

DR QUINN & ASSOCIATES LTD.

VIA E-MAIL

October 28, 2020

Ontario Energy Board
Attn: Ms. C. Long, Board Secretary
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

**RE: EB-2020-0067 – EGI 2017/18 DSM Deferral Dispositions
FRPO Submissions**

Introduction

On July 17, 2020, Enbridge Gas Inc. (Enbridge Gas) applied for the clearance of 2017 and 2018 balances in certain Demand Side Management deferral and variance (DSMVA) accounts.

Under the docket number EB-2020-0067, a Notice of Hearing was issued on August 4, 2020. Procedural Order No. 1 was issued on September 3, 2020. The OEB indicated that OEB staff and intervenors may file submissions on the applications by October 28, 2020. The following are the submissions of the Federation of Rental-housing Providers of Ontario ("FRPO").

Account Balances

We have reviewed EGI's application and responses to interrogatories. We trust that the new evaluation and audit process were done with sufficient rigor and, therefore, FRPO has no outstanding concerns with the submitted account balances with the exception of the DSM Tracking Systems. The legacy companies have been encouraged to collaborate on DSM (and other programs such as Carbon, Cap & Trade) initiatives even before the merger. We support the Board staff proposed disallowance of \$0.54M and their articulated support.

Proposed Approaches for Disposition

The accumulated balances in the respective accounts represent two years of program variances and, as a result, some of the rate class impacts balances are significant. Further, there will be a significant lag between incurrence of impact and disposition. As a regulatory principle, it is good practice to dispose of the deferral and variance account balances at the earliest opportunity to strive for customer equity. However, given the lag in the process, the earliest possible disposition of the account balances are more than two years after the last program period.

Due to the variety of bill impacts between rate classes and rate zones as outlined in EGI's response to LPMA.1 and the limitations of the legacy billing systems in providing a consistent

approach to disposition, we respectfully submit that the Board ought be more concerned with the principles with respect to bill impacts.

In FRPO's submissions in the most recent QRAM¹, we provided our concerns with the impact of multiple deferral account dispositions (QRAM, Carbon Cap & Trade, Federal Carbon Charge) being approved in isolation of other bill impacts. Our concern is heightened given the deferral of the recovery QRAM costs to the next period for some customers.

In addition, EGI is currently in a proceeding to deal with the disposition of non-commodity deferral and variance accounts from 2019 which likely will be visited on customers in 2021. In that proceeding, we intend to request EGI provide a matrixed table of the respective proposed, pending, and approved dispositions for each of rate classes by month to allow the Board consideration of bill impacts and potential rate shocks. In this way, the Board has the opportunity to balance regulatory principles of customer equity, timeliness and smoothing in the public interest.

Given the passage of time, quantum of dispositions and opportunity to strike a balance, we encourage EGI consider these concerns and principles in providing the Board with a presentation of planned, approved and pending dispositions by month by rate class and the proposal of a method of disposition that balances these factors as part of its final submissions in this proceeding and/or draft rate order. If the company would prefer to defer this approach until the draft rate order, we would urge the Board to order this type of presentation in consideration of the draft rate order which would allow final approval of the disposition methodology for the DSM variance account balances.

All of Which is Respectfully Submitted on Behalf of FRPO,

Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

c. A. Stiers, EGIRegulatoryProceedings – EGI

¹ EB-2020-0195 FRPO Submission 20200926
<http://www.rds.oeb.ca/HPECMWebDrawer/Record/686967/File/document>