

June 4, 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

T1018610

Dear Ms. Walli:

**Re: EB-2018-0263 – EPCOR Natural Gas Limited Partnership (EPCOR) Southern Bruce
Leave to Construct Application.**

Industrial Gas Users Association (IGUA) Comment on OEB Staff Submissions.

As legal counsel herein for IGUA, we have reviewed OEB Staff's June 3rd submissions. We do not write to comment on the substance of Staff's submissions *per se*, but rather to request that EPCOR clarify one important detail of its LTC proposal which it appears to Staff might have interpreted differently from the way that we have. Given the direct interest of two large gas customers represented by IGUA in this matter, the detail is of potential direct consequence in the future, and we would like to ensure that the issue, and thus any related Board determination on the issue, is clear.

At page 9 of its submissions, in respect of the applicability of financial reporting conditions, Staff states:

... OEB staff submits that there may be a substantial rate shock in year 11 if the project costs substantially exceed the estimated costs and the forecast attachments/volumes do not materialize.

While we agree with the second part of this statement (regarding forecast attachments/volumes not materializing), it appears to us that the first part of this statement is in error, given what we understand to be EPCOR's continuing commitment not to include any capital cost overruns incurred during the first 10-years in rate base for year 11 and beyond. (We understand this to be confirmed in IRR OEB.1, page 3, line 10 as well as IRR OEB.21, page 2, first bullet.) This understanding was the basis of IGUA's submission on the topic of conditions of approval.

To ensure clarity for the future in both the record of this proceeding and in the decision which the Board ultimately makes on this topic based on this record, we ask that EPCOR confirm in its reply argument that we have correctly interpreted the evidence regarding EPCOR's continuing commitment that capital cost overruns during the first 10 years of the project would not be proposed to be added to rate base for year 11 and beyond.

Yours truly,


Ian A. Mondrow

c: B. Brandell (EPCOR)
 D. Bissoondatt (EPCOR)
 R. King (Osler, Hoskin & Harcourt LLP)
 S. Rahbar (IGUA)
 A. Manzano (OEB Staff)
 Intervenors of Record

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