

DR QUINN AND ASSOCIATES LTD.

VIA E-MAIL, RESS & COURIER TO THE BOARD

February 9, 2012

Ontario Energy Board
P.O. Box 2319
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Toronto ON M4P 1E4

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ONTARIO ENERGY BD

Attn: Kirsten Walli, Board Secretary

RE: EB-2011-0038 FRPO Comments on Union Gas Draft Rate Order (DRO)

The matters in front of the Board in this case were complex and some issues required the interpretation of the EB-2005-0551 NGIER decision. That earlier decision outlined a pragmatic split of margins for Short-Term Storage and Other Balancing services to provide an equitable split between ratepayers and the shareholder as proxy for systems and accounting that were not in place at the time. In the EB-2011-0038 decision, the Board has ruled that Union has now put in place systems allow a definite split between assets being used for short-term and long-term transactions. In our view, this decision renders the need for a split to be unnecessary.

This issue was submitted by CME in its letter of January 27, 2012. We support their submission as a logical conclusion of the decision and had expected that Union would apply that reasoned approach to their determination of the sharing of margins for Deferral Account 179-70. Absent application of that approach, we would have expected that they would have incorporated their position on this matter as part of the Draft Rate Order. It is clear from the DRO that neither was included.

Therefore, we are writing in support of CME's submission of earlier today in respectfully requesting the Board invite submissions from Union and other parties for determination of the appropriate sharing between ratepayers and shareholders for Deferral Account 179-70.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn
Principal
DR QUINN & ASSOCIATES LTD.

c. C. Ripley
Interested Parties
V. Brescia