

VIA E-MAIL, COURIER & RESS

December 13, 2013

Ontario Energy Board  
Attn: Kirsten Walli, Board Secretary  
P.O. Box 2319  
27<sup>th</sup> Floor, 2300 Yonge Street  
Toronto ON M4P 1E4

**RE: EB-2013-0365 - UNION GAS - 2014 Rates Proceeding**

**REQUEST & SUPPORT**

We are writing on behalf of the Ontario Greenhouse Vegetable Growers ("OGVG") in regard to the referenced Notice of Application. The Application by Union Gas, pursuant to section 36 of the Ontario Energy Board Act, 1998, requests an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas effective January 1, 2014. The resulting rates impact the members of OGVG.

The Ontario greenhouse vegetable sector is a major contributor to the Ontario economy, generating over \$700 million in farmgate receipts and accounting for 12,000 jobs annually. OGVG, as an organization, represents all 224 greenhouse pepper, tomato and cucumber growers in the province. Given the nature of greenhouse production systems, OGVG members are heavily reliant on energy, particularly natural gas. Over one third of greenhouse production costs are energy-related and as such rate increases and pricing adjustments serve to threaten the global competitiveness of the sector.

The Ontario greenhouse sector is growing. In fact, in evidence filed by Union Gas in its 2013 rate case, the greenhouse sector was shown to be the fastest growing sector of Union's business markets exhibiting a doubling of volume between the 2007 Board-approved and the 2013 Forecast volumes.<sup>1</sup> OGVG members' natural gas consumption is important to Union Gas and greenhouse production in general is important to the Ontario economy.

As a not-for-profit organization, OGVG does not have other funding sources to ensure experienced representation to participate in and assist the Board with these regulatory proceedings. Therefore OGVG would respectfully request a determination of eligibility for cost award in this proceeding. OGVG has retained professionals who have experience representing intervenor interests and, OGVG respectfully submits, have assisted the Board in previous proceedings in an efficient and responsible manner.

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<sup>1</sup> EB-2010-0210 Exhibit C1, Tab 2, Page 7, Table 1

**ISSUES OF CONCERN**

OGVG's members are very concerned about the recent increase in Union Gas rates. This concern was expressed to the Board in a letter copied to Union Gas in April of 2013. Union's response to that letter committed to providing a copy of Notices of Application for rate changes that would affect OGVG's members. OGVG understands that this proceeding and similar proceedings impact the rates that are charged by the natural gas distributor. Accordingly OGVG respectfully requests intervenor status and the opportunity to participate in the Board's review of the Application.

OGVG has an interest in many aspects of this rate-making proceeding including the application of the Board-approved formula, adjustments and the resolution of outstanding Board directives. In addition OGVG has a specific concern with respect to the significant increase in M5 interruptible rates (a rate class within which many OGVG members reside) as a result of the 2013 rebasing proceeding. As was highlighted in the settlement proposal accepted by the Board in EB-2012-0202, issues surrounding the cost allocation and rate design with respect to M5 rates were raised and specifically deferred to this proceeding. Accordingly OGVG intends to be an active participant with respect to such issues

OGVG members were encouraged that the OEB approved the Leamington Expansion (the "Expansion") as a result of EB-2012-0431. It is OGVG's understanding that in that proceeding the Board's approval of Union's request for Leave to Construct relied, in part, on Union's reply argument which asserted that improved uptake on requested services eliminated the need for any of the aid-to-construct payments that were proposed as part of the original application. However, when applying for new or incremental load connected to the Expansion, OGVG members have been required by Union to choose between providing an upfront payment or agreeing to a long-term contract requirement for minimum annual volumes prior to being provided access to the offered service. OGVG is concerned that these pre-conditions to accessing the distribution services that the rates requested in this application govern may be inappropriate. Accordingly OGVG will be seeking clarification with respect to the justification for these preconditions imposed by Union, with the possible result that OGVG will make submissions seeking a decision of the Board requiring Union to provide access to distribution service on the Expansion without any such preconditions.

**REPRESENTATION**

If the intervention requested is granted, then OGVG asks that further communications with respect to this matter be sent to the following:

Dr. Justine Taylor  
Environmental Projects Specialist  
Ontario Greenhouse Vegetable Growers  
32 Seneca Road, Leamington, Ontario N8H 5H7  
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AND

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Thank you for your consideration of this request

Respectfully Submitted on Behalf of OGVG,



Dwayne R. Quinn  
Principal  
DR QUINN & ASSOCIATES LTD.

c. M. Kitchen - Union Gas  
M. Buonaguro - MRB Law

G. Gilvesy - OGVG

J. Taylor - OGVG