



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

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June 4, 2007

VIA EMAIL AND COURIER

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

Dear Ms. Walli:

**Re: Notice of Applications and Combined Proceeding - 2008 Rates
Enbridge Gas Distribution Inc. (EGDI) and Union Gas Limited (Union)
Board File Nos. EB-2007-0606 / EB-2007-0615**

Notice of Intervention - Vulnerable Energy Consumers Coalition

As Counsel to the Vulnerable Energy Consumers Coalition (VECC), I hereby request that VECC be granted intervenor status in the above proceeding.

Interests Represented

VECC is a coalition of groups that represents the interests of those energy consumers who, because of their household income, or other distinguishing characteristic such as age, literacy, etc, have a set of concerns that may differ in kind, and, in magnitude, from the concerns of other residential consumers as well as commercial and industrial consumers. The Vulnerable Energy Consumers Coalition (VECC) is currently comprised of the Ontario Coalition of Senior Citizens (OCSCO), and the Federation of Metro Tenants Association.

OCSCO is itself a coalition of over 120 senior groups, as well as individual members, across Ontario. OCSCO represents the concerns of over 500,000 senior citizens through its group and individual memberships. OCSCO's objective is to improve the quality of life for Ontario Seniors.

The Federation of the Metro Tenants Association is a non-profit corporation composed of over ninety-two affiliated tenants associations, individual tenants, housing organizations, and members of non-profit housing co-ops.

Although the organization is not itself a member of VECC, the Public Interest Advocacy Centre (PIAC) in Ottawa assists in the representation of the interests of vulnerable consumers by ensuring the availability of competent representation and advice to the VECC intervention. PIAC has played this role in energy policy and ratemaking in Ontario for over two decades.

Issues of Specific Concern to VECC

As the Board is well aware, there is seldom a bright line that separates the interests of stakeholders on all issues within the regulatory purview of the OEB. From time to time, depending on the issue, the interests of VECC are aligned with those of other ratepayer groups including industrial customers, environmental advocates and marketers. VECC will coordinate its intervention with other intervenors to avoid duplication and overlap where possible.

The outcome of this proceeding will be the establishment of multi-year incentive regulation mechanisms (IRMs) for the two largest gas distributors in the province. At a high level, VECC's concerns relate to the possibility of a series of adverse, material rate impacts on vulnerable gas utility customers over an extended time period – a period during which there may be very limited opportunities for these consumers' to contest or mitigate adverse rate impacts.

VECC believes that the IRMs must not only provide incentives for efficiency improvements that will benefit both the utilities and ratepayers, but also yield just and reasonable rates - not just initially but throughout the approved term of the IRM plans.

As such, specific details of the IRMs, including the initial base revenues for the plans, specific plan designs, choice of plan parameters, and ratepayer/utility safeguards are all of interest to VECC.

VECC adds that it has participated in the Board's consultative proceeding with respect to Incentive Regulation for the gas utilities (EB-2006-0209) and has joined a group of other intervenors in co-sponsoring an expert to provide support and evidence in this proceeding.

Submissions of VECC as to the Process Adopted

In the Notice of Applications and Combined Proceeding dated May 25, 2007, the Board requested that letters of intervention indicate a preference for a written or oral hearing and state the reasons for the preference.

VECC believes that an oral hearing would be appropriate for this case given:

- the combined proceeding will provide the framework for setting rates for the two largest gas utilities for up to five years going forward. As such, discovery by means of examinations of the utilities' panels is of even greater importance than in traditional, yearly cost-of-service rates cases;
- the issues in this proceeding are complex and technical with Board Staff, the utilities, and other parties expected to provide evidence. VECC anticipates that there will be competing alternatives and views put before the Board for its consideration. A full examination of the issues, including the ability to cross-examine and obtain undertakings is best accomplished through an oral process.

Costs

VECC has been judged in the past to be eligible for recovery of its legitimate costs and will be seeking an Award of Costs from Enbridge and Union in this proceeding.

I would appreciate all communications be directed to our consultants:

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with a copy to me at:

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Yours truly,



Michael Buonaguro
Counsel for VECC

Cc: Union Gas Limited – Mike Packer
Enbridge Gas Distribution Inc. – Patrick Hoey