

From: F Dutot [mailto:]
Sent: October 31, 2010 11:38 AM
To: BoardSec
Subject: Union Gas app for rate increase comments Oct 30 2010

MRS. CAROL DUTOT
[REDACTED]

October 30, 2010

Ontario Energy Board
Box 2319
2300 Yonge Street, 27th Floor
Toronto, On M4P 1E4

ATT: Kirsten Walli, Board Secretary

Dear Ms Walli:

RE: Union Gas - EB-2010-0148

Please accept this letter as my letter of comment regarding the Union Gas application, EB-2010-, to change their rates for the transmission and storage of natural gas effective January 1, 2011.

In particular I wish to address the application by Union Gas EB-2007-0837, dated October 25, 2007, to purchase 75% of the shares in Tipperary Gas Corp., a storage project in Central Huron. In Union's application, page 2, item 6 (copy attached) it states "The Proposed Transaction will not have any impact on any of Union's regulated customers because Union's shareholders will bear all of the risk associated with the transaction." On page 5, para 21, it also states "As a result, this purchase by Union will not impact Union's regulated business of customers in any way." (copy attached)

I am requesting that Union Gas provide the OEB with audited information showing that all expenses incurred with purchasing the shares and ultimately finishing the development of the Tipperary Pools has not been included in the everyday accounts of Union Gas which regulated customers pay for. It is now three years and the Tipperary Pools have not yet been completed to their supposed full potential, work is still being done and expenses still ongoing. I would request that the OEB examine this material and that the board be satisfied that none of the expenses are being incurred by the regulated customers that are included in the request for a rate increase and that Union's shareholders are bearing the costs associated with the transaction as stated.

Respectfully submitted,

Carol Dutot Phone [REDACTED] email – [REDACTED]

SECTION 3

PURPOSE AND BENEFITS

18. The Proposed Transaction will allow Union to work actively on a new storage development with a new partner in a new part of the province where Union has not previously developed storage.
19. Tipperary Limited Partnership needs additional financing to complete the development of the Storage Pools, and Union is able to provide that financing while also bringing development, operating and marketing experience to the project.
20. Once developed, Ontario will gain additional storage space. The Proposed Transaction is in the public interest and will facilitate rational development and safe operation of gas storage in Ontario because it will provide funding and operational expertise to Tipperary Limited Partnership that will promote the safe and timely development and operation of the Storage Pools.
21. Union's investment in the Tipperary Limited Partnership and Tipperary GP is a result of the Board's recognition in the Natural Gas Electricity Interface Review proceeding (NGEIR) of the competitive business environment for the provision of gas storage. Union's shareholders will be 100% at risk for the investment. As a result, this purchase by Union will not impact Union's regulated business or customers in any way. It will however create additional Ontario storage capacity to meet growing market demands, including the Ontario power market.

5. Tipperary Limited Partnership requires additional financing in order to complete the development of the Storage Pools. The Proposed Transaction is in the public interest and will facilitate rational development and safe operation of gas storage in Ontario because it will provide funding and operational expertise to Tipperary Limited Partnership that will promote the safe and timely development and operation of the Storage Pools.
6. The Proposed Transaction will not have any impact on any of Union's regulated customers because Union's shareholders will bear all of the risk associated with the transaction.
7. The non-binding term sheet contemplates a closing date of November 15, 2007 or as soon as possible thereafter. Union therefore requests that the Board grant leave for the Purchase to proceed by November 15, 2007.
8. Union also requests that the Board issue the requested Order without a hearing as there is no party affected by the change in ownership other than the parties to the non-binding term sheet. In the alternative, if the Board determines that a hearing is necessary, Union requests that the Board proceed by way of written hearing, pursuant to Section 34.01 of the Board's Rules of Practice and Procedure.

Dated at Toronto this 25th day of October, 2007.



Per: Glenn F. Leslie
Counsel for Union Gas

Comments respecting this Application should be directed to:

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