

VIA E-MAIL

June 27, 2022

Ontario Energy Board
Attn: Ms. N. Marconi, Board Registrar
P.O. Box 2319
27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

RE: EB-2022-0150 – EGI QRAM 2022Q3 - FRPO Support for Cost Claim

We are writing on behalf of the Federation of Rental-housing Providers of Ontario (“FRPO”) in support of our cost claim submitted today in the above proceeding. Given recent issues of scope identified by the Board, we are striving to be proactive in closing an information gap that is apparent.

In its Decision on the rate matters, the Board communicated: *The OEB did not find FRPO’s questions or submissions, related to understanding the cost of commodity purchased at Chicago versus commodity purchased at Dawn, helpful to this proceeding.*

FRPO is respectful of the Board’s concerns. We provide the following submissions in respect of the above concerns and to clarify that our initiative to ask the questions was to provide the Board with additional information that that the company has refused to provide in the Gas Supply consultations. Ultimately, we believe this information will allow the Board to see a complete picture from plan, to implementation, to ratepayer impact.

Gas Supply Consultation Does Allow Discovery of the Actual Costs of the Gas Supply Plan

The Board issued its Framework for the Assessment of Distributor Gas Supply Plans (“Framework”) October 25, 2018. The Framework called for, among other things, the analysis of cost and bill impacts of options.¹

In the initial (2019) Framework Stakeholder Conference of the first proceeding, there was significant discussion at the outset regarding how the Board and stakeholders would be able to test the cost consequences of the Plan on ratepayers.² FRPO³ and other intervenors⁴ voiced our concerns in our comments to that proceeding. EGI’s reply comments clarified that the discovery and testing of the cost consequences of some gas supply decisions could occur

¹ Report of the Board_Gas Supply Plan Framework_20181025 pg. 9-10

² EB-2019-0137 - Stakeholder Conference Presentation - Day One, pg. 22, line 6 to pg. 29, line 9 (attached for convenience).

³ EB-2019-0137 FRPO_Comments_20191021, 2a) and 2b), pg. 6-8

⁴ EB-2019-0137 SEC_Comments_20191022, CME_Comments_20191023

in the annual deferral account proceeding as well as the QRAM⁵. The Staff report did not identify this matter to be of sufficient concern to engage the Board in considering further inquiry in that gas supply plan review proceeding.

In the next Annual gas supply plan update that included a Stakeholder conference (2021), the EGI witness provided in their opening presentation:⁶

“There were also a number of questions regarding prudence reviews and impact of changes on customers rates or bills. These impacts will be reviewed at well-established points in time, including QRAM rates applications, deferral dispositions, and for a lot of these things during our rebasing application.

During the ensuing stakeholder conference we had the following exchange with EGI’s counsel:⁷

MR. QUINN: Morning, Jason. Appreciate the presentation. I wanted to ask some questions at a high level and get into detail with later segments. But initially, I think maybe you alluded to it, but I'm trying to understand this question where we were a year and a half ago, but specifically where is the testing of the prudence of cost and the cost of the plan and the alternatives to that plan. Where are we supposed to test those choices?

MR. STEVENS: Hi, Dwayne. It's David Stevens speaking. We did have this discussion as part of the five-year plan and I think Board Staff -- I think it's common ground now that this process is not aimed at approvals of specific costs or testing of prudence.

I think it depends on what costs you're talking about as to where they might be explored in other proceedings. And Jason can talk to this more, if you like. But I think we're well aware of particular items that get recorded in established deferral variance accounts and get tested at clearance and that includes, for example, some storage of costs. There is the QRAM process of course, and there is a rebasing process.

So those are some examples of places where prudence might be talked about. But I think for today's purposes, what I can and will say is that this is not the process. This is not the forum where prudence of specific costs gets put before the Board for approval.

MR. QUINN: I understand your position, David.

MR. STEVENS: To be clear, Dwayne, it's more than a position. It's the Board's framework.

As a result, we have little recourse but to ask in either the QRAM proceeding or the deferral disposition proceeding. Given the frustration with receiving the information requested to inform the Board completely, we determined that we should focus on one aspect of the Gas Supply plan (Vector contracting) and piece together the information needed. In this way, we could express our concern while demonstrating the challenges in the process of discovery.

⁵ EB-2019-0137 EGI_ReplySUB_5 Year Gas Supply Plan_20191118, para. 22

⁶ EB-2021-0004 Enbridge Stakeholder Conference April 26, 2021, pg. 9, para. 6-12

⁷ EB-2021-0004 Enbridge Stakeholder Conference April 26, 2021, pg. 19, line 14 to pg. 20, line 14

Full Visibility into Customer Impact of Gas Supply Requires Discovery in Three Proceedings

Recognizing that asking questions about specific costs in the Gas Supply Consultation has only led to frustration, FRPO set out to attempt to inform the Board fully of its concerns by seeking discovery on one item across three proceedings (Gas Supply, QRAM and Deferral Disposition). With the questions asked in this proceeding, we were able to demonstrate that the cost of gas landed from Chicago was clearly more expensive. In addition, in spite of the company's claims to the need to contract transportation for reliability, 95% of the Vector capacity is actually assigned to marketers, even during the winter.⁸

Respectfully, we understand that the cost award process is not intended to be a place of argument on substantive issues so we will not try to summarize our submissions in the Gas Supply proceeding here. Suffice it to say, we asked Board staff to highlight our concerns in that proceeding to the Board or potentially defer their report to the Board until after the deferral disposition proceeding. In that proceeding, we will attempt to provide the Board with visibility into the actual utilization and resulting beneficiaries of the Vector contracts.

However, given the Board's stated concern about the value of the Vector questions and submissions, FRPO believed that it would be proactive to assist the Board with the above information and our efforts in another proceeding which has not reached conclusion. We trust that these perspective will assist the Board in its consideration of FRPO's interest in illuminating concerns about Vector transportation in the QRAM proceeding.

Respectfully Submitted on Behalf of FRPO,

Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

- c. R. Wathy, EGIRegulatoryProceedings – EGI
L. Gluck, M. Millar, K. Viraney, R. Murray – Staff
I. Mondrow (IGUA), S. Pollock (CME), M. Rubenstein (SEC), M. Garner (VECC),
T. Ladanyi (Energy Probe), M. Brophy (PP)

⁸ EGI_Reply_20220610_eSigned, Exhibit I.FRPO.4

1 MR. BROPHY: Mike Brophy with Pollution Probe. So I
2 just had two questions. One, I think I heard the company
3 indicate that we won't be getting a Board approval out of
4 this review, and that the issues that are on the agenda,
5 some you will answer and some you may defer as well.

6 So I just wanted to confirm, or if you can confirm for
7 me that it wouldn't restrict the ability to ask questions
8 related to any of these issues and have the company respond
9 to them in future proceedings.

10 What I am worried about is that you point back to this
11 and look like there was some clarity or a decision made on
12 some issues that we will be talking about, and it might
13 constrain the ability to have a more fulsome discussion on
14 those in other proceedings.

15 Can you confirm that?

16 MR. LeBLANC: I guess I won't give you maybe carte
17 blanche confirmation. But I would say generally yes, I
18 agree with what you are saying.

19 MR. BROPHY: And then just secondly, it would be
20 helpful if the Board report coming out of this just to give
21 that clarity around the issues that were discussed and the
22 answers. But it doesn't actually give a fulsome answer
23 that can't be re-examined in those future cases, that would
24 be helpful. Thank you.

25 MR. MILLAR: Dwayne, can did you have a question?

26 MR. QUINN: I have a couple of questions, thank you,
27 Mr. Millar, first I guess to Mr. Stevens.

28 I want to understand -- I respect this is Enbridge's

1 views of what the framework is presenting, but what you
2 said, Mr. Stevens, was along the lines of when these are
3 brought into the rate adjustment process -- I think is the
4 phrase you used -- the costs are brought into the rate
5 adjustment process, I was trying to understand.

6 Are you talking about the delivery rates, or the
7 annual update of the gas supply plan?

8 MR. STEVENS: So in a discussion with Ms. Innis,
9 clearly I misunderstood what is coming next in the rate
10 adjustment cases.

11 There is in fact no annual examination of the demand
12 forecast for each rate zone during the rebasing period. I
13 misspoke; I apologize for that. But that will be dealt
14 with at rebasing also.

15 I am not sure if that is actually the question you
16 asked, Dwayne, but I wonder if that is the source of the
17 confusion.

18 MR. QUINN: Again, we're getting into nomenclature on
19 how we refer to these things. But ultimately, at some
20 point costs will be brought forward to the Board for
21 approval.

22 The costs that are anticipated or forecasted by the
23 company, will they be reviewed and tested in the rates
24 case, or in the annual update of the gas supply plan?

25 MR. STEVENS: I'm not -- it's not clear to me, Dwayne,
26 the way that the OEB processes are currently described that
27 this forward-looking approval happens in either of those
28 processes.

1 MR. QUINN: That is part of our challenge, Mr.
2 Stevens, so thanks for clarifying that.

3 Now to Mr. LeBlanc, thank you, Jamie, for the
4 overview. But I think this is kind of where the rubber hits
5 the road.

6 Again, we don't have the benefit of the transcript,
7 but you had said here's our five-year plan, and if EGI
8 varies from that, it goes into a deferral account which
9 would be subject to review.

10 However, if Enbridge stays on track with its current
11 plan, and we have a concern or a challenge to the costs
12 that were borne by customers as a result of executing the
13 plan, how do we have the evidence of what was analyzed at
14 the time as alternatives?

15 In other words, if you say here's our plan and we say,
16 okay, have you looked at this alternative? I heard you say
17 earlier we're not going to give you new tables, we are not
18 going to give you new analyses.

19 So what did you do, what alternatives were considered
20 and how were they evaluated to ensure that the Board can be
21 assured that the company balanced those principles, if that
22 information isn't part of the record?

23 So if you come with your plan and follow the plan, and
24 we say, hey, why didn't you do this. You say, well, we
25 followed our plan. But we said why didn't you check out
26 this alternative. Well, it was part of the gas supply plan
27 and we don't do costs in the gas supply plan.

28 That is the conundrum we face. How do we test, on a

1 gas supply plan, a decision that may be undertaken in a
2 contract entered into for gas costs two or three years down
3 the road? Where do we get to help the company look at
4 alternatives to ensure that those Board principles are
5 adequately balanced?

6 [Mr. LeBlanc and Ms. Liberty confer]

7 MR. LeBLANC: So we're going to answer as a team. The
8 first part, I think what I would like to throw out there is
9 what this -- what I believe and what the company believes
10 this conference is about.

11 It is about bringing more transparency to how the plan
12 is created, how decisions are made, how the plans are
13 executed. It is not about approving the specific costs of
14 the plan.

15 And I think what we're trying to get across in this
16 process is a broader understanding and more transparency
17 about how we make decisions to provide confidence to
18 stakeholders that we are following a good, strong and
19 detailed process, and we are making good decisions on
20 behalf of ratepayers.

21 So this process is not about, in my view, not about
22 dealing with specific costs of specific decisions.

23 It is about providing details on how we make
24 decisions, and to give you insight into what the outcomes
25 of those decisions have been.

26 But I will let Erin talk a bit more about where the
27 costs show up.

28 MS. LIBERTY: I will look to my regulatory friends

1 here if I mis-speak.

2 But in terms of my understanding of the deferral
3 application process, as well as the QRAM process, there are
4 opportunities there where we do speak to differences
5 between actuals and plan.

6 I know that through those processes, significant
7 differences or changes are talked about. So in addition to
8 the opportunities through this process and the stakeholder
9 session and the annual update, there will also be
10 opportunities to speak to significant differences with
11 actual versus plan in those proceedings.

12 MR. MILLAR: Can I interject? Maybe I approach this
13 from a position of ignorance, because you both know a lot
14 more about this than I do. But there is a gas supply plan
15 which includes -- you know, Enbridge has decided this is
16 kind of how we want to get our gas, these are the type of
17 contracts we want to use, this is whether it comes from
18 east, west, south, wherever. Can't you ask about that
19 here.

20 Quite right, the cost consequences of that aren't even
21 known specifically at this point, and the actual costs will
22 go into rates for the QRAMs. But can't you ask here about
23 why they chose X supply route instead of Y supply route?

24 MR. QUINN: Well, we asked for information on the
25 analyses for them to look at another alternative to the
26 analyses.

27 Maybe I am presuming, but I am hearing Jamie saying we
28 are not going to do redo the analysis, and we're not going

1 to provide different tables.

2 MR. MILLAR: Maybe we are getting a little ahead of
3 ourselves, and again I want to keep us on track. I
4 actually think these are all good questions and it is
5 important.

6 I want to keep us on track and it may be when we get
7 to those sections of the presentation, maybe they will
8 answer your question; I don't know. But maybe we can wait
9 until we get there and see.

10 MR. QUINN: I respect that, Michael, and I will try to
11 do that specifically. I just want to address Ms. Liberty's
12 comments about if there's changes, we can test them.

13 But my question is, and maybe it was convoluted in the
14 way I ask it, is what if you stay on plan, but we still
15 disagree with the plan, but we didn't have any evidence to
16 test whether the plan looked at other alternatives which
17 may have opinion more effective?

18 MR. LeBLANC: I think your input will be -- my view is
19 you are going to write a report after this day based on
20 what you see, and that will be your opportunity, at least
21 one opportunity to provide your input and views on whether
22 or not the plan is, in your opinion, the right plan.

23 And I'd understand after that process, the Board Staff
24 are going to write a report based on all of the input
25 given, and the Board will ultimately see all of that and
26 decide whether or not additional process is required.

27 So presumably if you provide information that the
28 Board feels needs to be delved into further, then they will

1 do something at that time. Or if they decide that what you
2 are saying does not have -- there's no need to further go
3 into it, then I guess that is to some extent an answer from
4 the Board.

5 MR. MILLAR: Go ahead, Mark.

6 MR. RUBENSTEIN: I agree with Dwayne's comments, but
7 this is not really a critique of Enbridge. The process is
8 a flawed process. I think so many parties made submissions
9 on that during the consultation, setting up the process.
10 So I agree with Dwayne's comments and I will write them in
11 my comments to Board -- blame -- through Board Staff. But
12 I accept that Enbridge is not a fair critique of Enbridge.
13 They're following the process that has been laid out by the
14 Board.

15 MR. QUINN: I take a similar view, Jamie. I think
16 staff attempted to provide a framework that would balance
17 these issues, but sometimes, as we said for years, the
18 devil can be in the details, and we are just trying to make
19 sure there is due process because, frankly, we don't want
20 to have a prudency test on alternatives that weren't
21 considered or there wasn't evidence of them or due
22 consideration of the alternatives on the record such that
23 puts the company at risk.

24 You and I sat together some five years ago and we
25 talked some of these things through. The Board is trying
26 to address those matters.

27 If we work together to learn about how we can
28 proactively address these issues so the company can have

1 comfort, then we're not testing prudence, we are just
2 trying to ensure that the costs are reasonably borne,
3 because we're paying for those costs.

4 So I think -- I will try to heed Mr. Millar's advice
5 and try to give you specifics when it comes to the analysis
6 we asked for, and possibly a lightbulb will go on for
7 either of us --

8 MR. MILLAR: Or for Board Staff, for that matter.

9 MR. QUINN: Okay.

10 MR. MILLAR: I really do want to keep us moving here.
11 Do we have anyone on the phone with some burning questions
12 on this initial set of slides?

13 MR. WHARTON: We have a couple of questions here.
14 Sorry.

15 MR. MILLAR: Oh, yes. Go ahead, please.

16 MR. WHARTON: Okay. Thank you. Just a few quick
17 ones. Just for the deferral account proceedings where the
18 cost prudence will be determined, does Enbridge anticipate
19 filing any gas supply information or any decision analysis
20 on your gas supply decisions in those deferral account
21 proceedings?

22 MR. STEVENS: I think we can answer that sort of from
23 the regulatory perspective. It really depends, I suppose,
24 what's being asked to be cleared and if there's a
25 requirement for extra evidence to be provided, and
26 similarly, it depends what questions are asked as to
27 whether there is information that needs to be filed in a
28 responsive manner.

EB-2022-0150 : 1 : Dwayne Quinn

COST CLAIM NUMBER 514	SUBMISSION DEADLINE DATE July 04, 2022	CLAIM STATUS Approved by Finance
EB# EB-2022-0150: Rates: QRAM: Enbridge Gas Inc.	OTHER EB#S	PHASE #* 1
INTERVENOR Quinn, Dwayne; +1 (519) 500-1022 drquinn@rogers.com	INTERVENOR COMPANY* Federation of Rental-housing Providers of Ontario, Toronto: Cooperative	INTERVENOR TYPE Full Registrant
HST RATE ONTARIO 13.00	EXCHANGE RATE	COUNTRY
HST NUMBER 82029 2415 RT 0001	LATE SUBMISSION ALLOWED No	EXTENSION DEADLINE DATE

PARTICIPANTS

New	Non-Filing Participant First, Last Name	Filing Participant	Participant Total (\$)	Participant Claim Status
No	,	Quinn, Dwayne; +1 (519) 500-1022 drquinn@rogers.com	2,796.75	Submitted

ATTACHMENTS

Attachment	Attachment Date	Participant	Document Type	Claim Type	Import Message
FRPO_COST CLAIM SUPPORT_EGI QRAM 2022Q3_20220628.pdf FRPO EB-2022-0150 Cost Claim 062820221541.pdf			Cover Letter		

TOTAL LEGAL/CONSULTANT/OTHER FEES 2,475.00	TOTAL DISBURSEMENTS 0.00	TOTAL HST 321.75
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TOTAL CLAIM 2,796.75	TOTAL AMOUNT AWARDED
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REASON FOR DISALLOWANCE	REASON FOR DISALLOWANCE - 2	REASON FOR DISALLOWANCE - 3
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MAKE CHEQUE PAYABLE TO
FEDERATION OF RENTAL-HOUSING PROVIDERS OF ONTARIO

SEND PAYMENT TO ADDRESS 20 Upjohn Rd, Suite 105 Toronto, ON M3B 2V9	ATTENTION MS. L. COOPER
--	----------------------------

SUBMIT SECTION

I am a representative of the Party. I have examined all of the documentation in support of this cost claim. The costs incurred and time spent are directly related to the Party's participation in the OEB Process referred to above.

This cost claim does not include any costs for work done, or time spent, by a person that is an employee or officer of the Party as described in section 6.05 and 6.09 of the OEB's Practice Direction on Cost Awards.

The information (fees and disbursements) filed in this cost claim is complete and accurate and in accordance with the OEB's Practice Direction for Cost Awards and Appendix A, the Cost Awards Tariff.

SUBMITTED BY DWAYNE R QUINN	DATE SUBMITTED June 28, 2022
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Dwayne Quinn

CASE	COST CLAIM	INTERVENOR NAME	PARTICIPANT CLAIM STATUS
EB-2022-0150: Rates: QRAM: Enbridge Gas Inc.	EB-2022-0150 : 1 : Dwayne Quinn	Quinn, Dwayne; +1 (519) 500-1022 drquinn@rogers.com	Submitted

FILING PARTICIPANT	NEW PARTICIPANT	NON-FILING PARTICIPANT F. NAME	NON-FILING PARTICIPANT L. NAME
Quinn, Dwayne; +1 (519) 500-1022 drquinn@rogers.com	No		

SERVICE PROVIDER TYPE	YEAR CALLED TO BAR	COMPLETED YEARS PRACTICING/YEARS OF RELEVANT EXPERIENCE	HOURLY RATE
Consultant		34	330

CV STATUS (FOR CONSULTANT/ANALYST)	LAST CV DATE	HST RATE CHARGED
CV Provided within Previous 24 Months	February 18, 2022	13.00

HEARINGS	CONSULTATIONS	DISBURSEMENTS
Yes	No	No

HEARINGS

<u>Name</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Sub Total</u>	<u>HST Rate</u>	<u>HST</u>	<u>Total</u>
Review Application and Evidence						
Review Application and Evidence	2.50	330	825.00	13.00	107.25	932.25
Discovery						
Preparation of Interrogatories	2.00	330	660.00	13.00	85.80	745.80
Review Interrogatory Responses	1.00	330	330.00	13.00	42.90	372.90
Technical Conference Preparation		330		13.00		
Technical Conference Attendance		330		13.00		
Technical Conference Follow Up		330		13.00		
Issues List						
Preparation		330		13.00		
Attendance at Issues Conference		330		13.00		
Intervenor Evidence						
Preparation		330		13.00		
Interrogatory Responses		330		13.00		
Preparation of Witness(es) for Attendance at Hearing		330		13.00		
Settlement Conference / ADR						
Preparation		330		13.00		
Attendance		330		13.00		
Preparation of Settlement Proposal		330		13.00		
Attendance at Presentation to Panel		330		13.00		
Oral Hearing						
Preparation		330		13.00		
Attendance at Oral Hearing		330		13.00		
Submissions						
Written Submissions	2.00	330	660.00	13.00	85.80	745.80
Oral Submissions		330		13.00		
Attendance at Oral Submissions		330		13.00		
Other Attendance						
Other Attendance		330		13.00		
Communication						
With Client		330		13.00		
With Other Parties		330		13.00		
Motions						
Preparation of Motion(s) Materials		330		13.00		
Prepare Submissions on the Motion(s)		330		13.00		
Attendance at Hearing on Motion(s)		330		13.00		
Confidentiality						

Preparation of Application for Confidentiality	330	13.00	
Prepare Submissions on Confidentiality	330	13.00	
Attendance at Hearing on Confidentiality	330	13.00	
Decision			
Review	330	13.00	
Rate Order			
Review	330	13.00	
Prepare Submission on Rate Order	330	13.00	
Total Service Provider Fees			
Total Service Provider Fees:	2,475.00	321.75	2,796.75

Attachments

<u>Attachment</u>	<u>Document Type</u>	<u>Import Message</u>
FRPO_DRQ_INV_EGI 2022 QRAMQ3_20220624.pdf	Cover Letter	
FRPO_COST CLAIM SUPPORT_EGI QRAM 2022Q3_20220628.pdf	Invoice	
FRPO_DRQ_INV_EGI 2022 QRAMQ3_20220624.pdf	Time Docket	

Hearings, Consultations, Disbursements Attachments

<u>Attachment</u>	<u>Related Disbursement Claim</u>	<u>Document Type</u>	<u>Claim Type</u>	<u>Import Message</u>
FRPO_DRQ_INV_E GI 2022 QRAMQ3_20220624 .pdf		Cover Letter	Hearings	
FRPO_COST CLAIM SUPPORT_EGI QRAM 2022Q3_20220628. pdf		Invoice	Hearings	
FRPO_DRQ_INV_E GI 2022 QRAMQ3_20220624 .pdf		Time Docket	Hearings	

DR QUINN & ASSOCIATES LTD.

130 Muscovy Drive,
Elmira, ON N3B 3P7
(519) 500-1022
drquinn@rogers.com

Invoice

Date	Invoice #
6/24/2022	256

Invoice To
Federation of Rental-housing Providers ON 20 Upjohn Road, Suite 105 Toronto, ON M3B 2V9

Terms
Net 60

Service Dates	Description	Qty	Rate	Amount
6/6/2022	REVIEW QRAM APPLICATION, FOLLOW ACCOUNTING THAT GENERATES BOTH POSITIVE AND NEGATIVE RATE RIDERS, ATTEMPT TO UNDERSTAND LANDED COSTS BETWEEN CHICAGO AND DAWN, FORMULATE QUESTIONS AND SUBMIT	4.5	330.00	1,485.00
6/13/2022	REVIEW EGI RESPONSES, REVIEW EGI GAS SUPPLY REPLY, CALCULATE IMPACT FROM DATA, PREPARE SUBMISSIONS	3	330.00	990.00
	HST on Sales		13.00%	321.75
			Total	\$2,796.75

GST/HST No. 820292415

DR QUINN & ASSOCIATES LTD.

130 Muscovy Drive,
Elmira, ON N3B 3P7
(519) 500-1022
drquinn@rogers.com

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Total				\$2,796.75

GST/HST No. 820292415

VIA E-MAIL

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Ontario Energy Board
Attn: Ms. N. Marconi, Board Registrar
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27th Floor, 2300 Yonge Street
Toronto ON M4P 1E4

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In the next Annual gas supply plan update that included a Stakeholder conference (2021), the EGI witness provided in their opening presentation:⁶

“There were also a number of questions regarding prudence reviews and impact of changes on customers rates or bills. These impacts will be reviewed at well-established points in time, including QRAM rates applications, deferral dispositions, and for a lot of these things during our rebasing application.”

During the ensuing stakeholder conference we had the following exchange with EGI’s counsel:⁷

MR. QUINN: Morning, Jason. Appreciate the presentation. I wanted to ask some questions at a high level and get into detail with later segments. But initially, I think maybe you alluded to it, but I'm trying to understand this question where we were a year and a half ago, but specifically where is the testing of the prudence of cost and the cost of the plan and the alternatives to that plan. Where are we supposed to test those choices?

MR. STEVENS: Hi, Dwayne. It's David Stevens speaking. We did have this discussion as part of the five-year plan and I think Board Staff -- I think it's common ground now that this process is not aimed at approvals of specific costs or testing of prudence.

I think it depends on what costs you're talking about as to where they might be explored in other proceedings. And Jason can talk to this more, if you like. But I think we're well aware of particular items that get recorded in established deferral variance accounts and get tested at clearance and that includes, for example, some storage of costs. There is the QRAM process of course, and there is a rebasing process.

So those are some examples of places where prudence might be talked about. But I think for today's purposes, what I can and will say is that this is not the process. This is not the forum where prudence of specific costs gets put before the Board for approval.

MR. QUINN: I understand your position, David.

MR. STEVENS: To be clear, Dwayne, it's more than a position. It's the Board's framework.

As a result, we have little recourse but to ask in either the QRAM proceeding or the deferral disposition proceeding. Given the frustration with receiving the information requested to inform the Board completely, we determined that we should focus on one aspect of the Gas Supply plan (Vector contracting) and piece together the information needed. In this way, we could express our concern while demonstrating the challenges in the process of discovery.

⁵ EB-2019-0137 EGI_ReplySUB_5 Year Gas Supply Plan_20191118, para. 22

⁶ EB-2021-0004 Enbridge Stakeholder Conference April 26, 2021, pg. 9, para. 6-12

⁷ EB-2021-0004 Enbridge Stakeholder Conference April 26, 2021, pg. 19, line 14 to pg. 20, line 14

Full Visibility into Customer Impact of Gas Supply Requires Discovery in Three Proceedings

Recognizing that asking questions about specific costs in the Gas Supply Consultation has only led to frustration, FRPO set out to attempt to inform the Board fully of its concerns by seeking discovery on one item across three proceedings (Gas Supply, QRAM and Deferral Disposition). With the questions asked in this proceeding, we were able to demonstrate that the cost of gas landed from Chicago was clearly more expensive. In addition, in spite of the company's claims to the need to contract transportation for reliability, 95% of the Vector capacity is actually assigned to marketers, even during the winter.⁸

Respectfully, we understand that the cost award process is not intended to be a place of argument on substantive issues so we will not try to summarize our submissions in the Gas Supply proceeding here. Suffice it to say, we asked Board staff to highlight our concerns in that proceeding to the Board or potentially defer their report to the Board until after the deferral disposition proceeding. In that proceeding, we will attempt to provide the Board with visibility into the actual utilization and resulting beneficiaries of the Vector contracts.

However, given the Board's stated concern about the value of the Vector questions and submissions, FRPO believed that it would be proactive to assist the Board with the above information and our efforts in another proceeding which has not reached conclusion. We trust that these perspective will assist the Board in its consideration of FRPO's interest in illuminating concerns about Vector transportation in the QRAM proceeding.

Respectfully Submitted on Behalf of FRPO,

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L. Gluck, M. Millar, K. Viraney, R. Murray – Staff
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T. Ladanyi (Energy Probe), M. Brophy (PP)

⁸ EGI_Reply_20220610_eSigned, Exhibit I.FRPO.4

1 MR. BROPHY: Mike Brophy with Pollution Probe. So I
2 just had two questions. One, I think I heard the company
3 indicate that we won't be getting a Board approval out of
4 this review, and that the issues that are on the agenda,
5 some you will answer and some you may defer as well.

6 So I just wanted to confirm, or if you can confirm for
7 me that it wouldn't restrict the ability to ask questions
8 related to any of these issues and have the company respond
9 to them in future proceedings.

10 What I am worried about is that you point back to this
11 and look like there was some clarity or a decision made on
12 some issues that we will be talking about, and it might
13 constrain the ability to have a more fulsome discussion on
14 those in other proceedings.

15 Can you confirm that?

16 MR. LeBLANC: I guess I won't give you maybe carte
17 blanche confirmation. But I would say generally yes, I
18 agree with what you are saying.

19 MR. BROPHY: And then just secondly, it would be
20 helpful if the Board report coming out of this just to give
21 that clarity around the issues that were discussed and the
22 answers. But it doesn't actually give a fulsome answer
23 that can't be re-examined in those future cases, that would
24 be helpful. Thank you.

25 MR. MILLAR: Dwayne, can did you have a question?

26 MR. QUINN: I have a couple of questions, thank you,
27 Mr. Millar, first I guess to Mr. Stevens.

28 I want to understand -- I respect this is Enbridge's

1 views of what the framework is presenting, but what you
2 said, Mr. Stevens, was along the lines of when these are
3 brought into the rate adjustment process -- I think is the
4 phrase you used -- the costs are brought into the rate
5 adjustment process, I was trying to understand.

6 Are you talking about the delivery rates, or the
7 annual update of the gas supply plan?

8 MR. STEVENS: So in a discussion with Ms. Innis,
9 clearly I misunderstood what is coming next in the rate
10 adjustment cases.

11 There is in fact no annual examination of the demand
12 forecast for each rate zone during the rebasing period. I
13 misspoke; I apologize for that. But that will be dealt
14 with at rebasing also.

15 I am not sure if that is actually the question you
16 asked, Dwayne, but I wonder if that is the source of the
17 confusion.

18 MR. QUINN: Again, we're getting into nomenclature on
19 how we refer to these things. But ultimately, at some
20 point costs will be brought forward to the Board for
21 approval.

22 The costs that are anticipated or forecasted by the
23 company, will they be reviewed and tested in the rates
24 case, or in the annual update of the gas supply plan?

25 MR. STEVENS: I'm not -- it's not clear to me, Dwayne,
26 the way that the OEB processes are currently described that
27 this forward-looking approval happens in either of those
28 processes.

1 MR. QUINN: That is part of our challenge, Mr.
2 Stevens, so thanks for clarifying that.

3 Now to Mr. LeBlanc, thank you, Jamie, for the
4 overview. But I think this is kind of where the rubber hits
5 the road.

6 Again, we don't have the benefit of the transcript,
7 but you had said here's our five-year plan, and if EGI
8 varies from that, it goes into a deferral account which
9 would be subject to review.

10 However, if Enbridge stays on track with its current
11 plan, and we have a concern or a challenge to the costs
12 that were borne by customers as a result of executing the
13 plan, how do we have the evidence of what was analyzed at
14 the time as alternatives?

15 In other words, if you say here's our plan and we say,
16 okay, have you looked at this alternative? I heard you say
17 earlier we're not going to give you new tables, we are not
18 going to give you new analyses.

19 So what did you do, what alternatives were considered
20 and how were they evaluated to ensure that the Board can be
21 assured that the company balanced those principles, if that
22 information isn't part of the record?

23 So if you come with your plan and follow the plan, and
24 we say, hey, why didn't you do this. You say, well, we
25 followed our plan. But we said why didn't you check out
26 this alternative. Well, it was part of the gas supply plan
27 and we don't do costs in the gas supply plan.

28 That is the conundrum we face. How do we test, on a

1 gas supply plan, a decision that may be undertaken in a
2 contract entered into for gas costs two or three years down
3 the road? Where do we get to help the company look at
4 alternatives to ensure that those Board principles are
5 adequately balanced?

6 [Mr. LeBlanc and Ms. Liberty confer]

7 MR. LeBLANC: So we're going to answer as a team. The
8 first part, I think what I would like to throw out there is
9 what this -- what I believe and what the company believes
10 this conference is about.

11 It is about bringing more transparency to how the plan
12 is created, how decisions are made, how the plans are
13 executed. It is not about approving the specific costs of
14 the plan.

15 And I think what we're trying to get across in this
16 process is a broader understanding and more transparency
17 about how we make decisions to provide confidence to
18 stakeholders that we are following a good, strong and
19 detailed process, and we are making good decisions on
20 behalf of ratepayers.

21 So this process is not about, in my view, not about
22 dealing with specific costs of specific decisions.

23 It is about providing details on how we make
24 decisions, and to give you insight into what the outcomes
25 of those decisions have been.

26 But I will let Erin talk a bit more about where the
27 costs show up.

28 MS. LIBERTY: I will look to my regulatory friends

1 here if I mis-speak.

2 But in terms of my understanding of the deferral
3 application process, as well as the QRAM process, there are
4 opportunities there where we do speak to differences
5 between actuals and plan.

6 I know that through those processes, significant
7 differences or changes are talked about. So in addition to
8 the opportunities through this process and the stakeholder
9 session and the annual update, there will also be
10 opportunities to speak to significant differences with
11 actual versus plan in those proceedings.

12 MR. MILLAR: Can I interject? Maybe I approach this
13 from a position of ignorance, because you both know a lot
14 more about this than I do. But there is a gas supply plan
15 which includes -- you know, Enbridge has decided this is
16 kind of how we want to get our gas, these are the type of
17 contracts we want to use, this is whether it comes from
18 east, west, south, wherever. Can't you ask about that
19 here.

20 Quite right, the cost consequences of that aren't even
21 known specifically at this point, and the actual costs will
22 go into rates for the QRAMs. But can't you ask here about
23 why they chose X supply route instead of Y supply route?

24 MR. QUINN: Well, we asked for information on the
25 analyses for them to look at another alternative to the
26 analyses.

27 Maybe I am presuming, but I am hearing Jamie saying we
28 are not going to do redo the analysis, and we're not going

1 to provide different tables.

2 MR. MILLAR: Maybe we are getting a little ahead of
3 ourselves, and again I want to keep us on track. I
4 actually think these are all good questions and it is
5 important.

6 I want to keep us on track and it may be when we get
7 to those sections of the presentation, maybe they will
8 answer your question; I don't know. But maybe we can wait
9 until we get there and see.

10 MR. QUINN: I respect that, Michael, and I will try to
11 do that specifically. I just want to address Ms. Liberty's
12 comments about if there's changes, we can test them.

13 But my question is, and maybe it was convoluted in the
14 way I ask it, is what if you stay on plan, but we still
15 disagree with the plan, but we didn't have any evidence to
16 test whether the plan looked at other alternatives which
17 may have opinion more effective?

18 MR. LeBLANC: I think your input will be -- my view is
19 you are going to write a report after this day based on
20 what you see, and that will be your opportunity, at least
21 one opportunity to provide your input and views on whether
22 or not the plan is, in your opinion, the right plan.

23 And I'd understand after that process, the Board Staff
24 are going to write a report based on all of the input
25 given, and the Board will ultimately see all of that and
26 decide whether or not additional process is required.

27 So presumably if you provide information that the
28 Board feels needs to be delved into further, then they will

1 do something at that time. Or if they decide that what you
2 are saying does not have -- there's no need to further go
3 into it, then I guess that is to some extent an answer from
4 the Board.

5 MR. MILLAR: Go ahead, Mark.

6 MR. RUBENSTEIN: I agree with Dwayne's comments, but
7 this is not really a critique of Enbridge. The process is
8 a flawed process. I think so many parties made submissions
9 on that during the consultation, setting up the process.
10 So I agree with Dwayne's comments and I will write them in
11 my comments to Board -- blame -- through Board Staff. But
12 I accept that Enbridge is not a fair critique of Enbridge.
13 They're following the process that has been laid out by the
14 Board.

15 MR. QUINN: I take a similar view, Jamie. I think
16 staff attempted to provide a framework that would balance
17 these issues, but sometimes, as we said for years, the
18 devil can be in the details, and we are just trying to make
19 sure there is due process because, frankly, we don't want
20 to have a prudency test on alternatives that weren't
21 considered or there wasn't evidence of them or due
22 consideration of the alternatives on the record such that
23 puts the company at risk.

24 You and I sat together some five years ago and we
25 talked some of these things through. The Board is trying
26 to address those matters.

27 If we work together to learn about how we can
28 proactively address these issues so the company can have

1 comfort, then we're not testing prudence, we are just
2 trying to ensure that the costs are reasonably borne,
3 because we're paying for those costs.

4 So I think -- I will try to heed Mr. Millar's advice
5 and try to give you specifics when it comes to the analysis
6 we asked for, and possibly a lightbulb will go on for
7 either of us --

8 MR. MILLAR: Or for Board Staff, for that matter.

9 MR. QUINN: Okay.

10 MR. MILLAR: I really do want to keep us moving here.
11 Do we have anyone on the phone with some burning questions
12 on this initial set of slides?

13 MR. WHARTON: We have a couple of questions here.
14 Sorry.

15 MR. MILLAR: Oh, yes. Go ahead, please.

16 MR. WHARTON: Okay. Thank you. Just a few quick
17 ones. Just for the deferral account proceedings where the
18 cost prudence will be determined, does Enbridge anticipate
19 filing any gas supply information or any decision analysis
20 on your gas supply decisions in those deferral account
21 proceedings?

22 MR. STEVENS: I think we can answer that sort of from
23 the regulatory perspective. It really depends, I suppose,
24 what's being asked to be cleared and if there's a
25 requirement for extra evidence to be provided, and
26 similarly, it depends what questions are asked as to
27 whether there is information that needs to be filed in a
28 responsive manner.