

September 13, 2010

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

Dear Ms. Walli:

Re: EB-2010-0265: Union Gas Limited's (Union) October 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 October 1, 2010. In addition to reviewing delivery rate changes resulting from changes in gas costs, Aegent has considered the delivery rate and other tariff changes proposed by Union and arising from:

1. The Board's EB-2010-0039 decision regarding disposition of 2009 deferral and variance account balances, including earnings sharing.
2. The Board's final decision in EB-2010-0155 regarding Union's STAR-compliant tariffs.
3. The Board's decision in EB-2010-0207 approving modifications to Union's C1 rate schedule to incorporate firm transportation service from Dawn to the Dawn-TCPL interconnect.

Based upon Aegent's advice, IGUA is satisfied that Union has properly followed the QRAM methodology approved by the OEB in its EB-2008-0106 Decision, and has properly incorporated the delivery rate and other tariff changes attendant on the determinations listed above. 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 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 Aagent, whose professionals are expert in Ontario gas commercial and regulatory matters, including rate matters in particular. Aagent conducts a review of the QRAM application as filed, and provides a report to IGUA. Provided that Aagent'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.

Yours truly,
MACLEOD DIXON LLP



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Interested Parties (EB-2009-0275)

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