



January 3, 2013

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

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: EB-2011-0210**

Atlantic Power Limited Partnership (APLP) wishes to express its concerns about the substantial increase in the 2013 rates that Union Gas Limited (Union) will be charging to its Northern industrial customers. Union had presented the proposed rate increase to the Ontario Energy Board (OEB) and its customers concurrently on December 5, 2012.

APLP is a wholly-owned subsidiary of Atlantic Power Corporation (APC) which is a leading publicly traded, power generation and infrastructure company with a well-diversified portfolio of assets in the United States and Canada. The net generating capacity of APC's projects is approximately 2,560 MW, consisting of interests in 33 operational power generation projects across 12 states and 2 provinces.

In Ontario, APLP has 5 generating facilities, including the Kapuskasing and the North Bay plants which are transportation customers of Union. Both facilities have contracted firm transportation services using Rate 100 as well as interruptible services using Rate 25. On page 4 of the draft rate schedules presented by Union on December 5, 2012, Union indicated that Rate 100 will go up by 22.3% and Rate 25 by 39.9%.

APLP wishes to point out that both facilities have long term gas supply contracts with specified annual rate escalation. Since the facilities will not benefit from the current lower gas market price, the rate increase in the delivery component of the Union bill will significantly impact the total cost of providing gas supply to the facilities. APLP estimates the transportation expenses payable to Union for the two facilities will go up from \$656,000 in 2012 to \$860,000 in 2013 or an increase of 31%.

The 31% increase in APLP's total bill significantly exceeds the 10% total bill impact guideline recommended on page 9 of the Board staff submission on December 31, 2012. Therefore, APLP urges the Board to direct Union to consider appropriate rate mitigation measures or potentially reconsider rates for customers in light of the large rate increase.

We would be pleased to answer any questions that Board may have with respect to our concerns.

Yours Truly,

A handwritten signature in black ink, appearing to read "Ron Man", with a long horizontal flourish extending to the right.

Ron Man  
Senior Advisor

cc: Neil McKay; Khalil Viraney OEB  
Chris Ripley Union Gas Limited