

September 13, 2018

**VIA RESS AND COURIER**

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Dear Ms. Walli:

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

**Industrial Gas Users Association (IGUA) Response to Criticisms in Union's Reply Argument.**

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Union's Reply Argument in the captioned proceeding includes the following (at paragraph 24):

*On a related matter, IGUA's decision to include this alternate economic evaluation approach for Union to comment on is, in Union's view, not appropriate from a process perspective. As noted earlier, IGUA did not challenge Union's evidence. The interrogatories IGUA asked of Union were limited and in fact, two of the three questions asked by IGUA were deemed out of scope based on the Board's earlier determination (February 27, 2018 letter) that Union's request for recovery of the Kingsville Project's net revenue requirement for 2019 to 2028 through the Incremental Capital Module ("ICM") was premature. In Union's view, presenting this alternative approach with no evidentiary foundation and asking for comment is not appropriate.*

Union cites the Board's EB-2016-0186 Panhandle Reinforcement Decision and Order (February 23, 2017, p.3) in support of its assertion that it was "*not appropriate*" for IGUA to request in argument that Union "*comment on/correct any of [the alternative approach] analysis*" therein presented [IGUA Argument, paragraph 20].

We find Union's comments as excerpted above to be "inappropriate".

First, contrary to Union's assertion, only the first of IGUA's three interrogatories "*were deemed out of scope*", which "*deeming*" was by Union (though in that one instance not disputed by IGUA).

Second, the "multiple use" topic was raised by the Board in its interrogatories for Union issued with Procedural Order No. 2 herein on June 25<sup>th</sup>, and pursued by IGUA in argument on the basis of those interrogatories and Union's responses thereto.

Third, IGUA purposefully set out in its Argument an alternative approach to recovery of the revenue requirement associated with the proposed expansion in some detail, and fully referenced to the record available, precisely and expressly as there was no further process following intervenor interrogatories through which to advance for comment such an alternative, and with the express request that Union “comment on/correct any of this analysis”.

Fourth, in asserting that this approach was somehow inappropriate, Union cites from the Board’s EB-2016-0186 Decision and Order. At the cited page (page 3) of that Decision the Board stated:

*If intervenors want the OEB to accept an alternative other than ones put forward by Union, the intervenors must ensure that there is sufficient evidence on the record in this proceeding to support their case.*

Even a cursory consideration of that proceeding, and the context in which the Board made the statement excerpted above (and which context the Board expressly outlined in passages preceding that excerpted above), indicates that it is nothing like the instant matter. In that proceeding the hearing process provided for extensive discovery and testing of evidence beyond interrogatories, including through a technical conference with undertaking requests and responses, in the course of settlement conference discussions, and through an oral hearing with extensive cross-examination and undertaking requests and responses. That was nothing like the instant matter, and to so suggest is irresponsible. It is precisely because of the very limited process in the instant matter that we fully articulated a suggestion in argument for the purposes of inviting Union’s comment thereon or correction thereof (which Union has not hesitated to provide).

Clearly Union takes exception to IGUA’s substantive positions in argument in this matter, which is entirely within its purview to do, but assertions of inappropriate conduct on our part or that of IGUA are unwarranted.

Yours truly,

  
Ian A. Mondrow

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