

July 3, 2019

**VIA RESS AND COURIER**

Ms. Kirsten Walli  
**ONTARIO ENERGY BOARD**  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

**Ian A. Mondrow**  
Direct 416-369-4670  
ian.mondrow@gowlingwlg.com

Assistant: Cathy Galler  
Direct: 416-369-4570  
cathy.galler@gowlingwlg.com

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Dear Ms. Walli:

**Re: EB-2018-0305 – Enbridge Gas Inc. (EG) 2019 Rates Application.**

**Industrial Gas Users Association (IGUA) Argument.**

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We write to advise the Board that IGUA will not be filing final argument in this matter.

On behalf of IGUA we participated in the technical and settlement conferences in this proceeding, through which a number of issues were resolved. We have also reviewed and considered EG's Argument in Chief.

The main outstanding topics affecting all rate classes, including those into which IGUA's members fall, relate to EG's proposal for pass through of costs associated with a number of recently approved capital projects. Under this topic (which encompasses Issues 10-12 on the Board's issues list for the proceeding) issues include calculation of an Incremental Capital Module threshold for the legacy Union Gas to account for rate base and associated depreciation expense increases since the legacy Union Gas' last rebasing in 2013, and the inclusion in ICM revenues of O&M overhead costs that will ultimately be capitalized when the subject projects are closed to rate base upon EG's rebasing for 2024. (Another unresolved topic in this proceeding is captured in Issue 13 on the Board's approved issues list regarding EG's customer connection policy and profitability index calculation for consumers in the EGD rate zone. This topic does not impact IGUA's members' rate classes.)

We are confident that a number of other ratepayer representatives will provide comprehensive arguments on the ICM related issues and that the Hearing Panel will thus have a fully articulated record upon which to make its determinations on these issues.

IGUA will thus defer to the work being undertaken by those other ratepayer parties regarding the appropriateness of ICM treatment and recovery amounts proposed. In respect of EG's proposal to defer ratepayer credits arising in 2019 as a result of the ICM proposal to offset anticipated ratepayer debits in 2020, IGUA supports that proposal.

Yours truly,



Ian A. Mondrow

c: K. Culbert (EGD)  
V. Innis (Union)  
M. Kitchen (Union)  
C. Smith (Lax O'Sullivan)  
S. Rahbar (IGUA)  
K. Viraney (OEB Staff)  
Intervenors of Record

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