

April 23, 2010

Kirsten Walli, Board Secretary
ONTARIO ENERGY BOARD
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario M4P 1E4

Dear Ms. Walli:

**Re: EB-2010-0155 - Union Gas Limited Storage and Transportation Access Rule
(STAR) Application for Approval of Proposed M12, C1, and M16 Tariffs**

Industrial Gas Users Association ("IGUA") Comments.

Attached please find comments prepared and filed on behalf of IGUA in respect to the above referenced proceeding.

If you have any questions, please do not hesitate to contact me.

Yours truly,



Nicki Pellegrini
Regulatory Coordinator

/np
Enclosure

- c. Murray Newton (IGUA) - by email
Karen Hockin (Union) - by email
Sharon Wong (Blakes) - by email
Valerie Young (Aegent)
Intervenors

EB-2010-0155
Union Gas Limited
Storage and Transportation Access Rule (STAR)
Application for Approval of Proposed M12, C1, and M16 Tariffs

COMMENTS OF THE INDUSTRIAL GAS USERS ASSOCIATION

The Industrial Gas Users Association has reviewed Union's proposed revisions to its M12, C1, and M16 tariffs. In IGUA's view, the proposed changes generally meet the requirements of STAR. IGUA does have a few specific comments on certain of the sections of the proposed M12 and C1 tariffs, as follows.

SPECIFIC COMMENTS ON PROPOSED M12 AND C1 TARIFFS

M12 and C1 Tariffs - General Terms and Conditions - Article XVI – Allocation of Capacity

- Subsection 3 of Article XVI in both tariffs refers to "long-term firm transportation" but there is no definition of "long-term" in the Definitions section of the General Terms and Conditions. The addition of a definition would add clarity to the document, and IGUA assumes the appropriate definition for "long-term" is the one contained in STAR.
- Section 2.1.3 of STAR states that firm transportation service, which has been offered in an open season but not awarded, may be allocated by other methods as defined in the tariff. Subsection 5 of Article XVI in the proposed M12 and C1 tariffs is intended to address section 2.1.3 of STAR. However, the proposed wording contains the phrase "but are not limited to" in listing the methods of allocation. The potential for other allocation methods, which are not specified in the tariff, seems to run contrary to Section 2.1.1 of STAR that requires allocation methods be defined. In IGUA's view, this subsection of the tariffs should clearly list and define all the allocation methods to be used.

M12 and C1 Tariffs - General Terms and Conditions - Article XVIII – Service Curtailment

- Subsection 1 of Article XVIII in both tariffs addresses service priority as required by section 2.3.4 of STAR. However, Union's proposed wording sets out "priority of service guidelines" and then references detailed policies and procedures on Union's website. For clarity and certainty, IGUA recommends that the full list of priority of services be included in this section of the tariff rather than only the four broader categories of services in the current proposed wording.
- Subsection 2 of Article XVIII indicates Union will provide two months notice to shippers of any change to its procedures for sharing interruptible capacity. STAR requires that a transmitter's methods for allocating capacity shall be defined in its tariff. IGUA submits that the procedures for sharing interruptible capacity should be set out in the tariff, and that any changes to those

procedures would have to be filed with the Board for approval. IGUA further submits that shippers would be assisted if this section also specified that Union will provide the rationale for any proposed changes.

M12 and C1 Tariffs – Nominations

- Section 2 of the Nominations schedule in the proposed tariffs indicates that Union may amend or modify the nominating procedures or *Unionline* at any time. Since the nominating procedures are part of the tariff, IGUA submits that any changes would have to be filed with the Board for approval. IGUA further submits that shippers would be assisted if this section also specified that Union provide reasonable notice of the proposed amendments or modifications as well as the rationale for the proposed changes.