

March 16, 2011

**VIA RESS AND COURIER**

Ms. Kirsten Walli  
**ONTARIO ENERGY BOARD**  
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Dear Ms. Walli:

**Re: EB-2011-0051: Enbridge Gas Distribution Inc. (EGD) April 1, 2011 QRAM Application**

**Industrial Gas Users Association (IGUA) Comments**

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We write as legal counsel to IGUA.

**IGUA's Position on Proposed Rate Adjustments**

IGUA's advisors, Aegent Energy Advisors Inc. (Aegent), have reviewed EGD's Application for quarterly adjustment of rates (QRAM) to be effective April 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.

**Escalating TCPL Tolls**

As it did in its submissions on Union's March 1, 2011 QRAM Application, IGUA wishes to record in this submission its continuing concern with the impact on Ontario gas ratepayers of escalating TCPL tolls. In this QRAM Application EGD (properly) flows through to its gas supply and delivery customers the interim increase in TCPL tolls approved by the National Energy Board effective March 1, 2011. In the result, while the Alberta border reference price is decreasing [Ex. Q2-2/T1/S1/p2/para. 5], EGD's revenue requirement is increasing by more than \$70 million [Ex. Q2-2/T2/S1/p1/para. 1], primarily as a consequence of increases in TCPL tolls.

IGUA notes that the current increase in EGD's gas supply charges results from TCPL's application to recover part of the toll increase that would result from applying the current Mainline tolls mechanism. TCPL has been directed by the NEB to file an application for

final 2011 Mainline tolls by May 2, 2011. IGUA expects that EGD will continue to monitor and engage in the upcoming processes through which TCPL's final 2011 tolls will be determined, in defence of the interests of EGD's ratepayers.

## 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 Persad (EGD)  
Fred Cass (Aird & Berlis LLP)  
Colin Schuch (OEB Staff)  
Valerie Young (Aagent)  
Intervenors of Record (EB-2010-0146)