



**INFRASTRUCTURE SERVICES DEPARTMENT
KITCHENER UTILITIES**

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BY E-MAIL & COURIER

March 16, 2012

Ontario Energy Board
Attn: Ms. Kirsten Walli, Board Secretary
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

Re: EB-2011-0210 – Union Gas Limited (“Union”) Distribution Rates for 2013 – Comments on Draft Issues List by the City of Kitchener (“Kitchener”)

Kitchener has reviewed the comments on the Draft Issues List submitted by OEB Staff, LPMA, SEC, EP, FRPO and APPrO in response to Board Staff’s letter dated March 13, 2013. Kitchener is generally in agreement with the comments submitted by these parties.

In particular, Kitchener supports the submissions of SEC and FRPO, including the addition of general issues on cost allocation and rate design as identified by Mr. Shepherd at page 4 of his submission and by Mr. Quinn at page 1 of his submission. Kitchener has a specific interest in the derivation of fixed and variable charges in Union’s rate design for in-franchise storage and transportation rates, including Rate T3, and the degree to which these charges are guided by Union’s cost allocation study. We presume that this interest can be pursued by discovery and examination under the two general issues suggested for addition above by SEC and FRPO.

To the extent that they may not be captured elsewhere in the Draft Issues List, Kitchener also suggests that a category of “Other Issues” may be appropriate to deal with operating, contractual or policy issues such as direct purchase (example: checkpoint balancing), enhancements to Unionline, and the External Policy Team initiative. It is possible that these other issues of interest to Kitchener and other parties may be captured by the third standard issue (“service quality metrics”) proposed for addition by Mr. Shepherd at the top of page 2 of his submissions. If that is the case and is acceptable to Union and the parties, then that solution would be acceptable to Kitchener to deal with other issues.

March 16, 2012

Ms. Walli

Page 2 of 2

Due to an ongoing family medical condition, I am unable to attend the Issues Conference on March 19, 2012 or the Issues Day on March 22, 2012, if it is necessary. I hope these comments on behalf of Kitchener are helpful and I am confident that the parties will be able to finalize the Issues List in a constructive and cooperative way.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Gruenbauer", with a stylized flourish at the end.

James A. Gruenbauer, CMA
Manager, Regulatory Affairs and Supply

Cc: W. Malcolm (Kitchener)
J. Chatterjee (Kitchener)