

June 14, 2019

VIA RESS AND COURIER

Ms. Kirsten Walli
ONTARIO ENERGY BOARD
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Ian A. Mondrow
Direct: 416-369-4670
ian.mondrow@gowlingwlg.com

Assistant: Cathy Galler
Direct: 416-369-4570
cathy.galler@gowlingwlg.com

Dear Ms. Walli:

Re: EB-2019-0155: Enbridge Gas Inc. (EG) July 1, 2019 QRAM Application.
Industrial Gas Users Association (IGUA) Comments.

We write as legal counsel to IGUA.

IGUA's Position on Proposed Rate Adjustments

IGUA's advisors, Jupiter Energy Advisors Inc. (Jupiter) (Jupiter is a new venture with participation from the previous Aegent Energy Advisors), have reviewed EG's Application for quarterly adjustment of rates (QRAM) for all of the legacy rate zones of Enbridge Gas Distribution and Union Gas Limited, such adjustment to be effective July 1, 2019. Based upon Jupiter's advice, IGUA is satisfied that EG has properly followed the QRAM methodology approved by the OEB's EB-2008-0106 Decision.

IGUA has no objection to approval of EG's application as filed.

Jupiter's review included consideration of EG's reconciliation of the incremental winter spot gas purchases for the Union rate zone identified by EG in its April, 2019 QRAM filing. In the instant QRAM, EG reconciles the spot gas purchases identified in the April filing as of the end of February (6.0 PJ at an average price of Cdn\$3.87/GJ) with what it ended up purchasing as of the end of March (7.5 PJ at an average price of Cdn\$3.84/GJ). EG explains the additional 1.5 PJ were required mainly to meet the higher consumption levels through to the end of March as a result of colder than normal temperatures (with a small offset for unaccounted for gas variances). EG's evidence indicates the additional purchases were required mainly in the South and so the costs associated with the additional incremental spot gas for the South will be recorded in the Union South PGVA. EG's treatment of these additional spot gas cost variances is comparable to the treatment afforded incremental spot purchases for the 2017/18 winter.

Costs

Pursuant to the Board's *Practice Direction on Cost Awards*, IGUA is eligible to apply for a cost award as a party primarily representing the direct interests of ratepayers in relation to regulated gas services. IGUA requests that the Board award it costs reasonably incurred in review of EG's QRAM.

IGUA has, in the past, been consistently awarded modest costs for review of QRAM applications. IGUA respectfully submits that the Board, in making such awards, has recognized some value (commensurate with modest costs) in the independent and informed review of such applications.

IGUA continues to be mindful of the need for efficiency in its regulatory interventions, in particular in respect of relatively non-contentious matters such as is normally the case with QRAM applications. For QRAM reviews, IGUA has retained Jupiter, whose professionals are expert in Ontario gas commercial and regulatory matters, including rate matters in particular. Jupiter conducts a review of the QRAM application as filed, and provides a report to IGUA. Following receipt and review of Jupiter's report, IGUA is either in a position to advise the Board of any concerns or, as is the case in this instance, that it has no cause for objection.

IGUA submits that it has acted responsibly with a view to informing the Board's review and decision on this Application, while maintaining due attention to cost efficiency. On this basis, IGUA is requesting recovery of its costs for participation in this process.

Yours truly,



for: Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)
Brandon Ott (EG)
Tania Persad (EG)
Valerie Young (Jupiter)
Intervenors of Record (EB-2017-0086; EB-2017-0087)

TOR_LAW\9952332\1