

December 14, 2009

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

Dear Ms. Walli:

Re: EB-2009-0410: Union Gas Limited's (Union) January 1, 2010 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 Union's Application for quarterly adjustment of rates (QRAM) to be effective January 1, 2010.

Upon review of Union's prefiled materials, IGUA raised a question with Union about the adjustment to the maximum delivery rate for Rate 25 - Large Volume Interruptible Service. IGUA understands that a mathematical error had occurred in the determination of the adjustment for Rate 25 as initially filed. Union issued a correction to this adjustment on Friday, December 11th.

In addition, IGUA is satisfied that Union has properly incorporated into this Application the directions provided by the Board in its decision arising from the EB-2008-0106 proceeding regarding changes to Union's QRAM methodology. IGUA appreciates Union's efforts to consult with interested parties regarding the appropriate revisions to the standard QRAM filing package to address these changes. IGUA provided comments to Union on Union's previously circulated draft revised filing package and is satisfied that its comments have been responded to.

Based upon Aegent's advice following the review described above, IGUA is satisfied that Union has followed the new OEB approved QRAM methodology. IGUA has no objection to approval of Union's Application as filed.

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 Union'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, following correction by Union of the issue noted earlier regarding Rate 25, IGUA has no further comment to offer.

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 review of the QRAM application as filed, 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



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Interested Parties

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