

April 18, 2019

**VIA RESS AND COURIER**

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

**Re: EB-2018-0188 – Enbridge Gas Inc. (EG) Chatham-Kent Rural Project (CKRP) Leave to Construct (LTC).**

**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.

We appreciate that the intervention period for this matter has recently closed (earlier this week), and that the Board has (yesterday) issued P.O. No. 1 herein. We were not notified of this proceeding (despite earlier recent LTC interventions, as further described below), and became aware of it only this past Monday (April 15<sup>th</sup>) when it was brought to our attention, as a courtesy (which we appreciate), by an OEB staff member and in light of the pending issuance of the initiating procedural order. We have since reviewed the pre-filed material, and confirmed instructions to seek intervenor status on the basis of the particular interests outlined below. Should the Board grant IGUA's intervention request, we will abide by the procedural dates directed in P.O. No. 1.

**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 interest in this application lies primarily in understanding, and assisting in the Board's understanding, of the continuing suitability of economic evaluation models and rate impact implications of various gas system reinforcement/expansion projects.

IGUA intervened in (then) Union Gas' Kingsville Transmission Reinforcement Project LTC [EB-2018-0013] and following review of interrogatory responses filed a brief submission highlighting the economic evaluation and cost responsibility issues raised by "dual function" pipeline project proposals. The Board in its decision acknowledged IGUA's submission, and noted that consideration of such issues may help inform future thinking on the regulatory treatment of such projects.

IGUA also intervened in (then) Union Gas' Stratford Reinforcement Project LTC [EB-2018-0306], and again filed a brief submission highlighting the economic evaluation and cost responsibility issues raised by pipeline projects which address "*forecasted demand growth from a variety of sources over a broad geographic area*" (which was Union's characterization of the project) and apparently also directly supported a downstream community expansion project. While, in IGUA's submission, the record as developed in that proceeding did not permit the discussion to proceed beyond noting the issues raised, IGUA concluded its submissions in the proceeding by reserving future positions when costs are brought forward for allocation and recovery.

IGUA seeks to intervene in the current application to understand the functions of this project. As we currently understand the evidence, the project is characterized by EG as a reinforcement project [page 3, paragraph 2], is also a listed "gas expansion" project in Ontario Regulation 24/19 (and the first application to come before the Board under that regulation), and is being proposed to provide incremental gas service to 6 particular greenhouse customers in the Chatham-Kent area. IGUA will seek to better understand the driver(s) of, and appropriate characterization/functionalization of, the proposed project. Subject to the development of the record in this respect, we anticipate that IGUA's submissions will focus on the implications of such characterization/functionalization for the Board's economic tests for approval and cost recovery associated with projects of this nature. We do appreciate that this is an LTC application, and IGUA will not seek to address herein specific rate making or cost allocation issues, but rather will focus on any economic modeling and attachment/revenue forecasting issues relevant to LTC approvals.

We also note that IGUA has one or more members with facilities in the Windsor-Sarnia area which is proximal to the CKRP project area (though it is not clear to IGUA at the moment what impact the proposed project could have on gas service in adjacent areas).

**Written or Oral Hearing**

P.O. No. 1 issued herein anticipates an interrogatory process followed by written submissions, which process IGUA endorses.

**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*.

**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 prefiled materials and do not require a hard copy.

Yours truly,

  
Ian A. Mondrow

c: W.T. Wachsmuth (Union)  
S. Rahbar (IGUA)  
A. Manzano (OEB Staff)  
Intervenors of Record