



CPA Applauds Ontario Energy Board Decision on Natural Gas Community Expansion Projects

OTTAWA, November 18, 2016 – the Canadian Propane Association (CPA) welcomes the decision by the Ontario Energy Board (OEB) on natural gas community expansion, which states that it would not be appropriate for existing customers to pay for costs associated with expanding natural gas services.

In its decision to establish principles to guide the recovery of costs associated with expanding natural gas services, the OEB states that ‘new customers will pay the cost of expansion through a rate structure that reflects that cost’. This ensures that the true cost of the energy supply is reflected in pricing.

Further, propane businesses could have been severely impacted if subsidies were provided to trucked LNG. In its submission, the CPA stated, the fact that propane delivery trucks can profitably operate without a subsidy suggests that LNG delivery trucks should also be able to operate without a subsidy. The OEB agrees with the CPA, stating in its decision: ‘The assessment of the economics of the use of natural gas in a community should include the discrete upstream costs incurred to provide for the delivery of the gas. This holds true whether the costs pertain to pipes, trucks or liquefaction processes.’

“The CPA commends the Ontario Energy Board for looking further into the issue of costs associated with expanding natural gas services and recognizing that there are other alternative forms of affordable, low-emission energy,” says Andrea Labelle, Executive Director of the CPA. “This decision promotes a level playing field, ensuring that CPA’s retail members compete in free and open markets with the suppliers of other forms of energy and, indeed, with each other.”

The OEB’s decision helps ensure that propane businesses can continue to employ local workers across Ontario’s communities. The propane industry creates 3,000 jobs in Ontario including rural communities and has a total economic impact of nearly \$1.95 billion.

The propane industry is committed to providing cost-effective and low-emission energy to all Ontarians, without the need for infrastructure subsidies or market distorting cost-recovery practices.

“We encourage Ontario’s energy consumers, municipalities and First Nation communities who are paying high electricity costs to contact their local propane retailer to discuss ways they can help reduce their energy costs. We are not just about BBQS,” states Labelle. “We look forward to working with the government, our customers and energy stakeholders to ensure that Ontarians have access to affordable, versatile and low-emission energy.”

Propane, *a natural gas liquid*, is a low-emission and efficient Canadian energy source. Over 100,000 homes across the province use propane as their primary heating fuel and it is also used as an essential energy source for the mining sector and the agriculture industry. Propane is a cost-effective transportation fuel option for school buses as well as public and private fleets. Propane can make a significant contribution to attaining Ontario’s long-term carbon reduction goals by replacing carbon-intensive home heating and auto fleet fuels with a cost-effective alternative that is market-ready today.

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About the Canadian Propane Association: With over 400 members, the Canadian Propane Association is the national association for a growing, multi-billion dollar industry that impacts the livelihood of tens of thousands of Canadians. The CPA develops and produces industry training materials, offers an emergency response assistance plan to its members and provides advocacy services for the propane industry.

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