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By electronic filing

June 19, 2014

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

Dear Ms. Walli,

Union Gas Limited ("Union")
Hagar Liquefaction Service Rate
Board File No.: EB-2014-0012
Our File No.: 339583-000003

We are writing this letter to seek intervenor status and cost award eligibility in this proceeding on behalf of Canadian Manufacturers & Exporters ("CME").

### 1. CME and its Interest in this Proceeding

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. About 85% of CME's 1,400 Ontario-based member companies are Small to Medium sized business Enterprises ("SMEs") with 500 employees or less. The views of these businesses should be considered in this proceeding.

CME's mandate and objectives, its membership and the constituency it represents, and the types of programs and activities by which it carries out its mandate, are described on CME's website, <a href="www.cme-mec.ca">www.cme-mec.ca</a>. CME's priority objectives related to Energy and the Environment are summarized in Attachment 1.

Natural gas is a significant source of energy for the manufacturing sector. As a result, CME members are vitally concerned with all matters pertaining to the supply and price of natural gas, including its purchase, sale, transmission, distribution and storage.

The facts of this case and the issues it raises are unique in many respects. Union proposes to add facilities at its Liquefied Natural Gas ("LNG") gas storage site in Hagar, Ontario. Union proposes to provide a utility service which potentially encompasses the sale of system gas, its transportation and distribution to Union's LNG storage facility at Hagar, its liquefaction and subsequent delivery by Union to LNG wholesalers or customers. The cost allocation and rate design principles which the Board adopts in connection with these proposals are matters of significance to Union's ratepayers and to those interested in acquiring LNG services. Many of CME's members are Union ratepayers and some of them may be interested in acquiring LNG services from Union.



#### 2. Nature and Scope of CME's Intended Participation

CME intends to participate actively in this proceeding to gain a better understanding of the facts upon which the Application is based. CME intends to make submissions pertaining to the relief Union seeks.

#### 3. Request for Written Evidence

CME requests that a copy of any further written evidence upon which the Application is based be provided to its counsel.

## 4. Oral or Written Hearing

An oral hearing, preceded by a written discovery process and Technical Conference, is the best way to enable interested parties to gain a thorough understanding of the unique facts of this case, the issues they raise and Union's proposals and their implications. A face to face discussion of these facts and issues is required. An oral hearing should be ordered.

#### 5. Cost Award

CME intends to seek a cost award in this proceeding on the grounds that its ability to participate is dependent upon a determination that it is eligible for such an award. In many prior proceedings, the Board has determined that CME is eligible for a Cost Award.

## 6. BLG's Representation of CME

Borden Ladner Gervais ("BLG") represents CME under the auspices of a written retainer agreement executed by Ian Howcroft, Vice-President of CME's Ontario Division. BLG's mandate is to represent the interests of manufacturers in those Ontario Energy Board ("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 BLG liaises.

## 7. CME Contacts

If the relief sought 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		Borden Ladner Gervais LLP Barristers & Solicitors 100 Queen Street Suite 1300 Ottawa ON K1P 1J9  Main Fax: (613) 230-8842	Peter C.F Tel email	P. Thompson, Q.C. (613) 787-3528 pthompson@blg.com
			Vincent. Tel email	J. DeRose (613) 787-3589 <u>vderose@blg.com</u>
Tel Fax email	(289) 566-9538 (905) 672-1764 paul.clipsham@cme-mec.ca		Emma B Tel email	lanchard (613) 369-4755 eblanchard@blg.com



Please contact the undersigned if the Board requires any further information in connection with these requests.

Yours very truly,

Peter C.P. Thompson

PCT\slc

c. Karen Hockin (Union)

Charles Keizer (Torys LLP) Paul Clipsham and Ian Shaw

OTT01: 6379464: v1

#### Attachment 1

# About CME and Its Representation in OEB Proceedings

Canadian Manufacturers & Exporters ("CME") is Canada's leading business network. It represents more than 10,000 leading companies nationwide and through various initiatives, touches more than 100,000 companies from coast-to-coast, engaged in manufacturing, international trade, and service-related industries. More than 85% of its members are Small to Medium sized Enterprises ("SMEs"). In Ontario, CME has about 1,400 members representing about 75% of manufactured output and about 90% of all exports.

One of CME's priorities is to improve the business climate for manufacturers. Initiatives pertaining to Energy and the Environment fall within the scope of this objective and include efforts by CME to ensure that its members enjoy continued access to a reliable and cost competitive supply of energy and electricity across Canada.

In this context, CME seeks an Ontario electricity system for its members which is reliable, affordable, cost effective and economically sustainable with electricity prices for Ontario manufacturers which are competitive with electricity prices available to manufacturers located elsewhere.

Similarly, CME seeks a secure supply of natural gas at burner-tip prices in the plants of Ontario manufacturers which are competitive with such prices for manufacturers located elsewhere.

For further information on CME, please visit their website at www.cme-mec.ca.

CME's authorized representative in proceedings before the Ontario Energy Board (the "Board" or "OEB") is Borden Ladner Gervais LLP ("BLG") represented by Peter C.P. Thompson, Q.C. and Vincent J. DeRose, with support from other BLG associates. BLG's representation of CME in proceedings before the Board is pursuant to a written retainer agreement executed on behalf of CME by Ian Howcroft, Vice-President – Ontario Division of CME.

BLG's mandate is to represent the interests of manufacturers in those 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 BLG representatives liaise.