

April 21, 2014

EMAIL

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

Dear Ms. Walli:

**Re: Natural Resources Gas Limited (“NRG”)
April 1, 2014 QRAM – Phase 2 Proceeding
Board File No. EB-2014-0053**

We write to update the Board with respect to the arbitration process initiated by NRG to determine whether the Banked Gas Purchase Commodity Charge to Bundled T customers is payable by NRG to Union Gas Limited (“Union”). In a letter dated April 11, 2014, NRG appointed Mr. William G. Horton as arbitrator.

In Union’s respectful submission, the matter that NRG has purported to put before an arbitral tribunal is within the exclusive jurisdiction of the Board. It should therefore be dealt with by the Board. Union suggests that the appropriate proceeding in which the Board should do so is in Phase 2 of NRG’s QRAM proceeding. Union advised NRG of this position and the rationale for the position in a letter sent today, a copy of which is enclosed for your information.

In light of the above, Union respectfully requests that the Board issue a procedural order in EB-2014-0053 directing that the issue of whether the Banked Gas Purchase Commodity Charge to Bundled T customers is payable by NRG to Union be determined as part of Phase 2 of that proceeding.

Respectfully submitted,



Crawford G. Smith

MS

cc. John Campion, Fasken Martineau DuMoulin LLP
Myriam M. Seers, Torys LLP
All Parties in EB-2014-0053