



March 12, 2012

VIA RESS AND COURIER

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

Re: EB-2012-0070: Union Gas Limited (Union) April 1, 2012 QRAM Application
Industrial Gas Users Association (IGUA) Comments

We write as legal counsel to IGUA.

IGUA's Position on Proposed Rate Adjustments

IGUA's advisors, Aegent Energy Advisors Inc. (Aegent), have reviewed Union's Application for quarterly adjustment of rates (QRAM) to be effective April 1, 2012. Based upon Aegent's advice, IGUA is satisfied that:

1. Union has properly followed the QRAM methodology approved by the OEB's EB-2008-0106 Decision; and
2. Union has properly incorporated in proposed delivery rates the Board's EB-2011-0038 Decision approving Union's 2010 deferral account disposition, market transformation incentive, tax changes and 2010 earnings sharing.

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

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 Union'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 Aegent, whose professionals are expert in Ontario gas commercial and regulatory matters, including rate matters in particular. Aegent conducts a review of the QRAM application as filed, and provides a report to IGUA. Provided that Aegent'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 with the instant Application.

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 (ENREG GROUP INC.)
Valerie Young (Aegent)
Marian Redford (Union)
Crawford Smith (Torys)
Lawrie Gluck (OEB)
Intervenors of Record (EB-2011-0025)