

February 26, 2026

**Ian A. Mondrow**  
Direct 416-369-4670  
ian.mondrow@gowlingwlg.com

**VIA RESS**

Mr. Ritchie Murray  
Acting Registrar  
**ONTARIO ENERGY BOARD**  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Dear Mr. Murray:

**Re: EB-2026-0002: Next Generation Rate Framework**

**Industrial Gas Users Association (IGUA) Comment on Proposed Objectives, Scope and Topics**

---

We write on behalf of IGUA to provide comment on the proposed objectives, scope and topics for the captioned consultation.

**Cost to Customers of Utility Services**

In respect of the specific goals listed by the OEB for developing an updated rate setting framework, it would be appropriate to emphasize the importance of affordability in the delivery of energy services to customers.

We recognize that the OEB's summary of proposed objectives as found in Appendix A to the OEB's January 8, 2026, letter to interested parties, includes reference<sup>1</sup> to the OEB's general legislative objectives, including the objectives of ensuring that consumers are protected with respect to price, and that rates are just and reasonable. Nonetheless, these are outcomes that are central, not adjunct, to the outcomes that consumers value, and thus should be embedded in the "specific goals" as listed at the bottom of page 1 of the OEB's letter. Indeed, the primary animus for the various rate making mechanisms canvassed in the Pacific Economics Group *Report on Spending Patterns and Capitalization Policy* (January 8, 2026) is how to incent utility cost control for the benefit of customers.

Given references in the list of specific goals for this consultation to service quality, system buildout, economic growth, allocation of risk and uncertainties about future energy use, specifically highlighting affordability of regulated services would be appropriate. We suggest including such a

---

<sup>1</sup> Appendix A, top of page 2.

highlight within the first bullet of the specifically articulated goals, which bullet focuses on “*outcomes consumers value*”.

### **Considerations Applicable to Gas Distributors**

In our letter of January 9, 2024, filed in the OEB’s Advancing Performance-based Regulation consultation (EB-2024-0219) we emphasized on behalf of IGUA that:

*Gas and power face different energy transition challenges and care should be taken in applying a “one size fits all” approach.*

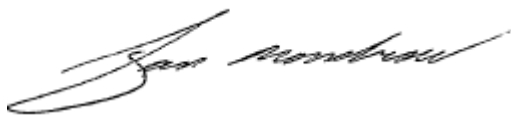
The OEB has recognized this in its description of scope for the current consultation, indicating (at page 2, last paragraph) that it will aim to be clear about the applicability of any proposed changes and/or new mechanisms to rate-regulated utilities throughout the current consultation process. We are puzzled, however, by the reference in the same paragraph to an anticipation that performance incentive mechanisms in the rate framework would apply only to rate-regulated electricity distributors. A similar limitation is stated in proposed topic 2. At page 4 of Appendix A. It is not apparent why performance incentive mechanisms would not also apply to gas distributors.

All of which is to say that while we continue to believe that there are important distinctions in the challenges, and opportunities, faced by gas utilities and power utilities, and while we agree that it would be helpful for the OEB to indicate in particular instances its initial thinking regarding the applicability to rate-regulated utilities of any particular proposed changes and/or new mechanisms, ultimate determinations on applicability should be informed by stakeholder input.

### **Conclusion**

Subject to the foregoing comments, we believe that the proposed objectives, scope and topics for this consultation are appropriate. IGUA looks forward to considering the OEB’s further work in this matter and offering constructive input as warranted.

Yours truly,



Ian A. Mondrow

c. Nazim Sebaa, IGUA