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(416) 767-1666

October 30, 2008

VIA MAIL

Ms. Kirsten Walli
Board Secretary
P.O. Box 2319
2300 Yonge St.
Toronto, ON
M4P 1E4

Dear Ms. Walli

Re: Vulnerable Energy Consumers Coalition (VECC)
Notice of Intervention: EB-2008-0219
Enbridge Gas Distribution Inc. 2009 Rates

Please find enclosed the Notice of Intervention of the Vulnerable Energy Consumers Coalition (VECC) in the above-noted proceeding. We shall also be directing a copy of the same to the Applicant.

Thank you.

Yours truly,

Michael Buonaguro
Counsel for VECC

cc: Hydro One Networks Inc.

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Sch.B, as amended;

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc. pursuant to s. 36 of the *Ontario Energy Board Act* for an Order or Orders approving just and reasonable rates for the distribution of natural gas;

NOTICE OF INTERVENTION

OF

VULNERABLE ENERGY CONSUMERS COALITION (VECC)

To: Ms. Kirsten Walli
Board Secretary

And to: Norm Ryckman, Director, Regulatory Affairs

1. The Vulnerable Energy Consumers Coalition (VECC) hereby expresses its intention to intervene and participate in the above-mentioned proceeding. VECC consists of the following organizations:
 - (a) The Federation of Metro Tenants Association
 - (b) The Ontario Coalition of Senior Citizens' Organizations (OCSCO).
2. 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. In addition to encouraging the organization of tenants and the promotion of decent and affordable housing, the Federation provides general information, advice, and assistance to tenants. The address is:

500-27 Carlton Street
Toronto, ON
M5B 1L2

3. The Ontario Coalition of Senior Citizens' Organizations (OCSCO) is 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 members. OCSCO's mission is to improve the quality of life for Ontario's seniors. OCSCO's address is:

660 Briar Hill Avenue, Suite 207
Toronto, ON
M6B 4B7

4. VECC was granted intervenor status in EB-2008-0615, Enbridge's application for an incentive rate mechanism to cover the 5 year period starting 2008 and covering the period included in this application. VECC continues to have an interest in the implementation of Enbridge's incentive rate mechanism on behalf of Enbridge's vulnerable consumers.

5. The name and address of the agent authorized to receive documents on behalf of VECC is:

Mr. Michael Buonaguro
Counsel
c/o Public Interest Advocacy Centre
34 King Street East, Suite 1102
Toronto, Ontario
M5C 2X8
(416) 767-1666 (office)
(416) 348-0641 (fax)

mbuonaguro@piac.ca

6. VECC would request that all correspondence and documentation also be copied to VECC's consultant:

Mr. Roger Higgin
Econalysis Consulting Services
34 King Street East, Suite 1102
Toronto, Ontario
M5C 2X8
(416) 348--9391 (office)
(416) 348-0641 (fax)
rhiggin@econalysis.ca

7. VECC requests that copies of the Application and any additional supporting materials be forwarded to each of the two parties named above.
8. VECC will be requesting an award of costs for its participation in this proceeding. As a coalition representing the direct interests of consumers, VECC submits that it meets the eligibility criteria set out in the Ontario Energy Board's Rules of Practice and Procedure and its Practice Direction on Cost Awards (Section 3).

REQUEST FOR TWO PART PROCEDURE

9. VECC has no fundamental problems with the Enbridge's request for a 2 part procedure, wherein strictly non-rate related issues are deferred to stage two in order to allow rate related items to proceed in isolation in stage one. However VECC does have some comments on how the process should be implemented.
10. As noted in Paragraph 6 of the Application A/2/1, and detailed at A/3/1 the two phase approach to 2009 rates is as follows:

11. *Phase 1* is application of the IRM Formula and review of the associated customer, degree day and volume forecasts leading to a Draft Rate Order for 2009 rates.
12. *Phase 2* includes a number of other matters EGD claims do not affect 2009 rates directly. These include deferral and variance accounts, GDAR IVA fee, Title Transfer Fee, changes to the rate handbook and to conditions of service and discontinuation of EnVision reporting.
13. The main procedural issue is whether the two phase approach will lead to Board Approval by December 15th 2008 and rates in place by January 1, 2009.
14. The proposed Phase 1 is the critical path and is described in the notice of application as a “mechanical adjustment”.
15. However, the nature of EGD’s Revenue Cap per customer requires among other things, not only the forecast of inflation, but also a forecast of 2009 degree days, the number of customers and the average use and gas volume .(A/3/1 para b).
16. In VECC’s view the input assumptions on degree days, customer additions and volumes need to be scrutinized. In the past, leaving methodology issues aside, many information requests, multiple hearing days of testimony and many pages of argument were devoted to these matters.
17. If intervenors are to be satisfied regarding EGD’s 2009 forecasts and the resulting cost consequences, then a summary process will not work. The evidence is relatively complete, but the opportunity to ask structured

questions and to follow up on the responses is essential to the fairness of the process.

18. VECC supports a process for phase 1 that allows intervenors to submit questions in writing and to have answers provided either in writing (i.e. an interrogatory process) or through a technical conference process.
19. However, VECC submits that it would be premature to preclude an oral hearing until the interrogatory/technical conference process is completed; It may be that even after such a process intervenors may believe that cross examination in an oral hearing may be required, and the parties should be given the opportunity to request a hearing once the interrogatory/technical conference process is complete.
20. While the ideal would be to have a final order as to rates available in time for a January 1, 2008 implementation, VECC does not support compromising the hearing process in order to do so. It is entirely possible that the Board will not be in a position to make a final order on “phase 1” issues on or before December 15, 2008. In this case, VECC would not oppose an order setting interim rates from January 1, 2009.
21. Additionally, VECC supports the inclusion of a settlement process for phase 1, as proposed by BOMA in its intervention. Presumably occurring after the interrogatory/technical conference process, VECC believes that such a process may be useful in reducing the number issues that go to hearing; even if no issues are settled, it still may be the case that the parties could agree on which issues could be dealt with in writing, and which, if any, require an oral hearing.
22. With regard to Phase 2 (even though this will follow completion of Phase 1) in our view EGD’ proposals are currently lacking in details in respect of

the proposed timeframe and approach to reaching a conclusion on Phase 2 matters. Although some evidence has been filed, there should be an opportunity to pose information requests and follow up on the responses with EGD staff. As a minimum, a round of IRs followed by a technical conference, possibly leading to a Settlement Conference, is suggested. Unsettled matters would go to the Board for adjudication.

23. One final matter that needs to be built into the forward process as per N1/T1/S1 Pages 26-28 of the EB-2007-0615 Settlement, is the application of the Earnings Sharing Mechanism and the calculation of the actual normalized ROE for 2008. This cannot be done until EGD's audited 2008 segregated financial results are available in the spring of 2009. VECC suggests that these matters could be built into this proceed as a phase 3, rather than as a separate application, with timelines setting out the procedure including the filing of additional evidence by EGD.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 30th DAY OF
OCTOBER, 2008**

Michael Buonaguro
Counsel for VECC