



By electronic filing and by e-mail

March 10, 2010

Kirsten Walli
Board Secretary
Ontario Energy Board
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Dear Ms Walli,

Union Gas Limited
GRAM Rate Application – Effective April 1, 2010
Board File No.: EB-2010-0040
Our File No.: 339583-000019

I am writing on behalf of our client, Canadian Manufacturers & Exporters ("CME"), to provide comments on Union Gas Limited's ("Union") GRAM Application which seeks changes to Union's gas supply and transportation rates to reflect changes to the forecasted costs of purchasing and transporting natural gas.

We have reviewed Union's GRAM Application which was filed with the Board on March 5, 2010. We have also sought clarification from Union on two (2) issues. The first relates to the substantial increase in South Purchased Gas Variance Account purchases in December 2009. As shown at Tab 1, Schedule 3, page 4 of 6, there was a material increase of volumes purchased in December 2009 as a result of a transfer of excess direct purchase balancing gas to the system portfolio. CME also sought clarification on the drivers for the material rate change for total gas supply commodity charges to sales rates shown at Appendix A, page 6 of 15.

CME is satisfied with the clarifications provided by Union, and as such, does not oppose the relief sought by Union in the March 5, 2010 GRAM Application.

CME requests an award of its reasonably incurred costs in connection with conducting its examination of Union's GRAM Application. We will submit a claim for costs on behalf of CME, if the Board responds favourably to this request.

Yours very truly,



Vincent J. DeRose

VJD\slc

c. Chris Ripley (Union)
Crawford Smith (Torys)
Paul Clipsham (CME)

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