

April 9, 2018

VIA RESS AND COURIER

Ms. Kirsten Walli
ONTARIO ENERGY BOARD
P.O. Box 2319, 27th Floor
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Dear Ms. Walli:

Re: EB-2018-0013 – Union Gas Limited (Union) Kingsville Transmission Reinforcement Project.

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's members have a continuing interest in Union's program for reinforcement of its Panhandle system. Some of IGUA's members are served by that system. Others are impacted by it even though they receive no service or benefit from it. As a result of the last approved reinforcement of the Panhandle system (EB-2016-0186) IGUA's member companies served by Union's St. Clair system will incur almost \$1 million of incremental gas delivery costs in 2018, for a reinforcement to the Panhandle system from which they receive no service or benefit. Union has indicated that the Kingsville Reinforcement Project will add another \$106 million in capital costs to the Panhandle system.

We are aware that the Board has indicated that it does not intend to consider Union's proposal to recover the cost of the applied for expansion at this time. Union has indicated (letter filed March 5, 2018) that it nonetheless intends to proceed with this leave to construct application. In order to consider Union's leave to construct request, the Board will have to consider Union's assessment of the need for the project. Accordingly, we expect that the Board will consider; i) the total forecast cost of the project; and ii) the evidenced expectations of those customers indicating a desire for the project as to the resulting gas delivery cost impacts to them of the project. IGUA has an interest in the basis upon which the rate impact of the project has been presented to customers, and will be presented to the Board, and the resulting forecast demand justifying the project.

Written or Oral Hearing

Our view on whether a written hearing would be appropriate in this application, or whether an oral hearing would be advisable, will depend on further information related to customer cost impact expectations underpinning Union's demonstration of need for the project, and thus can only be offered following written discoveries.

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, including ratepayer funded DSM programs, 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*.

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:

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We have an electronic copy of the pre-filed materials and do not require a hard copy.

Yours truly,


Ian A. Mondrow

c: S. Rahbar
K. Hockin (Union)
C. Keizer (Torys LLP)
Z. Crnojacki (Board Staff)

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