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September 9, 2009

Kirsten Walli, Board Secretary
ONTARIO ENERGY BOARD
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E5

Dear Ms. Walli:

Re: EB-2009-0309 - Enbridge Gas Distribution Inc.'s (EGD) October 1, 2009 QRAM Application.

Comments of the Industrial Gas Users Association (IGUA).

We write as legal counsel to IGUA.

IGUA's advisors, Aegent Energy Advisors Inc. (Aegent), have reviewed EGD's Application for quarterly adjustment of rates (QRAM) to be effective October 1, 2009. As a result of their review of the Application materials, Aegent has advised IGUA that Aegent is satisfied that EGD's application;

1. follows the OEB approved QRAM methodology for EGD;

2. has appropriately incorporated the rate handbook changes attendant on unbundling of transportation charges such that transportation charges will appear as a separate line on customers' bills. Such rate handbook changes include elimination of the previous T-service credit, attendant changes to banked gas account settlement protocols, and institution of the new fee for certain in-franchise title transfers as approved by the Board with approval of the EB-2008-0219 Phase 2 Settlement Agreement; and

3. has appropriately incorporated rate handbook changes to implement the Board's EB-2008-0219 Phase 2 decision regarding interim requirements for the contracting of upstream transportation by agent-type Ontario T-service/ABC customers.

IGUA has no objection to approval of EGD's application as filed.

In respect of EGD's proposal to clear the currently forecast PGVA balance over 2 quarters (Q4 2009 and Q1 2010) rather than by the end of 2009, IGUA agrees with EGD that the extended clearing period would, in this instance, be appropriate. Clearing the currently forecast PGVA balance over the last 3 months of 2009 would result in a <u>credit</u> rider for Rate 1 customers of 20.8 cents/m^3, resulting in a net rate of <u>negative</u> 1 cent/m^3. Clearly this would be an inappropriate price signal. EGD's proposed credit rider of about 6.9 cents/m^3 for rate 1 customers, derived by incorporating full winter volumes, provides a better price signal, relative to the credit of 5.7 cents/m^3 currently in effect.

IGUA has supported EGD's proposal in the Board's Gas Commodity Pricing review [EB-2008-0106] to adopt Union Gas' methodology for clearing the PGVA balance over a rolling 12 month period. IGUA has submitted in that proceeding that a rolling 12 month PGVA clearance period lowers unit rate impacts and better facilitates recovery of the variances from all customers (regardless of annual load shape) in an equitable manner.

Costs.

Pursuant to the Board's *Practice Direction on Cost Awards*, IGUA is eligible to apply for a cost award as a party primarily representing the direct interests of ratepayers in relation to regulated gas services. IGUA requests that the Board award it costs reasonably incurred in review of EGD's QRAM.

IGUA reviews QRAM applications as a matter of course, in order to properly discharge its mandate and responsibility to protect its members' interests in respect of gas regulatory matters, including appropriate application of the Board approved quarterly rate adjustment mechanism. Where warranted, IGUA has in the past offered comment on the form or substance of the gas distributors' QRAM applications. In this instance, IGUA has offered brief comment on some of the additional aspects of EGD's proposal which arise from previous Board decisions and proposed exercise by EGD of its discretion to extend the clearance period for the Q4 QRAM.

IGUA has, in the past, been awarded modest costs for review of QRAM applications. In making such awards IGUA respectfully submits that the Board has recognized some value (commensurate with modest costs) in the independent and informed review of such applications that IGUA provides.

IGUA continues to be mindful of the need for efficiency in its regulatory interventions, in particular in respect of relatively non-contentious matters such as is normally the case with QRAM applications. For QRAM reviews, IGUA has retained Aegent, whose professionals are expert in Ontario gas commercial and regulatory matters, including rate matters in particular. Aegent conducts a cursory review of the QRAM application as filed, makes inquiries as appropriate of utility personnel, and provides a report to IGUA. Provided that Aegent's report does not indicate any concerns with either the application of the QRAM protocols or the rate outcome, IGUA is in a position to advise the Board that it has no cause for objection, as is the case in respect of the instant application.

IGUA submits that it has acted responsibly with a view to informing the Board's review and decision on this application, while maintaining due attention to cost efficiency. On this basis, IGUA is requesting recovery of its costs for participation in this process.

Sincerely,
MACLEOD DIXON LLP

Ian A. Mondrow

c. Murray Newton, IGUA
Fred Cass, AIRD & BERLIS, Counsel for EGD
Norm Ryckman, EGD
Valerie Young, AEGENT ENERGY ADVISORS
Interested Parties (as listed in the Application)

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