

VIA E-MAIL, COURIER & RESS

May 22, 2014

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

RE: EB-2014-0154 UNION GAS DIRECT PURCHASE BALANCING PENALTY

REQUEST & SUPPORT

I am writing on behalf of the Ontario Greenhouse Vegetable Growers ("OGVG") in regard to the referenced issue communicate in the Ontario Energy Board Notice published May 6, 2014. The Notice requests approval for a one-time exemption to reduce certain penalty charges to direct purchase customers.

The Ontario greenhouse vegetable sector is a major contributor to the Ontario economy, generating over \$782 million in farmgate receipts and accounting for 12,000 jobs annually. OGVG is the organization representing all 218 greenhouse pepper, tomato and cucumber growers in the province. Given the nature of OGVG's members production systems, the sector is heavily reliant on energy, particularly natural gas. With one third of production costs being energy-related, the growers are very sensitive to pricing adjustments.

The greenhouse industry 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 with more than a doubling of volume between 2007 Board-approved and 2013 Forecast volumes.¹ OGVG members' natural gas consumption is important to Union Gas and its members' production 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.

¹ EB-2010-0210 Exhibit C1, Tab 2, Page 7, Table 1

ISSUES OF CONCERN

OGVG's members purchase their natural gas through both direct purchase and system supply. For those who choose direct purchase, their contracts contain balancing requirements of the utility. The extreme cold of this past winter created significantly higher gas costs to balance the increased consumption needed for the greenhouses. However, we are concerned about the financial difficulty that could be caused by the imposition of the penalty rate for those who did not balance. We are also concerned about the equitable allocation of the premiums resulting from the recovery of the penalty.

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
Phone 519-326-2604
Email: jtaylor@ontariogreenhouse.com

AND

Mr. Dwayne R. Quinn
DR QUINN & ASSOCIATES LTD.
130 Muscovy Drive,
Elmira, Ontario N3B 3B7
Phone: (519) 500-1022
Email: drquinn@rogers.com

Thank you for your consideration of this request

Respectfully Submitted on Behalf of OGVG,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

c. C. Ripley - Union Gas

G. Gilvesy - OGVG

J. Taylor - OGVG