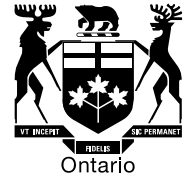


**Ontario Energy  
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**BY EMAIL**

September 15, 2014

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

Dear Ms. Walli:

**Re: Union Gas Limited  
October 1, 2014 QRAM Application  
Board File No. EB-2014-0208**

I am writing on behalf of Board staff in regard to the above noted QRAM matter.

Board staff has the following questions:

1. Ref: Tab 1 / Page 5: Union noted that it utilized 0.6 PJs of integrity space to meet demand requirements through the end of March. Union noted that its South and North sales service customers will replace the integrity inventory during the summer to meet the November 1, 2014 inventory target. Therefore, the shortfall managed with Union's integrity inventory is allocated to Union South and North sales service customers in proportion to the total consumption variance.
  - a) Please advise whether the costs associated with the use of integrity space have been allocated to sales service customers as part of the current QRAM application.
  - b) If so, please provide the total cost allocated to sales service customers related to the utilization of integrity inventory. Please explain how the cost was calculated. Please also provide the amount allocated to South sales service customers and North sales service customers.
  - c) If not, please discuss when these costs are expected to be allocated to

sales service customers.

Board staff asks that Union respond to these questions by the end of the day tomorrow in order to give staff sufficient time to ask further questions or provide comments if necessary.

*Original signed by*

Lawrie Gluck  
Case Manager

cc: Chris Ripley, Union Gas Limited  
Crawford Smith, Torys  
Vincent DeRose, BLG  
Ian Mondrow, Gowlings