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May 30, 2007 By Courier

Ms. Kirsten Walli Board Secretary Ontario Energy Board P.O. Box 2319 2300 Yonge Street, 27<sup>th</sup> Floor Toronto, ON M4P 1E4

Dear Ms. Walli,

## RE: Wholesale Gas Service Purchasers Group Notice of Intervention – EB-2007-0606/EB-2007-0615

Please find attached a Notice of Intervention of the Wholesale Gas Service Purchasers Group in the above noted application.

Sincerely,

## Randy Aiken

Randy Aiken Aiken & Associates

Encl.

cc: Mike Packer, Union Gas Limited (delivered)

Patrick Hoey, Enbridge Gas Distribution Inc. Steve Millar, Natural Resource Gas Limited

Nick Petruzella, Six Nations Natural Gas Company Limited

Bill Chatham, W.T. Chatham Associates

# NOTICE OF INTERVENTION OF THE WHOLESALE GAS SERVICE PURCHASERS GROUP

#### **Statement of Interest**

- 1. The Wholesale Gas Service Purchasers Group (the "Group") consists of customers of Union Gas Limited ("Union"), all of whom are in the M9 or M10 rate class. The Group has intervened in Ontario Energy Board proceedings when those proceedings raise issues of common concern to its members and where the issues may have an impact on the Group's ratepayers. The extent of the intervention, and the composition of the Group, may change on a case by case basis.
- 2. The Group is currently comprised of Natural Resource Gas Limited, Six Nations Natural Gas Company Limited, Fisherville Gas Ltd. and Glenerd Ltd. The Group therefore primarily represents the direct interest of Union customers in relation to regulated services. In aggregate these distributors serve and represent more than 8,000 residential, commercial, industrial and agricultural customers consuming in excess of one Bcf of gas on an annual basis.
- 3. The Group wishes to intervene in this proceeding because of the issues and impacts raised by this application and the changes in Union's rates and rate schedules that may result from this application.

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#### Written or Oral Hearing

7. The Group prefers an oral hearing to deal with the comprehensive and complex issues that will be raised as part of this proceeding. LPMA believes that the Board and intervenors would be assisted by face to face discussions of the issues that an oral hearing provides. A written hearing does not allow for a comprehensive review of the methodologies, impacts and often technical issues and complexities associated with the introduction of incentive rate applications that will have an impact on rates for a number of years.

#### **Cost Eligibility**

- 8. The Group intends to seek an award of costs. The Group makes no submissions with respect to whether these costs should be paid by Enbridge and/or Union, other than note that none of the members of the Group take regulated service from Enbridge.
- 9. As per Section 4.01 of the Practice Directions on Cost Awards, dated October, 2005, the Group believes that it is eligible for an award of costs based on the Board's eligibility criteria and requests the Board's determination of such cost eligibility.
- 10. The Group is comprised of wholesale customers of Union Gas that take regulated services from Union. These wholesale customers are embedded within the Union Gas franchise and, as such, are captive customers of Union. Its members have a substantial interest in these proceedings, including all issues that affect rates and services available to them, and ultimately, to their own distribution customers.
- 11. The members of the Group are intervening in this proceeding on behalf of their ratepayers. The regulated costs charged by Union and incurred by the members of the Group are ultimately borne by the customers of these embedded distributors. The costs charged by Union are passed through to the customers of these distributors, including some through Board approved mechanisms. As such, the customers of the members of the Group have a direct interest in relation to the regulated services that are the subject of the current application.
- 12. The Board's cost eligibility criteria, found in Section 3 of the Practice Direction on Cost Awards includes a number of criteria related to the Group. Specifically, Section 3.03 states that a party is eligible to apply for a cost award where the party primarily represents the direct interests of consumers (e.g. ratepayers) in relation to regulated services. As indicated above, the Group's intervention is on behalf of the consumers served by the members of the Group. As such, the Group submits that it is eligible for a cost award under Section 3.03.
- 13. The Group notes that under section 3.05 (c) distributors, including those in a group, are not deemed eligible for a cost award. However, as stated in Section 3.06, "Notwithstanding section 3.05, the Board may, in special circumstances, find that a party

which falls into one of the categories listed in section 3.05 is eligible for a cost award in a particular proceeding".

- 14. Group submits that such special circumstances exist in this intervention. The Group represents the interest of consumers (i.e. ratepayers) of the distributors served under rates M9 and M10 by Union Gas, representing substantially all of the customers served by Union under these rate schedules. In aggregate these distributors serve and represent more than 8,000 residential, commercial, industrial and agricultural customers consuming in excess of one Bcf of gas on an annual basis.
- 15. The Group notes that it has been found to be eligible for an award of costs in past proceedings for Union Gas rate applications.
- 16. For the reasons detailed above, it is submitted that the Board should find the Group eligible for a cost awards in this proceeding.

#### **Communications**

17. All communications related to this Notice of Intervention and to this proceeding should be directed to:

Mr. Steven Millar Natural Resource Gas Limited 39 Beech Street East P.O. Box 307 Aylmer, Ontario, N5H 2S1

Telephone: 519-773-5321, ext. 205

Facsimile: 519-773-5335

E-mail: smillar@nrgas.on.ca

And: Mr. Nick Petruzzella

Six Nations Natural Gas Company Limited

1953 Fourth Line, P.O. Box 300 Oshweken, Ontario, N0A 1M0

Telephone: 519-445-4213 Facsimile: 519-445-4313

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And: Mr. Randy Aiken

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DATED at Chatham, Ontario this 30<sup>th</sup> day of May, 2007.

### WHOLESALE GAS SERVICE PURCHASERS GROUP

By its Consultant

Randy Aiken

Randy Aiken

Aiken & Associates