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April 30, 2018

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge St.  
Toronto, ON

Dear Ms. Walli:

**Re: EB-2017-0306/0307 Enbridge Gas Distribution Inc. and Union Gas Limited  
Amalgamated Rates Application  
Response to Procedural Order No. 5 Vulnerable Energy Consumers Coalition (VECC)**

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In Procedural Order No. 5 the Board sought the “initial positions” of parties prior to the hearing in the form of responses to five questions. Below VECC has addressed each question.

While we appreciate the Board is seeking to have a focused and efficient oral hearing VECC wishes to express its concern with the request made in P.O. #5. It is highly unusual, and potentially prejudicial, to have parties reveal their positions to the Applicant prior to a hearing. While the position of parties on some issues may be clear and important for the Applicant to understand, in other cases the withholding of that position ensures that cross-examination reacts to the question posed and not the position of the questioner.

It may also be unreasonable (or irresponsible) to hold a position prior to the completion of the record. The oral hearing constitutes the final forum for parties to clarify matters which allow for a final position to be formed. For example, if a party departs from the initial position then one might have reason to believe this would impact the panel’s view of the veracity of the final position taken (much in the same way as if the Applicant were to resile from its position in argument).

In any event, we believe there are better methods of focusing a hearing than to require parties to “show their hand” prior to the end of the discovery process. However, VECC also wishes to be of whatever assistance it can be to the Board. In that vein we have provided the following responses to the questions posed.

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

We neither support nor may we oppose the merger. In the absence of knowing the treatment of rates it is impossible to understand the risks of actual achieving benefits or costs to ratepayers as compared to the status quo. Even if there is no detrimental impacts on future rates it is not clear that the proposal of the Applicants is so overwhelmingly favourable and without risk to ratepayers as to be worthy of active support by ratepayers. It also remains unclear to us as to the impact on this merger on the broader issue of the natural gas transportation and storage markets in Ontario and the Board’s related policies.

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

The response to this questions depends on the final rate making plan that is approved (if the merger is approved). We may offer alternative conditions depending on rate plan or plans posited in our final argument.

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

While the answer to this question ultimately depends on the rate making framework approved, we are unlikely to be supportive of an extended deferral period and for a number of reasons.

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

Potentially, for example, while some might not consider the proposed earning sharing mechanism part of the ratesetting framework we do. We may suggest alternatives to the Applicant's proposal in this regard. We also have concerns as to the form and framework of capital expenditures proposed by the Applicants. There are a number of other rate related issues of concern including the continuation of average use true-up accounts.

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

Again, this is a difficult question to answer in the abstract. In our argument we will need to consider the interplay between all elements such as earnings sharing, capital spending, rate harmonization and the time horizon between cost of service filings.

Yours truly,

*Ben Segel-Brown*

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