



May 27, 2009

Via Electronic Transmission

Ontario Energy Board
Ms. Kirsten Walli, Board Secretary
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Re: EB-2008-0052 – Proposed Storage and Transportation Access Rule (STAR)

Dear Ms. Walli,

Pursuant to the Ontario Energy Board's Notice of Proposal to Make a Rule dated April 9, 2009, Bluewater Gas Storage, LLC ("Bluewater") respectfully provides the following comments for consideration with our appreciation for the Board's invitation to do so.

Bluewater generally supports the proposed STAR on the majority of the rule as published. Bluewater does however, have some concerns on the reporting requirements as laid out in section 4 of the rule.

The Board indicated the merit of the general principles of Transparency, Non-discriminatory practices, and Fairness. The Board also noted that the utilities and their affiliates generally agreed to provide the type of reporting required by FERC for interstate pipelines (FERC 284.13) in the NGEIR proceeding. The board refined the principles based on stakeholder comments as follows:

- "Reporting should be accessible, timely and streamlined. This can be accomplished, for example, by using on-line postings instead of having reports filed with the Board, utilizing existing standards (where appropriate), and avoiding unnecessary reporting;
- Companies offering competitive storage services should have the appropriate access to information about the transmitters transportation services;
- Market transparency should be weighed against the need to protect commercially-sensitive information;
- Reporting requirements should not put Ontario storage providers at an advantage and/or disadvantage relative to competing storage providers in other jurisdictions; and
- Reporting requirements should be uniform, although there may be reasons for the Board to provide exemptions on a case-by-case basis"

Bluewater believes that the rule as written does not fully accomplish the goals of bullet points number two and four above.

- *Companies offering competitive storage services should have the appropriate access to information about the transmitters transportation services;*

Bluewater provides storage services to a variety of customers. A significant portion of the gas withdrawn from Bluewater during the winter is moved to Dawn via Union's C1: Bluewater to Dawn transportation service. Bluewater is supportive of the need for a posting at each nomination cycle of the Operationally-Available Transportation Capacity of this (and other) segments of C1 transport.

However, this service is generally provided by Union via displacement. It is our understanding that gas received at the Bluewater interconnect is directed to and burned in the Sarnia market, and Union then replaces that gas at Dawn. Union may also feed the Sarnia market via a number of other sources of gas, including the interconnect with Michcon (St. Clair) as well as the interconnects with TCPL and Vector at Courtright. Union also has storage located in the Sarnia area. In the future, the proposed Dawn-Gateway pipeline project may also interconnect with this system.

Bluewater recognizes the complexity of this system, and that the Operationally Available Capacity of the Bluewater to Dawn transport segment may be difficult to calculate. Because of this complexity though, Bluewater has concerns that Union will have discretion on what it calculates as the Operationally Available Transport Capacity and that simply posting the Operationally Available Transport Capacity does not provide adequate transparency on Union's ability to receive gas at the Bluewater interconnect.

- *Reporting requirements should not put Ontario storage providers at an advantage and/or disadvantage relative to competing storage providers in other jurisdictions*

Bluewater is required by the FERC to post all the details of each and every transaction on it's "Informational Postings" website. This includes firm and interruptible storage and wheeling services of any term. The information includes Shipper identity, term of contract, and pricing information including demand and commodity charges. This must be posted for every deal prior to the first day of flow. Even though FERC requires us to post and index of customers once per quarter, we still need to post each transaction as well. There is full transparency on all the services we sell.

Bluewater feels pricing information should be part of the reporting requirements for Ontario storage providers as part of STAR.

Thank you in advance for your consideration of the above comments. If you have any questions, comments, or concerns please do not hesitate to contact the undersigned.

Sincerely,



John Reid
Vice President
Bluewater Gas Storage, LLC