

October 21, 2016

VIA RESS AND COURIER

Ms. Kirsten Walli
ONTARIO ENERGY BOARD
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Ian A. Mondrow
Direct 416-369-4670
ian.mondrow@gowlingwlg.com

Assistant: Cathy Galler
Direct: 416-369-4570
cathy.galler@gowlingwlg.com

Dear Ms. Walli:

Re: EB-2016-0245 – Union Gas Limited (Union) 2017 Rates Application.

Industrial Gas Users Association (IGUA) Request for Intervention.

We write as legal counsel to IGUA to request that IGUA be granted intervenor status in the captioned proceeding.

Description of IGUA

IGUA is an association of industrial companies located in the Canadian provinces of Ontario and Québec, who use natural gas in their industrial operations. IGUA was first organized in 1973 and it provides a coordinated and effective public policy and regulatory voice for those industrial firms depending on natural gas as a fuel or feedstock. IGUA has become the recognized voice representing the industrial user of natural gas before regulatory boards and governments at both the provincial and national levels.

The Association's activities are guided by a 15 member Board of Directors, constituted to assure that each industrial sector and geographic region is represented. The Board of Directors has regularly scheduled meetings at least six times each year. A full time President and other staff are based in a permanent office in Ottawa.

Through regulatory intervention, government advocacy, marketing, promotion, partnerships, education and outreach, IGUA successfully represents industrial gas users. Our mission is to be the voice of our members within the natural gas industry through intervention, advocacy, and partnerships.

Nature and Scope of IGUA's Intended Participation

IGUA was an active participant in Union's cost of service and IRM proceedings which established the current (2014-2018) rate plan under which this application is proceeding. IGUA was also a driving participant in the Parkway Delivery Obligation Settlement forming part of Union's 2014 Rate Application (EB-2013-0365), which directly impacts a number of IGUA members. IGUA has also been an active proponent for adoption by Union of a Dawn reference price which is now being adopted and which has in turn prompted the change to the Union North cost allocation and rate design now being implemented. IGUA includes a number of Union South T2 customers among its members, and as such also has an interest in Union's proposed new Customer Managed Service. As such, IGUA has an interest in this proceeding.

IGUA intends to review this application in general, but anticipates focussing its review primarily on the following topics addressed in the evidence: i) the ongoing implementation by Union of the Parkway Delivery Obligation Settlement; ii) implementation of the Union North cost allocation and rate design resulting from adoption of a Dawn reference price; iii) Union's proposal for a Customer Managed Service.

Written or Oral Hearing

IGUA will have a better view of whether a written hearing would be appropriate in this application, or whether an oral hearing would be advisable, following conclusion of the anticipated interrogatory process. IGUA respectfully suggests that the Board contemplate a schedule which includes provision for a brief oral hearing, if ultimately deemed appropriate.

Intention to Seek an Award of Costs

IGUA also hereby requests that it be determined eligible for recovery of its reasonably incurred costs of its intervention herein.

As a party primarily representing the direct interests of industrial consumers (i.e. ratepayers) in relation to regulated services, IGUA has in the past been determined to be eligible for cost awards pursuant to section 3.03(a) of the Board's *Practice Direction on Cost Awards*.

We have noted the following statement in the Board's Notice of this application:

The OEB intends to consider cost awards in this proceeding that are in accordance with the Practice Direction on Cost Awards and only in relation to Union Gas' proposals on the Rate T2 Customer Managed Service, the Union North Cost Allocation and Rate Design Implementation and the Parkway Delivery Commitment Incentive.

While IGUA has a direct interest in each of the 3 topics enumerated in the foregoing passage from the Notice, IGUA also has a more general interest in the rates and conditions of service proposed for the provision of regulated services to large industrial customers (which is the basis upon which IGUA qualifies as eligible for cost awards pursuant to section 3.03(a) of the Board's practice direction). IGUA's request that it be determined eligible for recovery of its reasonably incurred costs herein is not confined only to the topics enumerated in the foregoing passage from the Notice, and is made without prejudice to positions which IGUA may advocate in this proceeding regarding the appropriate scope of cost awards to eligible intervenors herein.

Request for Written Evidence and Contact Information

IGUA requests that copies of written evidence and all circulated correspondence related to this matter be directed to it as follows:

Ian Mondrow, Partner
GOWLING WLG (CANADA) LLP
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1G5

Phone: 416-369-4670
Fax: 416-862-7661
E-Mail: ian.mondrow@gowlingwlg.com

Dr. Shahrzad Rahbar
President
INDUSTRIAL GAS USERS ASSOCIATION
350 Sparks Street, Suite 502
Ottawa, Ontario
K1R 7S8

Office: 613-236-8021
Mobile: 613-983-2927
E-Mail: srahbar@igua.ca

Laura Van Soelen, Associate
GOWLING WLG (CANADA) LLP
Suite 1600, 1 First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1G5

Phone: 416-862-3646
Fax: 416-862-7661
E-Mail: laura.vansoelen@gowlingwlg.com

We have an electronic copy of the prefiled materials and do not require a hard copy.

Yours truly,


Ian A. Mondrow

c: C. Ripley (Union)
C. Smith (Torys)
S. Rahbar (IGUA)
L. Gluck (Board Staff)

TOR_LAW\ 9018224\1