

VIA E-MAIL (RESS & Courier)

August 24, 2009

Ontario Energy Board  
Attn: Kirsten Walli  
Board Secretary  
P.O. Box 2319  
27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto ON M4P 1E4

**RE: EB-2008-0411 St. Clair Line – Possible New Issue Submissions of FRPO**

In its August 5<sup>th</sup> decision in the above noted proceeding, the Board requested applicant and intervenor input to the following question:

“Should the Board consider establishing a form of regulatory treatment for the Dawn Gateway Line similar to the regulatory treatment that would be available to the pipeline under Federal jurisdiction and if so, what steps should the Board take to obtain the necessary evidence?”

Given the timing of this submission, we have been aided by the opportunity to review the submissions of the counsel for CME and GAPLO/CAEPLA allowing FRPO to edit its draft submissions to simplify this view while not duplicating the submissions of others. FRPO adopts the submissions of CME and GAPLO/CAEPLA while supplementing the considerations with the following.

The main reason that FRPO does not believe a different form of regulatory treatment is necessary is captured in its Final Argument submission of August 21, 2009 in paragraphs 4, 5 and 8. With the ability to establish long-term fixed rates already provided for under OEB regulation, FRPO believes there is no need for “special treatment” for this project. In fact, with the collaboration of DTE and a known fixed long-term price from Union for C1 transportation,

the project could proceed without transfer of ownership. Given the ability of the proponents to collaborate as evidenced by the “marriage of convenience” of the Dawn Gateway JV, a marketing and operating arrangement should not be a huge undertaking to create a point-to-point service.

However, if the Board were to decide that it would be in the public interest to provide the Leave to Sell to Dawn Gateway LP including an investor-owned new line from Bickford to Dawn, FRPO would be supportive of a process as laid out by CME in paragraphs 133 to 137 of its Final Argument submissions dated August 21, 2009. We support this approach as striking a reasonable balance in promoting the public interest benefits of the increasing pipeline utilization and movement of gas into the Ontario market while respecting the stakeholder positions of the shareholder and the customer.

We appreciate the Board’s foresight in its call for submissions on the potential new issue in parallel with other submissions in this proceeding. We are mindful and concerned about the evolution of the market and precedent this decision could create for interests of all stakeholders in the Ontario natural gas market. We encourage the Board to rely upon those solutions already available in the current regulatory construct and to be aware of the inherent risks of creating “customized” regulation that may result in a less effective balancing of interests.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn  
Principal  
DR QUINN & ASSOCIATES LTD.

cc: Parties to EBRO-2008-0411