

July 7, 2014

VIA RESS AND COURIER

Ms. Kirsten Walli
ONTARIO ENERGY BOARD
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Ian A. Mondrow
Direct: 416-369-4670
ian.mondrow@gowlings.com

Assistant: Cathy Galler
Direct: 416-369-4570
cathy.galler@gowlings.com

Dear Ms. Walli:

Re: EB-2013-0365 – Union Gas Limited (Union) 2014 Rates Application.

Industrial Gas Users Association (IGUA) Argument – Clarification of IGUA's Position.

On July 4th Union filed its Reply Argument in the captioned proceeding. In its Reply Union asserts¹ that IGUA “support[s] Union’s position” in respect of the Leamington Line Project issue. Union states its position at paragraph 19 of its Reply as follows:

“[Union’s] contracting practices were appropriate, consistent with the approach taken by Union in connection with other distribution facility expansions and the Board’s E.B.O. 188 Guidelines.”

In respect of Union’s contracting practices for the Leamington Line Project, IGUA in its June 24th Argument specifically stated [emphasis added]:

IGUA takes no position on the equity of the particular contracting activities engaged in by Union in respect of the Leamington line. The testimony provided by Union’s witnesses on this topic does, however, raise a number of concerns for IGUA.

In respect of the consistency of Union’s contracting for the Leamington line with Union’s contracting for other distribution facility expansions, IGUA specifically stated:

.... Union’s evidence is that, historically, this practice of contracting in support of the revenue forecast underpinning an expansion has been limited to an individual customer. In the case of the Leamington expansion Union extended this practice to a collection of customers. This fact raises some question about when the application of such practices

¹ Union Reply Argument, paragraph 20.

is appropriate, and underscores the need for better definition of the intent and execution of such practices.

IGUA's June 24th Argument recommended further consideration by the Board of Union's system expansion related contracting practices.

In light of Union's characterization of IGUA's position we felt it important provide this clarification.

Yours truly,



Ian A. Mondrow

- c. C. Ripley (Union)
- C. Smith (Torys)
- S. Rahbar (IGUA)
- K. Viraney (Board Staff)
- Intervenors of Record

TOR_LAW\ 8473425\1