

VIA E-MAIL, RESS & COURIER TO THE BOARD

September 2, 2011

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attn: Kirsten Walli, Board Secretary

RE: EB-2011-0257 Union Gas Request to set Kirkwall to Parkway M12 and C1 Rates

The following are the submissions of the Federation of Rental-housing Providers of Ontario (FRPO) to Union Gas' application for M12 and C1 Rates from Kirkwall to Parkway.

We accept that the long-term ratemaking for these rates will be a subject of the upcoming re-basing of Union rates¹. Therefore, we will accept that the proposed rates are reasonable until new rates are established.

However, FRPO's primary concern at this time is the contracting for a portion in the Dawn-Parkway system and its effect on other customers dependent on the Dawn Parkway system in the years to come. In our view, these contracts will have the effect of reducing the opportunity for Union to utilize fully the existing potential of the Dawn to Kirkwall portion for M12 and C1 contracting between Dawn and Parkway or in-franchise service east of Kirkwall. In essence, the incremental commitments for the end of the system could create a bottleneck between Kirkwall and Parkway. This constraint would tend to place upward pressure on in-franchise rates.

FRPO attempted to understand this effect and potential opportunity costs in asking for the 2012 and 2013 forecasted utilization but answers were not provided². Union stated that there would not be a constraint in 2012³ and thus did not provide a potential opportunity cost for the future. In response to CME, Union provided that in this IR period, any sufficiency or deficiency would accrue to utility earnings⁴. We can accept that is reasonable given the IR mechanisms. However, without knowledge the impacts in 2013 and beyond, we are unable to submit an alternative that takes into account our concerns for effects of these contracts in the future. We are also aware that the incremental revenues for 2012 are very small.

¹ Exhibit B1.2

² Exhibit B4.1

³ Exhibit B4.2

⁴ Exhibits B3.3 and B3.4

Given that the Board has directed a comprehensive review of the Dawn Parkway system ratemaking earlier this year⁵, FRPO has no opposition at this time to Union's proposal. We would, however, reserve our position on the effect of these contracts as examined further in Union's rebasing application.

FRPO respectfully requests that it be awarded its reasonably incurred costs of participating in this proceeding.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn
Principal
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c. K. Hockin - Union
V. Brescia

⁵ EB-2010-0296 Decision dated November 30, 2010