interest of fairness, all parties should be afforded the opportunity to propose adjustments to base rates.

Yours truly,

¹ Decision and Procedural Order No. 3, EB-2017-0306/0307, dated March 1, 2017, p. 12

Julie E. Girvan

Julie E. Girvan

CC: All parties