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June 1, 2020

VIA E-MAIL

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street
Toronto, ON
M4P 1E4

Dear Ms. Long:

**Re: EB-2019-0194 – Enbridge Gas Inc. (EGI) 2020 Comments on Draft Rate Order
Rate adjustment deferral and prescribed interest rates**

VECC has reviewed the Draft Rate Order (DRO) and correspondence of both Board Staff and LPMA with respect to the DRO in this proceeding. We are in general agreement with the comments of both Staff and LPMA. We have also reviewed EGI's letter of May 25, 2020 proposing the deferment of the quarterly gas adjustment.

VECC agrees that the deferment of rate increases at this time would be in keeping with Provincial policies aimed at providing relief to consumers during the COVID-19 pandemic. However, deferred rate increases may come at an incremental cost depending on any debit balances accrued in variance or deferral accounts. In this regard we note that the prescribed interest rates for these accounts was established by the Board in early March 2020 and largely before the impact of the pandemic had been reflected in their calculation. Since that time interest has dropped precipitously. For example, we note that the weighted average yield of the Bank of Canada's Bankers' Acceptance Purchase Facility has declined 117 basis points from 1.57% at March 25 to the most recent 0.40% as of May 27.

As such it is VECC's view that it would be reasonable and in keeping with articulated Government policy to review the current prescribed rates and to have lower carrying costs reflected in any debit balances that will be recovered from ratepayers in the future.

Yours truly,

John Lawford

Counsel for VECC

cc: Rakesh Torul, - EGIRegulatoryProceedings@enbridge.com