

January 11, 2024

VIA RESS

Ms. Nancy Marconi
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Dear Ms. Marconi:

Re: EB-2023-0326: Hearing on Ontario Energy Board's Own Motion regarding Enbridge Gas Inc.'s (EGI) 2021 Vector Contracting Decision.

Industrial Gas Users Association (IGUA) Argument.

Through an interrogatory in the EB-2023-0072 proceeding to review EGI's 2023 Gas Supply Plan Update [Exhibit I.IGUA.1] we were able to determine that impacts on IGUA members' gas delivery costs through inclusion of the Vector contract costs are minor. Accordingly, by letter dated August 14, 2023 filed in that gas supply plan review proceeding we indicated deference to FRPO's comprehensive work to articulate their concerns regarding EGI's 2021 Vector contracting decision.

For the most part IGUA will continue to defer to submissions by FRPO and others on this motion to review that contracting decision. We did review EGI's Argument in Chief (AIC) herein and noted in particular EGI's assertion that¹:

Vector capacity is integral to supplying Enbridge Gas Sarnia Industrial Line (SIL). This could be looked at as a supply-side IRPA that reduces the need for facilities that would otherwise be required between Sarnia and Dawn on Enbridge Gas's system.

Further mention of the relationship between the Vector capacity held by EGI and the SIL is found in EGI's AIC at subparagraphs 3.d. and 20.c. We have also reviewed EGI's evidence filed in its 2019 SIL reinforcement Leave to Construct application [EB-2019-0218] which provides some additional detail regarding the function of Vector capacity in supporting design day demand in the Sarnia market.² That evidence also notes that approximately 90% of the Sarnia market gas demand is

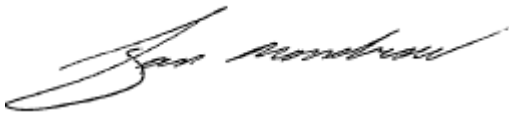
¹ EGI AIC, paragraph 3.b.

² EB-2019-0218, ExB/T1/S2/page 3 and pages 11-12.

consumed by contract rate industrial customers, including Rate T2 customers. IGUA members are among these Rate T2 industrial customers.

We have been provided with a draft of SEC's submissions herein, and as SEC notes there does not appear to be any evidence available that quantifies the magnitude of the asserted avoided infrastructure costs, to consider as against any premium that the OEB finds is being paid for the Vector capacity contracted. Nonetheless, as does SEC, we would agree with EGI that such avoided infrastructure costs are a relevant consideration for assessing the value of those contracts.

Yours truly,



Ian A. Mondrow

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