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File No. 339583/000256

May 27, 2019

By electronic filing

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli,

Enbridge Gas Inc. ("EGI")
2019 Federal Carbon Pricing Application
Board File No.: EB-2018-0205

We are writing on behalf of Canadian Manufacturers & Exporters ("CME").

EGI filed this application in response to the *Greenhouse Gas Pollution Pricing Act*, which requires EGI to remit federal carbon charges to the Government of Canada. In this application, the issues before the Board are:

1) Whether to approve new rates incorporating the federal carbon charges;

2) Whether to approve the creation of new deferral and variance accounts; and

3) What the appropriate presentation is of the new charges on customers' bills.

The federal carbon charges will impose substantial costs on CME members, who depend on affordable and reliable energy in order to remain competitive within their respective industries. CME is hopeful that the amounts collected pursuant to the *Greenhouse Gas Pollution Pricing Act* will be recycled and reinvested into Ontario manufacturers and exporters, in order to foster domestic economic growth, provide capital to invest in emissions-reducing machinery, equipment and technologies, and to and help these businesses remain in Ontario.

CME does not oppose EGI's proposed rates, or the creation of: a Greenhouse Gas Emissions Administration Deferral Account; Federal Carbon Charge – Customer Variance Account (in both Enbridge and Union rate zones); or Federal Carbon Charge – Facility Variance Account (in both Enbridge and Union rate zones). In this regard, CME recognizes that as a result of the *Greenhouse Gas Pollution Pricing Act*, EGI will likely incur additional costs which would be appropriately captured in such deferral and variance accounts.

CME's agreement with the establishment of these accounts is premised on the assumption that all of the costs recorded in the proposed accounts will be subject to a comprehensive review at the time that EGI seeks disposition.

CME submits that the facilities' and customers' carbon charge should be given their own individual line on the customer's bills. First, separating the costs of carbon from the delivery charge on the bill increases transparency. It helps customers to differentiate what EGI charges them for delivery of the product, the service that they are paying for, and what EGI is required to charge them as the cost of carbon.

Second, it also provides more accurate price signals. Customers who find efficiencies or engage in conservation would be able to see the carbon portion of their bill decrease over time. In contrast, rolling up the federal carbon charges into the delivery charge of the bill could lead to scenarios where, despite increased efficiencies or conservation efforts, a customer's delivery charge may still go up due to factors unrelated to the cost of carbon. Accordingly, separating the cost of carbon into its own line item will increase transparency and customer understanding of the federal carbon charges that they are required to pay.

Yours very truly,
Borden Ladner Gervais LLP

Scott Pollock
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c. Alex Greco and Ian Shaw (CME)

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