

April 24, 2014

Ms. Kirsten Walli
Ontario Energy Board
2300 Yonge St., Suite 2700
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

RE: EB-2014-0154 - Union Gas Limited - Reduction of Certain Charges Applied to Direct Purchase Customers

This letter is in response to questions received on April 22, 2014 from the Board regarding Union's proposal to reduce the charges to Direct Purchase ("DP") customers who did not meet their contractual obligations during the month of February and March, 2014. Please see below for Union's responses to these questions.

- 1) *Is Union aware of any customers that purchased gas, for the purposes of fulfilling their contractual obligations, for a price higher than the reduced penalty charge proposed by Union (\$50.50/GJ for February and \$52.04/GJ for March)?*

Union is not privy to the prices paid by DP customers. Based on discussions with DP customers, Union is not aware of any DP customers that purchased gas at prices higher than those proposed by Union.

- 2) *If any customer did purchase gas, to fulfill its contractual obligations, for a price higher than the proposed reduced penalty charge, would Union be willing to refund the difference between the higher price paid and the proposed reduced penalty price?*

No, as set out above, Union is not privy to the prices paid by DP customers. Further, Union does not receive any funds as a result of those purchases. There is, accordingly, no amount for it to refund as contemplated by the question.

Yours truly,

[Original signed by]

Mark Kitchen
Director, Regulatory Affairs

cc: Michael Millar
Crawford Smith (Torys)