

April 23, 2014

**VIA RESS AND COURIER**

Ms. Kirsten Walli  
**ONTARIO ENERGY BOARD**  
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Dear Ms. Walli:

**Re: EB-2014-0039: Enbridge Gas Distribution Inc. (EGD) April 1, 2014 QRAM Application.**

**Industrial Gas Users Association (IGUA): (No) Position on Rate Mitigation.**

Given the quantum of the PGVA proposed by EGD for clearance, the Board indicated by Procedural Order No. 1 dated April 1, 2014 that it would entertain further discoveries and submissions related to the issue of potential rate mitigation measures.

In our March 24, 2014 letter filed herein we indicated that IGUA's constituents are generally not impacted by this issue to the degree that those customers taking most or all of their gas from EGD are, and accordingly IGUA did not take a position on whether the current circumstances justify a departure from the general principle that prices for system supply should reflect market prices and thus provide gas pricing transparency, and fairness and equity among all customer groups.

IGUA did offer two comments on the issue. IGUA agreed with Board Staff that the Hearing Panel did have the discretion to direct recovery by EGD in a manner other than as provided for in the Board's decision in EB-2008-0106 (*Methodologies for Commodity Pricing, Load Balancing and Cost Allocation for Natural Gas Distributors*). IGUA also submitted that EGD had not made out a case for compensation for any deferred recoveries at a weighted average cost of capital (WACC), as opposed to at the Board's prescribed interest rate as is generally the case for deferral account balances.

IGUA notes that in response to Board Staff Interrogatory 5 [Ex.I/T4/S5] EGD has indicated that if recovery of the PGVA were directed to be spread over a period longer than the standard 12 months, it would not seek to apply its WACC to any deferred balances.

In light of EGD's revised position on the carrying costs of any extended deferrals, and as IGUA's constituents do not take significant volumes of system supply, IGUA offers no further comment on the topic of potential rate mitigation measures.

Yours truly,



Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)  
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All Interested Parties (EB-2012-0459)

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