



**INFRASTRUCTURE SERVICES DEPARTMENT
KITCHENER UTILITIES**

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BY E-MAIL & COURIER

22 May 2014

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-2014-0154 – Union Gas Limited (“Union”) – Reduction of Certain Penalty Charges Applied to Direct Purchase Customers – Request for Intervention by the City of Kitchener (“Kitchener”)

Pursuant to the Ontario Energy Board (“Board”) Notice of Application dated May 6, 2014 (“Notice”), Kitchener wishes to actively participate in this proceeding (i.e., intervenor status). Kitchener is an embedded gas distributor in the Southern Area of Union’s franchise territory. It is also a direct purchase customer of Union, receiving semi-unbundled storage and transportation services under Rates T3 and M12.

Kitchener has a direct interest in this proceeding as it was invoiced by Union for unauthorized overrun withdrawal charges of \$206,379.30 related to T3 storage activity in late February 2014 / early March 2014. These penalty charges are in dispute. Kitchener has paid these penalty charges in good faith, pending an adjustment by Union to waive or significantly reduce them, or a Board decision of similar effect. To date, Union has denied Kitchener any relief from the penalty charges.

Kitchener does not object to a written hearing in this proceeding.

Kitchener normally does not seek an award of costs from the Board for its participation in rates proceedings. However, Kitchener is requesting cost award eligibility in the current proceeding. Kitchener has tried and failed to obtain relief from Union in a fair, non-adversarial manner. Kitchener is representing the interests of direct ratepayers, and is not seeking an award of costs as a gas distributor, municipal government, or corporate entity controlled by a municipal government (contra sections 3.05 (b), (i) or (k) of the Board’s *Practice Direction on Cost Awards*). In this proceeding, the charges Kitchener is seeking to have reduced are costs ultimately borne by direct consumers in Kitchener. In this respect, Kitchener is no different than other intervenors representing the interests of small, mid-sized or large gas customer groups that are typically awarded costs.

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Ms. Kirsten Walli
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In addition to the contact information for the undersigned as noted in the letterhead above, please include the following contact information on behalf of Kitchener in these proceedings:

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If there are any questions or concerns with this request for intervention, please contact me at your earliest convenience.

Sincerely,



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

Cc: C. Ripley (Union)
C. Smith (Torys)
W. Malcolm (Kitchener)
J. Chatterjee (Kitchener)
R. King (Osler)