

VIA E-MAIL

January 10, 2019

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

RE: EB-2018-0105 - UNION GAS 2017 Deferral Disposition – Cost Claims – FRPO Submission

We act on behalf of the Federation of Rental-housing Providers of Ontario (“FRPO”) and are writing in response to the letter of Enbridge of January 9th which provided objections to our requests for costs award in the Union Gas 2017 ESM and Deferral Accounts proceeding.

Enbridge Gas’ (Union) complaints are, in order, that FRPO’s request was higher than the average of the cost awards requested, the amount of time on our preparation of argument and that most of our argument was on an issue that the Board determined in its decision was out of scope for this proceeding. We will respond briefly to each assertion.

FRPO’s Higher than Average Claim Represents the Nature of the Contested Issues

Union complains that FRPO (and BOMA) have submitted cost claims higher than the average of all of the cost claims submitted.

Ratepayers benefit from the combined voices of their respective representatives as these experienced professionals have different backgrounds and experience to inform the group perspectives and ultimately the Board. Depending on the nature of the proceeding and the matters contested, the level of individual ratepayer investment of time varies.

FRPO has invested time in past proceedings to provide information and perspectives on Gas Supply and Facility matters to the Board that are often different from those expressed by the utility. Given our concerns in this proceeding, a considerable amount of the discovered and contested issues emanated from Facilities matters. A review of FRPO’s invoice provides detail on the investment of time in reviewing the evidence, comparing to records of past proceedings and in the development of IR’s and preparation for the settlement conference to increase understanding of the issues and provide the opportunity for a negotiated settlement. These issues extended well beyond PDO.

FRPO's Investment of Time in Argument Preparation Includes Intervenor Collaboration

All efforts after the termination of the settlement conference are captured in the category of argument. That does not establish that all of the time spent between the settlement conference and delivery of final submissions to the Board is spent on writing argument. Intervenor communication and collaboration are important in establishing a shared understanding of issues, the record and positions of the individual ratepayer groups. This time invested often works to reduce the overall hours invested in argument through collaboration.

A review of FRPO's invoice provides detail on the preparation of an intervenor brief after the settlement conference but well in advance of argument deadline. This brief, which was not on PDO, was prepared with evidentiary references of past proceedings and our perspectives on the issue to be more efficient in the creation of shared understanding. As is evident on our invoice, intervenor communication on the matters in this brief and other issues were also accounted for in the "argument" category but were not simply for writing the argument.

In addition, FRPO invested hours in refining its PDO submissions, largely based upon the feedback of intervenors and preparation of the argument on other issues. The material refinements to the PDO argument came as a direct result of insightful intervenor feedback which differentiated the 2017 relief request from the base rate adjustment relief requested in the Merger proceeding. While asserting that our argument was duplicative¹ of previous FRPO arguments, Union glosses over the significant distinction in asset availability and substantive change in relief requested given the 2017 period including the calculation. As the Board may consider, the re-formulation was not a simple exercise.

FRPO Sought Assurance that 2017 PDO Recoveries could be Altered based on later Review

We note, and take comfort from, the Board's determination in response to the submissions of FRPO and others on the topic of PDO costs [emphasis added]:

*The OEB acknowledges parties submissions on the broader issue of Union's PDO framework. However, the OEB finds that his broader issue is out of scope for this proceeding. **The clearance of the variance account has no impact on the PDO reduction Settlement included as part of Union's 2014 Rates approved settlement proposal or on the OEB's ability to address the related issues in Union's next rebasing proceeding.** The OEB reiterates its findings made in the Union and Enbridge Gas Distribution Inc. MAADs proceeding that, **at the time of rebasing, the OEB will review the PDO costs and amounts recovered through rates.**²*

¹ Union Reply Argument, page 4, paragraph 13.

² Decision and Order, page 7

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This matter is obviously of considerable concern to FRPO, which is why we addressed it in this proceeding, and which, we assume, is one of the reasons which prompted the Board, in response, to clarify its view of the status of the matter. With this clear guidance FRPO will not be compelled to raise the issue again in the 2018 ESM and Deferral Account Proceeding and FRPO views its time as well invested and important to achieving this clarification and preserving ratepayers' interest on a material issue.

We trust that we have been responsive to the objections of Enbridge Gas and helpful to the Board in this matter.

Respectfully Submitted on Behalf of FRPO,



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Principal
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