

October 17, 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

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Dear Ms. Walli:

Re: EB-2019-0194 – Enbridge Gas Inc. (EG) 2020 Rates Application.

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.

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 was an active intervenor in the proceeding which approved the Enbridge Gas Distribution Inc. and Union Gas Limited merger to create Enbridge Gas Inc. (EG) and directed a 5 year rebasing deferral and associated rate plan [EB-2017-0306/EB-2017-0307]. On behalf of its members, EG's largest volume customers, IGUA has a direct interest in the setting of rates under the new EG rate plan. IGUA also has a particular interest in the interim Union rate zone cost allocation study directed by the Board in the merger/rate plan proceeding, having advocated for an updated allocation model for panhandle reinforcement project costs in order to correct a resulting inequity in cost responsibility.

Hearing Process

In its application materials EG has advanced various alternative proposals for expedited processing of portions of its application, essentially on the basis that those portions (the rate adjustments) of EG's application are straight-forward and non-contentious.

IGUA supports bifurcation of the process for review of the instant application, to some extent.

If the rate adjustment portion of the application is truly as straight-forward and non-contentious as EG suggests, then it should be relatively easily settled following a fair but quick written discovery phase. We suggest that the Board accept EG's proposal to bifurcate its consideration of EG's application, and proceed along the following lines, in a manner more in keeping with a conventional and appropriate approach:

1. Declare EG's current rates interim as of January 1st. The rate increase proposed based on the materials filed to date is relatively modest, and it should not pose an untoward problem to subsequently (post-January 1st) provide for such modest rate adjustment for the balance of 2020 following approval of new (interim – see below) rates. However, such rate increases, however, modest, should not be approved until properly reviewed (in keeping with the Board's past practice).
2. Set a reasonable but relatively expeditious interrogatory and settlement schedule for the first – rates – phase of the process. If the rate adjustments are truly routine, they should not be controversial and should be capable of relatively quick discovery and settlement. If there are any outstanding rate setting issues following the settlement attempt, and again assuming that any such issues are as straight-forward as EG believes them to be, a brief written argument stage should provide the Hearing Panel with a sufficient record on which to determine any such issues.
3. Once the rate portion of the process is determined, through a conventional but expeditious process, a new interim rate could be declared, in order to allow EG to commence recovering revenue at the updated interim rate level at its earliest opportunity (likely in concert with its April 1st QRAM adjustment).

4. When EG's ICM and Cost Allocation Study filings are complete, a Phase 2 process to consider these topics could be set, in the conventional manner.
5. Upon determination of the Phase 2 topics, a final 2020 rate order could be issued, and any ensuing rate adjustments could be addressed at that time.

A process along the foregoing lines would respect conventional and, in this case, appropriate regulatory process while allowing for relatively expeditious disposition of the non-contentious portion of EG's 2020 rates application. The very truncated QRAM process which does not include a proper discovery phase prior to submissions would not be an appropriate alternative for the instant application.

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 interventions in these Applications.

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 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

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

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

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

We have electronic copies of the pre-filed materials and do not require hard copies.

Yours truly,


Ian A. Mondrow

c: M. Kitchen (EGI)
D. Stevens (Aird & Berlis LLP)
S. Rahbar (IGUA)

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