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April 30, 2018

Delivered by Email, RESS & Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2701
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. & Union Gas Limited
MAADs Application (EB-2017-0306) and Rate Application (EB-2017-0307)
Response the Board's Questions on Initial Positions**

We are counsel to the Association of Power Producers of Ontario (“APPrO”) in respect of the above noted matter.

Pursuant to Procedural Order No. 5, the following are APPrO’s initial positions on the questions posed by the Board. APPrO notes at the outset that this is an unusual request. APPrO generally will not pre-judge an application until the evidentiary discovery process is completed. At that point, APPrO makes a determination on the various issues with input from its members, if applicable.

1. Do you plan on supporting approval of the merger?

APPrO is not opposed to a merger of Enbridge and Union, provided the rate making framework ensures that merger savings are shared appropriately with ratepayers. In addition, APPrO has some clarification questions around the CRA February 8, 2017 section 96 trade-off analysis.

2. If you plan to support the merger what, if any, conditions of approval will you propose?

It is unclear at this stage.

3. Do you support the 10-year deferred rebasing period?

As put forth in the Applicant's proposal, no. APPrO has reviewed the OEB staff’s statement of position on this question, and is in general agreement with staff’s approach.

4. Are there elements of the proposed ratesetting framework that you oppose?

As put forth in the Applicant's proposal, yes. For example, it is hard to understand how the ESM as proposed by the applicants could possibly meet the "no harm" test. Ratepayers of both Enbridge and Union are worse-off under the proposed ESM than they are currently under the existing OEB approved ESMs for each utility. APPrO has reviewed the OEB staff's position on this question, and is in general agreement with staff's approach.

5. Are there elements missing from the proposed ratesetting framework?

As put forth in the Applicant's proposal, yes. APPrO has reviewed the OEB staff's position on this question, and is in general agreement with staff's approach.

APPrO notes that these are its initial positions only, and are subject to further development as additional evidence is gathered.

All of which is respectfully submitted.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

Original signed by John A. D. Vellone

John A. D. Vellone

cc: Intervenor of record in EB-2017-0306 & EB-2017-0307
Dave Butters, APPrO
John Wolnik, Elenchus

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