

VIA RESS, EMAIL, and COURIER

August 16, 2018

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

Dear Ms. Walli:

**Re: Ontario Energy Board – EB-2015-0304
Review of Miscellaneous Rates and Charges
Enbridge Gas Distribution Inc. – Comments**

Enbridge Gas Distribution (“EGD”) provides the following comments to clarify retailer service charges (“RSC”) offered by EGD. EGD’s Agent Billing Collections (ABC), also known in the industry as Distributor Consolidated Billing (“DCB”), are the equivalent to RSC’s and are a function of direct purchase arrangements.

EGD agrees with the Ontario Energy Board’s (“OEB” and/or the “Board”) Draft Report Table 2, Category 1 (Program Administration) as EGD’s Direct Purchase Administration Charges are intended to recover costs incurred for the administrative activities related to gas supply arrangements transacted between the direct purchase contract holder and gas marketer.

However, the ABC RSC identified in Table 2, Category 2 (billing) and Category 3 (Miscellaneous Transaction Requests) is not aligned with the description in the table for these two categories. As identified in the working group sessions, the ABC service provided by EGD is a non-utility service. EGD’s ABC retailer service charges are not part of the regulated rate setting process which differs from the Electricity LDC and Union Gas DCB programs. It should also be noted in Table 2, Category 2 (billing), the service charges are based on per rate class account and not by pool. We suggest crossing out the word “pool” from the Table 2 under EGD Charges and adding “account”.

In Section D, the OEB’s Approach is that the annual adjustment for the natural gas distributors’ service charges can be accommodated within the new rate setting framework (EB-2017-0306/EB-2017-307) being proposed by EGD and Union Gas. This suggests an annual adjustment can be based on the OEB’s

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approved inflationary factor, however, as EGD's ABC retailer service charges are structured as non-utility services and agreements, it would be appropriate to exclude the proposed pricing guideline for utility services from EGD's ABC program.

Furthermore, such treatment would contradict the Board Decision in the E.B.O. 179-14, E.B.O. 179-15 Decision at paragraph 3.5.1 ("Retention of ABC-T Service Program"), where the Board made the following determination:

"The Board confirmed the status of the ABC-T service as an ancillary program in E.B.R.O. 495, and accepts that it is a "business activity" within the meaning of the 1998 Undertakings. Under fully allocated costing, costs of the program will not be borne by ratepayers. The Board is prepared to accept the retention of the ABC-T Service Program, noting that the Company may decide in the future that the program is no longer economic, and would then be at liberty to cease to operate it. However, for consistency with the Board's findings in relation to the rental program and for regulatory efficiency, the ABC-T Service Program is accepted as non-utility rather than ancillary. Therefore, the Board's review in future will be limited to the costs removed and would not include matters of pricing or profitability."

EGD's ABC service program is operated as a non-utility business within EGD and the past and ongoing treatment of the ABC service is consistent with the above decision.

Yours truly,

(Original Signed)

Kevin Culbert

Manager, Regulatory Policy & Strategy