

VIA E-MAIL (RESS & COURIER)

November 2, 2009

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

Re: FRPO COMMENTS – NOTICE OF REVISED PROPOSAL TO MAKE A RULE STORAGE AND TRANSPORTATION ACCESS RULE - DOCKET NO: EB-2008-0052

On behalf of the Federation of Rental-housing Providers of Ontario (FRPO), DR QUINN & ASSOCIATES LTD. (DRQ) is pleased to provide comments on the Proposed Rule for the Storage and Transportation Access Rule (Rule) as Issued by the Ontario Energy Board September 18, 2009. Once again, we would like thank the Board for the opportunity to make comment to the proposed Rule and would commend the Board and its staff for a well constructed process designed to give due consideration to this important milestone in the development of the natural gas market in Ontario.

In our submission, the proposed Rule has been further refined to strike the delicate balance between the needs of market participants for transparency and efficiency and the desire for lighter handed regulation to allow the market to develop. Upon due consideration of the process, a review of the record of submissions, evolutions in other jurisdictions and the current state of the rule, FRPO believes it prudent to provide comments in the area of Storage services reporting while adding encouragement for ongoing market oversight.

CUSTOMER PROTECTION WITH THE COMPETITIVE STORAGE MARKET

Section 3.1.1 provides requirements for Posting and Protocol of the storage company's standard contract. However, what appears to be missing is the posting of non-standard contracts comparable to Transportation Services included 2.3.6. It is important that matters that differentiate service quality such as ratchet provisions, number of cycles allowed and service priority are disclosed so that non-discriminatory access may be maintained. It is our submission that the parameters that vary from the standard contract should be reported in a timely fashion as in Transportation or at least detailed in the information provided for the Index of Customers in section 4.2.5.

Section 3.1.4 calls for the semi-annual reporting of pricing and revenue information for competitive storages on the storage company's website for storage contracts of terms greater than one year. The reporting frequency and minimum one-year criteria provide some additional transparency that was requested by many participants in the first round of comments to the Rule. However, when this proposed Rule is viewed against a parallel Rule making proceeding by the FERC [FERC 18 CFR Part 284 Docket No. RM09-2-000], the proposed Rule results in a less disclosure required of Ontario storage providers than smaller, intrastate pipeline and storage companies. Further, given that the foundation of the forbearance argument was fact that Ontario storage providers compete in the northeast North American geographic market area, it would seem unfair that disclosure of market information is less stringent than those companies who would have less an effect on that market. Taken a step further, as submitted previously, if the Board wants to ensure that Ontario storage providers do not have an advantage or disadvantage relative to competing storage providers in other jurisdictions, in our submission, disclosure for Ontario providers should be comparable to interstate pipeline and storage companies.

Concluding Comment

The STAR, once in force, should provide a foundation to create conditions that will allow for rational market development. However, with any well-intended regulatory instrument, there can be unintended effects or unforeseen issues that become evident only upon implementation. FRPO would, once again, encourage the Board to establish an assessment review approximately two years after the Rule goes into force. With the input of experienced stakeholders and enabled by actual data from the market, the Board can ensure that the expected benefits for the Ontario market can be achieved.

FRPO hopes that its involvement in the process has been useful to the Board and respectfully requests reimbursement of its reasonably incurred costs in the process.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.