



November 2, 2009

Ms. Kirsten Walli  
Board Secretary

Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street  
27<sup>th</sup> Floor  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

Re: EB-2008-0052  
Notice of Revised Proposal to Make a Rule  
Storage and Transportation Access Rule ("STAR")

Market Hub Partners Management Inc., on behalf of Market Hub Partners Canada L.P. ("MHP Canada"), submits the following comments with respect to the revised proposed STAR dated September 18, 2009. These comments are being submitted in triplicate and were also submitted via e-mail on November 2, 2009.

1. Posting of Contracts

In Section 2.4 of the revised STAR, a transmitter is required to post existing, new and renewed contracts, including the standard forms of contract, the terms of service and any related agreements, between the transmitter and an embedded storage company. MHP Canada offers the following comments:

- i) The requirements under section 2.4, in particular sections 2.4.5 and 2.4.6, should be consistent with the requirements of section 2.3, in particular 2.3.6 and 2.3.7, of the revised STAR.

Transportation service between an embedded storage company and a transmitter, such as the M16 transportation service, is a regulated service with the Board approving the rates and rate schedule as well as the terms of service. Under sections 2.4.3 and 2.4.4 of the revised proposed STAR, the Board would approve the tariff, including the terms of service, for such transportation services and a transmitter would be required to post its standard form of contract. These requirements are very similar to sections 2.3.3 and 2.3.5. It would therefore follow that sections 2.4.5 and 2.4.6 only require posting of "Negotiated Contracts" that vary from the standard form of contract as opposed to posting all contracts as currently contemplated in Section 2.3.6. By requiring only negotiated contracts to be posted, sections 2.4.5 and 2.4.6 would be consistent with 2.3.6.



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As such, MHP Canada submits that the following replace the existing sections 2.4.5 and 2.4.6:

*2.4.5 An existing firm contract shall be identified as a “Negotiated Contract” when the firm contract varies from the standard form of contract as referred to in section 2.4.4 as a result of negotiations between a transmitter and an embedded storage company. A copy of the “Negotiated Contract” and any related agreements shall be posted on the transmitter’s website for as long as the contract remains in force.*

*2.4.6 New and renewed firm contracts shall be identified as “Negotiated Contracts” when the firm contract varies from the standard form of contract as referred to in Section 2.4.4 as a result of negotiations between a transmitter and an embedded storage company. A copy of the “Negotiated Contract” and any related agreements shall be posted on the transmitter’s website within 10 business days from the date the contract is executed. The contracts shall be posted on the transmitter’s website for as long as the contracts remain in force.*

- ii) Only “Negotiated Contracts” for firm transportation services should be posted to a transmitter’s website.

MHP Canada is of the view that there is limited to no value in posting “Negotiated Contracts”, and any related agreements, for interruptible transportation services. Interruptible transportation services are subject to a transmitter’s priority of service policy and are a lower priority than firm transportation. The presence of interruptible contracts on a capacity segment does not impact the amount of firm transportation available to other shippers or embedded storage companies. In addition, the market would already have the ability to determine whether transportation services between an embedded storage company and a transmitter were being provided on a firm or interruptible basis. Section 4.2.3(i) of the revised proposed STAR requires a transmitter to disclose key contract information for firm transportation services in its Index of Customers. Accordingly, MHP Canada submits that the STAR should require posting of “Negotiated Contracts” for firm transportation services only.

This change would impact sections 2.3.6, 2.3.7, 2.4.5 and 2.4.6. The wording submitted by MHP in 1. i) above for sections 2.4.5 and 2.4.6 have reflected this modification. MHP submits the following revisions for sections 2.3.6 and 2.3.7:

*2.3.6 A firm contract shall be identified as a “Negotiated Contract” when the firm contract varies from the standard form of contract as referred to in section 2.3.5 as a result of negotiations between the shipper and the transmitter. A clean copy and a redlined version of the “Negotiated Contract” shall be posted on the transmitter’s website within 10 business days from the date the contract is executed. The “Negotiated Contract” shall be*



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*posted on the transmitter's website for as long as the contract remains in force.*

*2.3.7 Existing firm contracts that can be identified as a "Negotiated Contract" shall be posted on the transmitter's website 10 days from the date that this Rule comes into force.*

### 2. Related Agreements

Currently "related agreements" are defined in section 1.2.1 as *documents, contracts and/or agreements that an embedded storage company requires from a transmitter for transportation services*. MHP Canada does not find the inclusion of "*documents*" in the definition of "related agreements" to be appropriate. *Documents* is too vague and thus leaves open to interpretation the type of information required to be posted. In addition, "related agreements" by their nature should relate to the contractual relationship between an embedded storage company and a transmitter, which in this definition is sufficiently described as *contracts and/or agreements*. Therefore, MHP Canada submits that the definition should be revised as follows:

*"related agreements" means all contracts and/or agreements that an embedded storage company requires from a transmitter for transportation services;*

### 3. Delivery Point & Receipt Point

MHP Canada recommends slight changes to the definitions of "delivery point" and "receipt point" in section 1.2.1 to maintain consistency with typical industry contracting practices:

*"delivery point" means the point where a transmitter delivers gas to a shipper under a transportation service;*

*"receipt point" means the point where a transmitter receives gas from a shipper under a transportation service;*

(underlining added for emphasis).

### 4. Posting of Storage Pricing and Revenue

MHP notes that there has been a significant change from the first draft of STAR and a significant change from the guidance the Board had provided in NGEIR. As discussed throughout the NGEIR hearing, the storage value at any point in time is easily calculated and is based primarily on the difference between winter price of natural gas and the summer price of natural gas. Any market participant (buyer or seller) can easily and rapidly calculate the value of storage at any point during a trading day. MHP notes that the parties requesting this very sensitive commercial information are either competitors or parties not directly involved with the storage market. MHP Canada is a small storage provider with a very limited number of pools and customers. Providing such sensitive



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commercial information is prejudicial. MHP therefore recommends that the requirement to post information under Section 3.1.4 should be deleted.

MHP Canada appreciates the opportunity to provide its comments on the revised proposed STAR. If you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

A handwritten signature in black ink, appearing to read "Jim Redford / per". The signature is written in a cursive, flowing style.

Jim Redford, P. Eng.  
Vice-President

cc. Mr. Laurie Smith, Q.C. (Bennett Jones)