

October 30, 2018

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

Dear Ms. Walli:

**Re: OM Limited Partnership
2018-2023 Rates Application
Ontario Energy Board File No. EB-2018-0234**

Pursuant to Procedural Order No. 1 to the above noted proceeding, Union Gas Limited hereby files its final submissions with respect to the application and evidence of OM Limited Partnership (OMLP).

In its EB-2017-0289 Decision and Order dated June 14, 2018, the Ontario Energy Board determined that OMLP was a regulated natural gas distribution utility.¹ The OEB also determined that the 3.7 kilometres of new 4-inch high-density polyethylene pipeline that OMLP was installing within a road allowance will be providing distribution services.²

Given that the Board has determined that OMLP is a regulated gas distributor, OMLP should be held to the same reporting and accountability standards required of other regulated distributors in Ontario. Union does not believe that OMLP has provided any evidence that would warrant exemptions from the compliance obligations under which other distributors operate.

OMLP states that it does not expect to update its revenue requirement for the 5 year period under the proposed price cap nor does it intend to annually file for approval of rates nor adjust the rate of return on equity included in its rates.³ In the absence of annual rate applications, OMLP has not provided any evidence indicating how the Board will be able to ensure transparency of OMLP's performance and operations during the 5 years during which OMLP intends to have fixed charges applied to its customer. At the very least, unless justified through evidence, regulated utilities are expected to update their cost of capital parameters as determined annually by the Board.

There is no evidence that OMLP intends to provide any operational information to the Board as is done by other regulated gas distributors and, in fact, OMLP states that it does

¹ EB-2017-0289 – Decision and Order, June 14, 2018, page 5

² EB-2017-0289 – Decision and Order, June 14, 2018, page 3

³ OMLP Response to Union IR #3

not intend to submit any reports to the Board.⁴ This is contrary to what is expected of all other distributors.

Should you have any questions on these submissions, please do not hesitate to contact me.

Yours truly,

[Original signed by]

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⁴ OMLP Response to OEB Staff IRs #6 and #11