



By electronic filing

November 2, 2009

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street  
27<sup>th</sup> floor  
Toronto, ON M4P 1E4

Dear Ms Walli,

**Staff Discussion Paper on a Storage and Transportation Access Rule**

**Board File No.: EB-2008-0052**

**Our File No.: 339583-000006**

As solicitors for Canadian Manufacturers & Exporters ("CME"), we have reviewed the September 18, 2009 Notice of Revised Proposal to Make A Storage and Transportation Access Rule ("STAR"), including the text of the Revised Proposal. This letter contains CME's comments on the Revised Proposal.

In the Revised Proposal, the Board responds to concerns raised by many stakeholders about the inability of the STAR to achieve its customer protection and transparency objectives without provisions calling for price disclosure for competitive storage services. The Revised Proposal notes the price disclosure requirements for interstate and intrastate storage providers operating in the relevant geographic market as defined in the Decision with Reasons in the Natural Gas Electricity Interface Review EB-2005-0551 ("NGEIR Decision"). The Revised Proposal appears to adopt the less stringent price disclosure requirements applicable to the provision of intrastate storage services.

Union Gas Limited ("Union") is the storage operator that dominates the provision of competitive storage services in Ontario. A substantial portion of the competitive storage services Union sells are provided to support international or interprovincial transactions. In these circumstances, we suggest that the price disclosure requirements of STAR should be as stringent as those required of interstate storage services providers operating in the relevant geographic market. The Revised Proposal indicates that such storage service providers are required to post daily pricing information for each storage contract.

Imposing this more stringent price disclosure requirement will assure that all storage services providers operating in Ontario are obliged to meet price disclosure requirements that are as stringent as those required of any storage providers operating in the relevant geographic markets.

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The alternative would be to introduce provisions which distinguish between the price disclosure required of Ontario storage services providers supporting international or interprovincial transactions and those providing intra-provincial services only. We believe that the simplest approach is to impose the higher price disclosure standard on all storage services providers operating in Ontario.

We understand that one or more stakeholders in the consultative will be suggesting that the provisions of the Revised Proposal be strengthened to require the disclosure of all storage contracts which deviate from the standard form of contract specified in section 3.1.1 of the Revised Proposal. We agree that this change should be implemented in order to make the disclosure requirements with respect to storage contracts compatible with the disclosure requirements related to transportation contracts.

We note the revisions that have been made in the "Complaint Mechanism" section of the Revised Proposal. These changes adequately respond to the concern CME previously expressed in its May 25, 2009 letter to the Board.

We hope these comments will be of assistance to the Board and we respectfully request that CME be awarded 100% of its reasonably incurred costs in reviewing the Revised Proposal and preparing these further comments.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Peter C.P. Thompson', is written over a horizontal line.

Peter C.P. Thompson, Q.C.

PCT\slc

c. Participants EB-2008-0052  
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