

March 25, 2019

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-2018-0287 and EB-2018-0288: Utility Remuneration and Responding to Distributed Energy Resources Consultations.

Industrial Gas Users Association (IGUA) Intention to Participate.

We write as legal counsel to IGUA further to the Board's Letter to interested parties initiating the captioned consultations. IGUA intends to participate in both of these consultations, and also requests cost eligibility for its participation therein.

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.

IGUA's Interest in the Consultations

On behalf of its members, who are among Ontario's energy innovators, IGUA has been, and remains, interested in the appropriate role of regulated utilities, funded by ratepayer dollars, in energy services innovation.

IGUA attended and participated in the Board's Stakeholder Forum in January for discussion of the report of the OEB's Advisory Committee on Innovation, and filed subsequent written comments thereon. In those subsequent written comments IGUA urged the Board to consider the Advisory Committee's report as reflecting the perspectives of Ontario's distribution utilities and Distributed Energy Resources (DERs) proponents, and urged the Board to supplement those perspectives in its further work on innovation with consideration of the interests, perspectives and concerns of, among others, utility customers. Through its participation in the instant consultations IGUA will seek to provide the Board with the perspectives of Ontario largest natural gas customers.

While the Board's directions for how participant costs are to be recovered in these matters indicate recovery through Ontario's rate regulated electricity utilities (distributors and transmitters), IGUA's view is that these initiatives are also relevant to Ontario's natural gas utilities, and their customers.

Recent filings by Ontario's regulated natural gas distributors indicated their interest in innovation initiatives, including those funded by ratepayers. For example, in their recent 2018 Cap & Trade Compliance Plan applications¹ (then) EGD and Union proposed ratepayer funding of "Low Carbon Innovation Funds".

Further, the Board's policies developed for one of the electricity and natural gas sectors are often considered with respect to the other. For example, in their recent merger approval application² EGD and Union sought to apply the Board's policies on electric distributor consolidations to their merger proposal, thus indicating a view that policies developed by the Board for electricity can be applicable to gas. As a second example, we note that the Board's *Renewed Regulatory Framework* originated as a framework applicable to Ontario's electricity distributors but evolved to apply more generally to Ontario's regulated electricity and gas utilities.

IGUA believes that the instant consultations on Utility Remuneration and Responding to DERS are relevant to Ontario's natural gas utilities and their ratepayers as well as to Ontario's electricity utilities and their ratepayers.

Intention to Seek an Award of Costs

IGUA requests that it be determined eligible for recovery of its reasonably incurred costs of its participation in these consultations.

¹ EB-2017-0224 & EB-2017-0255.

² EB-2017-0306 & EB-2017-0307.

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*.

Contact Information

IGUA requests that copies of correspondence and other materials related to these matters 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

Dr. Shahrzad Rahbar
President
INDUSTRIAL GAS USERS ASSOCIATION
260 Centrum Boulevard, Suite 202
Orleans, Ontario
K1E 3P4

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

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

Electronic copies are sufficient and we do not require hard copies.

Yours truly,


Ian A. Mondrow

c: S. Rahbar (IGUA)
L. Robson (OEB, Utility Remuneration)
R. Anderson (OEB, Responding to DERs)

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