

April 3, 2018

VIA RESS AND COURIER

Ms. Kirsten Walli
ONTARIO ENERGY BOARD
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Dear Ms. Walli:

Re: EB-2017-0319 – Enbridge Gas Distribution Inc. (EGD) Application for Renewal Natural Gas (RNG) Enabling Program and Geothermal Energy Service Program.

Industrial Gas Users Association (IGUA) Submissions on Draft Issues List.

We write as legal counsel to IGUA herein to provide comment on the draft issues list attached as Schedule B of Procedural Order No. 1.

EGD has applied for approval to include the proposed RNG enabling program and the proposed geothermal energy service within its regulated business on the basis that each of these initiatives is an appropriate utility GHG abatement activity, and such activities are now part of the natural gas utilities' regulated operations. It further appears from the evidence filed that while each program is intended to be revenue neutral to ratepayers (both those participating and those not participating), it is proposed that ratepayers at large will essentially finance these programs (through inclusion of net costs/revenues in EGD's cap and trade variance accounts).

We note in particular EGD's position, as reflected in its prefiled evidence, that:

The OEB's Cap and Trade Framework recognizes that gas distribution utilities will need to meet their Climate Change Act obligations, which suggests an expanded view as to what will constitute core utility business activities. [Exhibit B, Tab 1, page 6, para. 18]

To that end, in respect of the geothermal loop proposal in particular, EGD is taking the position that:

... all such geothermal loop assets and operating costs and revenues associated with this program that displace current or future natural gas consumption will be considered as part of the Company's regulated utility activities as abatement assets. [Exhibit B, Tab 1, page 25, para. 74]

These positions are well articulated by EGD, and beg the question:

Are the proposed programs appropriate GHG abatement activities for a rate regulated utility?

We note that draft issues 1.1. and 1.2 ask:

Should the new business activity - ... - be considered as part of the utility's regulated business.

It may be that the question of the appropriateness of the proposed new business activities as GHG abatement activities for a rate regulated utility is subsumed within draft issues 1.1 and 1.2 as presented on the Board's Draft Issues List. If so, we request that the Board so confirm, and if not, or if the Board determines it useful for greater clarity, we suggest that the issue be added to the final issues list.

Yours truly,



Ian A. Mondrow

c: A. Mandyam (EGD)
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Intervenors of Record

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