

March 16, 2020

VIA RESS AND COURIER

Ms. Christine E. Long
Registrar & Board Secretary
ONTARIO ENERGY BOARD
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Dear Ms. Long:

Re: EB-2020-0077: Enbridge Gas Inc. (EG) April 1, 2020 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) 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 April 1, 2020. 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. Jupiter has also reviewed EG's implementation with this QRAM of;

1. TC Energy's new (lower) abandonment surcharges that took effect January 1, 2020.
2. The OEB's interim decision approving EG's proposed April 1, 2020 unit rates for the Federal Carbon Charge and the Facility Carbon Charges for each of the EGD and Union rate zones.
3. Disposition of 2018 deferral and variance account balances as approved by the Board.

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

Additional Comment

With the merger of legacy Enbridge Gas Distribution and Union Gas and integration activities now underway, the continued complexity of two distinct QRAM methodologies is particularly apparent. Appreciating that delivery of gas to different rate zones requires different approaches, we

nonetheless wonder whether, and if so when, it might be appropriate to revisit the current QRAM methodologies and consider the wisdom of harmonizing them. Given the function of QRAM to reflect market pricing while retaining some pricing stability and predictability, to the extent that there remain differences in the two legacy methodologies that reflect separate evolution of the legacy utility approaches rather than differences driven by physical delivery requirements some harmonization could enhance the QRAM mechanism going forward.

We anticipate that such harmonization could be considered in conjunction with development of a harmonized gas supply plan. We would appreciate EG's thoughts on this topic, in due course.

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,



Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)
- Brandon Ott (EG)
- Tania Persad (EG)
- Valerie Young (Jupiter)
- Intervenors of Record (EB-2018-0305; EB-2019-0194)