

**Ontario Energy
Board**
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

**Commission de l'énergie
de l'Ontario**
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

March 13, 2012

To: All registered parties in proceeding EB-2011-0210

**Re: Union Gas Limited
2013 Rebasing Application
Board File Number EB-2011-0210**

Board staff is looking to start planning a schedule for Monday's Issues Conference. If any party has any issues they would like to see added / removed from the Draft Issues List, please reply to this letter and Board staff will have an agenda ready for Monday's meeting.

Board staff would like to see the following issues added to the Draft Issues List:

Sustainable Efficiency Improvements

Are sustainable efficiency improvements (or efficiency gains) achieved under incentive regulation reflected in Union's CoS estimates?

Capital Spending Levels under IRM

Do the capital expenditures outlined in Union's CoS estimates represent a deferment of capital expenditures that should have been made under Union's incentive regulation plan?

Storage Issues

Has Union encroached on its utility storage space during the IR term? Does Union expect to encroach on its utility storage space in 2013?

How does Union plan to address the issue of providing transportation services (using utility assets) to non-utility storage customers?

Board staff is of the view that the following issue should be removed from the Draft Issues List:

Does the evidence support updating the utility/non-utility allocator used to calculate margin for sharing for short-term storage services to 59:41?

Yours truly,

Original signed by

Lawrie Gluck
Advisor, Natural Gas Rates
Ontario Energy Board