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Ontario Energy Board

June 21, 2016

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Attn: Mr. Peter Fraser, Vice President Industry Operations and Performance

Dear Mr Fraser,

Subject: Staff Discussion Paper on a Cap and Trade Regulatory Framework for Natural Gas Utilities - EB-2015-0363

CRH Canada Group Inc. (CRH) supports the Province's efforts to reduce greenhouse emissions and we understand there is a cost to do this.

We have learned that Union Gas is expected to purchase allowances on behalf of their customers with annual natural gas emissions under 25,000 tCO₂e and as a result, Union Gas will seek to recover costs of acquiring allowances on behalf of their customers and is proposing these costs be recovered through a new cap and trade volumetric charge, to be displayed as a separate line item on the utility bill.

In CRH's opinion, we support displaying this additional CO₂e allowance purchase cost as a separate line to their utility bill. The reasons are two-fold: 1) transparency: we will be able to understand how much of our own emission is being displaced by Union Gas's allowance purchase so that we can manage the reduction of these GHG emissions; and 2) validation: having a separate line we will be able to use this information to validate or trend the reduction effort we have made through Corporate initiatives; in the same way that we are using the natural gas bills to track our consumption currently.

We encourage the staff at the Ontario Energy Board to re-consider making this pass through cost as a separate line item to help our effort in reducing GHG emissions. If you have any questions, please don't hesitate to contact me at the information below.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'N. Macan'.

Nicholas Macan
Chief Procurement Officer
CRH Canada

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