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Delivered by Email, RESS and 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.
Enbridge October 2018 QRAM Application (EB-2018-0249)
Association of Power Producers of Ontario (“APPrO”) Update**

APPrO is writing to update Enbridge and the Board on the above noted matter.

On September 17, 2018, APPrO asked that Enbridge’s interim disposition of the balances in its GHG related deferral and variance accounts be implemented using a one-time bill adjustment rather than a volumetric rate. Unfortunately, Enbridge’s solution did not address Rate 125 customers’ concerns around the electricity market distortions arising directly from the interim volumetric refund of cap-and-trade variances over October 2018.

Unexpected changes in volumetric gas distribution rates arising from sudden regulatory account dispositions can have a dramatic impact on the IESO administered contracts held by gas fired generators. Thankfully, the IESO and affected generators have been able to arrive at a mutually agreeable resolution to this unexpected circumstance arising from Enbridge’s interim disposition of cap and trade variances.

In the future, APPrO would ask that Enbridge consult directly with its Rate 125 customers to avoid unexpected electricity market distortions arising from unusual regulatory account clearances.

Yours very truly,
BORDEN LADNER GERVAIS LLP
Per:

Original signed by John A.D. Vellone

John A. D. Vellone
cc: David Butters, APPrO
Andrew Mandyam, Enbridge
Fred Cass, Aird & Berlis