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May 26, 2020

Ms. Christine Long
Registrar and Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Long,

RE: EB-2019-0194 – Comments of the London Property Management Association - Enbridge Gas Inc. Application for 2020 Rates – Draft Rate Order

I have reviewed the Draft Rate Order ("DRO") filed by Enbridge Gas Inc. ("EGI") on May 25, 2020 on behalf of the London Property Management Association ("LPMA"). I believe that the DRO accurately reflects the Ontario Energy Board's ("OEB") Decision and Order ("Decision") dated May 14, 2020 in this proceeding. In particular, the revenue requirement associated with the incremental capital module for the both the Windsor Line Replacement and Don River Replacement projects appear to be appropriate calculated, including the reduction in the capital expenditures for the Windsor Line Replacement project to $82.9 million, as approved in the Decision. In addition the allocation of the costs and the calculation of the unit rates and the rate impacts provided in the DRO at appendices E through I appear to be accurate.

LPMA notes that EGI has proposed to implement the new rates effective October 1, 2020, rather than July 1, 2020 as a result of the COVID-19 emergency and delaying cost increases for ratepayers for three months. LPMA notes that EGI filed a letter dated May 25, 2020 (July 1, 2020 QRAM: Notice of Commodity Cost Increase and Request to Forego QRAM Application) that indicated a significant increase in the cost of gas in the neighbourhood of 20% to 25% would be expected as part of the July, 2020 QRAM. EGI indicated that in light of the ongoing COVID-19 pandemic, it was proposing to forego the July, 2020 QRAM and hold the gas commodity rates constant until the filing of the October, 2020 QRAM.

While LPMA commends EGI for taking this initiative related to the QRAM, LPMA is concerned about the potential for a significant impact on customers in October 1, 2020 rates. In addition to the possibility of a significant increase in the gas commodity rate as identified in the EGI letter of May 25, 2020 and the increase related to the delivery rates associated with the incremental capital module recovery, EGI is also proposing to clear the Federal Carbon Pricing Program deferral and variance accounts for 2019 beginning on October 1, 2020 (EB-2019-0247).

In addition to the above three increases, all proposed for October 1, 2020, LPMA notes that there appear to be temporary credits for some rate classes that will expire at the end of September, 2020. This will lead to an automatic increase in rates from this fourth source, again as of October 1, 2020.

LPMA submits that the OEB should consider whether it is appropriate to defer the implementation of the rates associated with this proceeding to October 1, 2020 to coincide with the other three increases noted above, or to implement the new rates from this proceeding effective July 1, 2020, in order to somewhat smooth the increase to rates over the remainder of 2020.

As noted above, there appears to be a number of temporary credits for a number of rate classes in the Union rate zones that expire September 30, 2020. However, these credits are still shown in the Summary of Changes to Rates in the column for October 1, 2020 rates (Exhibit D, Tab 2, Rate Order, Appendix A). In addition, the rates schedules provided in Exhibit D, Tab 2, Rate Order, Appendix B still include the temporary credits even though the effective and implemented dates are October 1, 2020. LPMA believes that the rate schedules should be updated to remove the temporary credits that will expire at the end of September, 2020.

It is also noted that in Exhibit B, Tab 2, Schedule 1, Appendix I, page 2 that was updated as part of the DRO, the gas supply charge for rate M1 is shown as 10.2082 cents/m3, which is slightly different than the gas supply charge of 10.2078 cents/m3 shown for all the other rate classes in the Union South rate zone. It is not immediately apparent why there is this minor difference.

Yours very truly,

Randy Aiken

Randy Aiken
Aiken & Associates

c.c. EGI Regulatory Proceedings (e-mail only)