

EB-2008-0052
STORAGE AND TRANSPORTATION ACCESS RULE

Revised Proposed Storage and Transportation Access Rule dated September 18, 2009
Comments of the Industrial Gas Users Association

The Industrial Gas Users Association appreciates the opportunity to comment on the Ontario Energy Board's revised proposed Storage and Transportation Access Rule (STAR or Rule) as set out in Appendix B to the Notice of Revised Proposal to Make a Rule dated September 18, 2009. IGUA was a participant in Phase 1 of the STAR consultation and in September 2008, provided comments on Board Staff's July 2008 discussion paper. As well, in May 2009, IGUA submitted comments on the proposed Rule dated April 9, 2009.

As previously indicated, IGUA is of the view that STAR should support market surveillance by the Board and market participants. The requirements and processes defined by STAR should provide the basis for monitoring for potential unfair and discriminatory practices. IGUA has reviewed the revised proposed STAR, and believes the changes to the provisions provide a good basis for such monitoring. In general, the disclosure requirements in the revised Rule should serve to promote transparency and guard against discrimination in the provision of services while recognizing the different nature of the transportation and storage markets. However, IGUA would like to offer the following more specific comment on the revised STAR in relation to one area where IGUA believes the proposed Rule could be improved.

In its September 2008 and May 2009 submissions, IGUA indicated that disclosure of bid result information from a transportation open season for new or existing long-term firm M12 and C1 capacity communicates the demand for regulated transportation services and other important market information. For participants who bid for capacity and are unsuccessful, the information in the posted results should be sufficient to allow bidders to confirm why they were unsuccessful. IGUA also commented that in some cases, the confirmation may require the disclosure of a rate different from the regulated rate in the communication of bid results if price was the deciding factor. In its September 2008 submission, IGUA also noted that short-term firm and interruptible C1 transportation can be negotiated without an open season, and results need not be publicly disclosed.

In its April 9, 2009 Notice, the Board addressed price disclosure for short-term firm C1 transportation, finding that price should not be disclosed in bid results. In its September 18, 2009 Notice, the Board reiterated this earlier finding for short-term transportation, and addressed the matter of disclosing a rate different from the regulated rate by expanding section 2.2.1 v) in the revised STAR to specify the open season bid information to be kept by transmitters for a period of no less than five years. This information is to include price as well as shipper name, volumes, term, and receipt / delivery points, and is to be provided as the Board may require from time to time so that bid results may be examined for potential discriminatory practice at a later date.

IGUA notes that in both Notices, the Board has expressly addressed price disclosure in bid results for short-term transportation but not long-term. IGUA would find an explicit determination concerning long-term transportation useful. To that end, IGUA believes the Rule could go further to ensure that bidders (and other market participants) have complete information about the bid outcomes for new or existing long-term firm M12 and C1 transportation capacity that allows a much more timely and direct assessment of the bidding process than would be afforded by the retention of price information for examination at a later date. Disclosure of a rate different from the regulated rate with the bid results, when it has been the basis for the decision, would enhance the transparency of the market for long-term transportation services and clearly communicate the value of those transportation services. This can be particularly important in the long-term

transportation market where demand can be an indicator of potential interest in new capacity, but less critical in the short-term market where spare capacity is being used to provide the service.

Therefore, IGUA would urge the Board to modify the last sentence in section 2.2.1 iv) so that it reads along the lines of:

The successful bid will include the following information: term, volumes, and receipt and delivery points as well as price where price has been the deciding factor in the bidding process.