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December 15, 2010

VIA RESS AND COURIER

Ms. Kirsten Walli
Ontario Energy Board
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Dear Ms. Walli:

Re: EB-2010-0347: Enbridge Gas Distribution Inc. (EGD) January 1, 2011 QRAM Application

Industrial Gas Users Association (IGUA) Comments

We write as legal counsel to IGUA.

IGUA's advisors, Aegent Energy Advisors Inc. (Aegent), have reviewed EGD's Application for quarterly adjustment of rates (QRAM) to be effective January 1, 2011. Based upon Aegent's advice, IGUA is satisfied that EGD has properly followed the QRAM methodology approved by the OEB in its EB-2008-0106 Decision.

IGUA has no objection to approval of EGD's application as filed.

We have considered, in particular, the cost consequences of the outcome of the System Reliability Decision (EB-2010-0231), which cost consequences are taking effect in this QRAM. IGUA is satisfied that; i) the cost consequences of implementation of the System Reliability Decision (as evidenced at paragraphs 14 and 15 of Exhibit Q1-2/T3/S1 herein) are in line with those represented as part of the Settlement Agreement approved by the Board in that Decision; and ii) the proposed allocation of those cost consequences among rate classes is in accord with the allocation reflected in the Settlement Agreement and thus the Board's Decision in that matter.

In our review of the implementation in rates of the System Reliability Decision, the information provided by EGD in its prefiled evidence (as cited above) was very helpful. IGUA requests that EGD consider, and indicate in its reply submissions herein, whether the disaggregated impacts in rates of the System Reliability Decision could continue to be so presented in future QRAM filings. This would enable the Board and interested parties to continue to monitor the resulting system reliability costs and rate impacts, and in particular the "materiality" of any changes in costs that might be relevant for those

provisions of the System Reliability Settlement Agreement that provided for review of that agreement.

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 EGD's QRAM.

IGUA has, in the past, been consistently awarded modest costs for review of QRAM applications. IGUA respectfully submits that the Board, in making such awards, has recognized some value (commensurate with modest costs) in the independent and informed review of such applications.

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 this instance.

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,



Ian A. Mondrow

cc. Murray Newton (IGUA)
Norm Ryckman (EGD)
Tanya Persaud (EGD)
Colin Schuch (OEB Staff)
Intervenors of Record (EB-2010-0146)

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