

July 23, 2010

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

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.

IGUA Submission on Changes to Proposed M12, C1 and M16 Tariffs.

By Procedural Order No. 3 herein the Board directed Union to file changes to its proposed C1 and M12 tariffs as directed by the Board Decision issued on June 3, 2010 (the Decision). The Procedural Order provides parties with the opportunity to make written submissions on the changes to the tariffs filed by Union.

IGUA has reviewed the changes filed by Union in response to the Decision, and with one exception acknowledges that the tariffs as changed are compliant with STAR and the Decision. The one exception that remains is in Article XVI (Allocation of Capacity), section 5(d) of the revised tariffs.

In that section 5(d) Union addresses the situation in which requests for transportation capacity are received in respect of capacity not awarded in a previous open season in which such capacity was offered. In that situation, and if Union has insufficient capacity to satisfy all pending requests for capacity, section 5(d) specifies that Union i) may reject all the pending requests for transportation service and conduct an open season; or ii) provide all the potential shippers who have submitted a pending request with an equal opportunity to submit a revised request for service, and then allocate available capacity to the request(s) with the highest economic value.

Union has not indicated on what basis it would choose between the "open season" response and the "opportunity for resubmission" response.

The Board noted in the Decision (page 4, bottom) that the transmitter-specific allocation methods outlined in the tariffs need to be "consistent, predictable and transparent". In the interests of predictability and transparency, Union should address in its reply submissions the criteria for choice between these two response options, and indicate any rationale for not including such criteria in the tariff provisions.

Your truly,
MACLEOD DIXON LLP



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