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By electronic filing

May 2, 2014

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
27<sup>th</sup> floor – 2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli,

**Consultation – Rate Design for Electricity Distributors**

**Board File No.: EB-2012-0410**

**Our File No.: 339583-000003**

As solicitors for Canadian Manufacturers & Exporters (“CME”), we are writing to seek participant status and cost award eligibility in this consultative.

Through inadvertence, we failed to make this request by the April 11, 2014 deadline contained in Appendix A of the Ontario Energy Board’s (“OEB” or the “Board”) April 3, 2014 letter to Interested Parties.

The circumstances giving rise to our failure to make a timely request were as follows:

- (a) On or about April 4, 2014, Mr. Thompson of this firm downloaded the materials pertaining to this matter and flagged the case as one of interest to CME;
- (b) At that time, in the early part of April, Mr. Thompson was heavily involved with matters pertaining to the application by Enbridge Gas Distribution Inc. (“EGD”) for rates for the period 2014 to 2018 and an application by Union Gas Limited (“Union”) for 2014 rates. In the Union case, Mr. Thompson was involved with counsel for Industrial Gas Users Association (“IGUA”) in the very time consuming task of taking a leadership role on behalf of intervenors in the effort to resolve the complex Parkway Delivery Obligation (“PDO”) Reduction issue;
- (c) Towards the end of the first week in April, Mr. Thompson convened a meeting with Mr. DeRose of this firm for the purpose of allocating responsibility for a number of matters before the Board, including this matter. Those other matters included:

- the Application by Ontario Power Generation Inc. (“OPG”) for approval of Payment Amounts for 2014 and 2015;
  - the Application by Hydro One Networks Inc. (“Hydro One”) for approval of distribution rates for the period 2015 to 2019; and
  - a consultative pertaining to rate-making associated with distributor consolidation and service area amendments.
- (d) Mr. DeRose came away from that meeting believing that Mr. Thompson had assumed responsibility for this particular consultative, whereas Mr. Thompson believed the opposite. As a consequence, we did not discover until yesterday that a request for participant status and cost eligibility has not been made on behalf of CME in this case.

In these circumstances, we respectfully request that this late request for participant status and cost eligibility in this case be indulged and that CME be permitted to participate in this process.

In making this request, we recognize that the Board’s Draft Report indicates at page 4 that the primary focus of this consultative is customers with demands less than 50 kW and that the Board plans to address the rate design for larger consumers in due course.

Notwithstanding this plan, the concepts upon which the fixed rate options outlined in the Draft Staff Report are based have relevance to all rate classes. In this context, we submit that the views of all parties affected by these concepts should be taken into account before the Board makes decisions pertaining to the most appropriate way to pursue a fixed Rate Design solution for any rate classes.

We submit that the Board’s responses to the questions which Staff has posed in its Draft Report will have implications for all other rate classes and that the Board would benefit from having the views of constituents from all rate classes on these concepts before deciding what is best for the small volume consumers.

For these reasons, we submit that the concepts being discussed during this process and the outcome of this consultative will likely have considerable influence on the outcome of future proceedings pertaining to the design of rates serving customers with demands greater than 50 kW. We respectfully submit that the Board should receive and consider the views of manufacturers in this proceeding with respect to matters pertaining to the adoption of fixed rate options of the type described in the Draft Report.

We respectfully submit that no one will be prejudiced by a decision which allows CME to participate in this consultative process with cost eligibility. No comments have yet been provided by other participants and the date for making such comments has now been extended to June 6, 2014.

The grounds on which CME believes that it is eligible for an award of costs include the following:

1. CME is Canada’s leading business network. Its members represent 75% of manufactured output in the Province of Ontario, and 90% of all exports. CME is a not-for-profit organization funded by membership fees and revenues from the services it renders to Federal and Provincial Governments and Agencies to foster the development of national and international markets for its members to break down trade barriers.
2. About 85% of CME’s 1,400 Ontario-based member companies are small to medium sized business enterprises with 500 employees or less. The views of these businesses should be considered in this proceeding.

3. Manufacturing is important to the Province of Ontario. It is the single largest sector of the economy (17.5% of Gross Domestic Product (“GDP”) or \$300B) employing, directly, over 1M people in the Province. Electricity is the primary source of energy for the manufacturing sector. As a result, the members of CME are vitally concerned with all matters pertaining to the supply and price of electricity.
4. CME’s ability to actively participate in this proceeding is dependent upon a determination that it is eligible for a Cost Award. In many prior proceedings, the Board has determined that CME is eligible for such Cost Awards.

BLG’s Representation of CME

Borden Ladner Gervais (“BLG”) represents CME under the auspices of a written retainer agreement executed on behalf of CME by Ian Howcroft, Vice-President – Ontario Division. Our mandate is to represent the interests of manufacturers in OEB proceedings which are likely to have an impact on the rates which Ontario manufacturers pay for utility services. Paul Clipsham, Director of Policy – Ontario Division of CME, is the individual with whom we liaise.

CME Contacts

If the relief requested in this letter is granted, then CME requests that further communications with respect to this matter be sent to the following:

Paul Clipsham Director of Policy – Ontario Division Canadian Manufacturers & Exporters 6725 Airport Road Suite 200 Mississauga, ON L4V 1V2  Tel (289) 566-9538 Fax (905) 672-1764 email <a href="mailto:paul.clipsham@cme-mec.ca">paul.clipsham@cme-mec.ca</a>	Borden Ladner Gervais LLP Barristers & Solicitors 100 Queen Street Suite 1300 Ottawa ON K1P 1J9  Main Fax (613) 230-8842	Peter C.P. Thompson Tel (613) 787-3528 email <a href="mailto:pthompson@blg.com">pthompson@blg.com</a>  Vincent J. DeRose Tel (613) 787-3589 email <a href="mailto:vderose@blg.com">vderose@blg.com</a>  Kim Dullet Tel (613) 369-4792 email <a href="mailto:kdullet@blg.com">kdullet@blg.com</a>
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Please contact the undersigned if the Board requires any further information in connection with the relief requested herein.

Yours very truly,



Peter C.P. Thompson, Q.C.

c. Paul Clipsham  
Vince DeRose