

January 9, 2024

VIA RESS

Ms. Nancy Marconi
Registrar
ONTARIO ENERGY BOARD
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Dear Ms. Marconi:

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Re: EB-2024-0219: Advancing Performance-based Regulation

Initial Comments of Industrial Gas Users Association (IGUA)

We write to provide very brief initial comments on behalf of IGUA in respect of the materials circulated by the Board and reviewed at the November 19th, 2024 Stakeholder Meeting launching the captioned consultation.

In our November 12, 2024 e-mailed registration for the November, 2024 Stakeholder Meeting we noted that while the OEB's October 9th letter announcing this consultation and inviting interested parties to the scheduled stakeholder meeting indicated that this first stage of the consultation would focus on electricity distributors, the description of the Christensen Associates jurisdictional scan and the intended topics for the November 19th stakeholder meeting appeared to be of a broader nature, were not expressly limited to electricity distribution, and included reference to *"the potential for a more fundamental, longer-term review of the OEB rate-regulation regime"*. We further noted that the issue of alternative rate making mechanisms to address energy transition impacts was a live issue in Enbridge Gas Inc.'s then ongoing rebasing proceedings (Phase 2), and that the Board's letter initiating this consultation was also addressed to rate regulated natural gas distributors. Accordingly, IGUA indicated an intention to engage in this opening step of the consultation, and we reviewed the Christensen Associates report and additional pre-meeting material, and attended the meeting itself.

We also indicated that if the first stage focus remained primarily on electricity distributors, we did not anticipate preparation of any significant written comments during this initial stage.

Despite a few references to the broader utility sector during the Stakeholder Meeting and in the associated materials, the focus of discussions herein to date has remained on electricity distributors. In light of that focus, IGUA simply wishes to note two things at this time:

1. Gas and power face different energy transition challenges and care should be taken in applying a “one size fits all” approach. We believe this sentiment is consistent with the OEB’s stated interim conclusion that there is no one path to advancing the utility regulatory framework and a “made in Ontario solution” is warranted.
2. As contemplated in the table at page 36 of the November 19, 2024 Stakeholder Consultation Materials in reference to “initial enhancements” to the Board’s rate-setting framework, the sharing with customers (i.e. through rate reductions) of productivity gains realized during an incentive rate period at the time that rates are reset at the end of that period would be an appropriate consideration when developing new performance incentive mechanisms.

IGUA remains interested in monitoring this matter as it proceeds, both because regulatory policies developed for the electricity sector often find their way into gas regulatory matters, and in the event that a more fundamental, longer-term review arises from the current considerations as the OEB’s October 9th letter to stakeholders herein indicated may in future be the case.

Yours truly,



Ian A. Mondrow

c: Jacob Irving, IGUA President