

June 4, 2019

VIA RESS AND COURIER

Ms. Kirsten Walli
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Dear Ms. Walli:

Re: EB-2018-0305 – Enbridge Gas Inc. (EG) 2019 Rates Application.

Industrial Gas Users Association (IGUA) Correction to Staff Submission on Settlement Proposal.

As legal counsel to IGUA herein we have reviewed OEB Staff's submission on the recently filed settlement proposal. There is one small matter from that submission that we would like to correct. While we do not believe that this matter is material to the issues settled or those remaining unsettled, given IGUA's direct interest in the Parkway Delivery Obligation (PDO) topic, we would like to correct the record to ensure continued proper understanding of that topic.

At page 6 of its submission OEB Staff states (our emphasis):

Direct purchase customers that chose to deliver at Parkway received an incentive called the Parkway Delivery Commitment Incentive (PDCI). In this application, Enbridge Gas has updated the PDO and PDCI costs to reflect the 2019 Rate M12 Dawn-Parkway compressor fuel.

This topic is one of the topics in respect of which the parties have agreed with EG in the current (2019 rates) proceeding.

OEB Staff's error is in the statement that the PDCI applies to customers that chose to deliver gas at Parkway. Pursuant to the June 16, 2014 *Settlement Framework for Reduction of Parkway Delivery Obligation*, as approved by the Board in its EB-2013-0365 *Decision and Order on Parkway Delivery Obligation*, the PDCI is paid on Parkway deliveries that EG requires from DP customers. Section B.5. of the *Settlement Framework* goes on to clarify that "*volumes voluntarily delivered to Parkway, rather than delivered pursuant to a PDO required by Union, will not attract PDCI*". The choice that direct purchase customers have made in respect of the negotiated and Board approved PDO

framework is whether to move their otherwise Parkway obligated deliveries to Dawn, subject to the capacity from Dawn to Parkway available to facilitate such movements.

Again, while of no particular consequence to the Settlement Agreement before the Board in this proceeding, given the extensive history of the PDO/PDCI issue, and its very detailed and painstakingly wrought settlement in the spring of 2014, we thought it appropriate to ensure that general understanding of that matter remains clear with the passage of time.

Yours truly,



Ian A. Mondrow

c: K. Culbert (EGD)
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Intervenors of Record

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