

VIA E-MAIL, COURIER & RESS

June 9, 2014

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

RE: EB-2014-0199 REVIEW OF QRAM FOR NATURAL GAS DISTRIBUTORS

REQUEST & SUPPORT

I am writing on behalf of the Ontario Greenhouse Vegetable Growers ("OGVG") in regard to the referenced proceeding communicated by the Ontario Energy Board Notice published June 3, 2014. The Notice announced the commencement of a proceeding to review the Quarterly Rate Adjustment Mechanism for Natural Gas Distributors.

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. For this proceeding, OGVG has retained DR QUINN & ASSOCIATES LTD., an organization that has experience representing our interests and those of other intervenors with whom we are aligned and that OGVG respectfully submits has assisted the Board in previous proceedings in an efficient and responsible manner. OGVG was not an intervenor in the EB-2008-0106, and we understand that we were not granted advanced status. We would respectfully submit that our involvement through our chosen representation will allow our members voice to contribute to these matters in an efficient 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 system gas, they rely on the utility to provide a market sensitive price that can fluctuate but does reflect a profit component by the utility. The extreme cold of this past winter created significantly higher gas costs for growers who cannot pass along those costs directly. We respect the Board's desire to review the rate setting mechanism to ensure ongoing effectiveness in the establishment of rates and the potential for mitigation of volatility while ensuring customer oriented communications.

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. G. Gilvesy - OGVG J. Taylor - OGVG