

September 17, 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-2014-0191: Enbridge Gas Distribution Inc. (EGD) October 1, 2014 QRAM Application.

Industrial Gas Users Association (IGUA) Comments.

We write as legal counsel to IGUA. In this letter we address IGUA's comments on EGD's application, as well as the timing of these comments (being one day late).

IGUA's Position on Proposed Rate Adjustments

IGUA's advisors, Aegent Energy Advisors Inc. (Aegent), have reviewed EGD's Application for quarterly adjustment of rates (QRAM) to be effective October 1, 2014. Based upon Aegent's advice, IGUA is satisfied that EGD has properly followed the QRAM methodology approved by the OEB's EB-2008-0106 Decision.

Based on the evidence filed to date, IGUA takes no objection to the relief claimed by EGD.

IGUA does note that Board Staff and FRPO has asked some questions of EGD, and IGUA will review the answers to these questions when received.

Additional Comment/Timing of Filing of this Comment

As was the case with EGD's last (April, 2014) QRAM application, in the instant application EGD proposes to clear sizeable gas cost variances to its delivery customers, including in this instance a sizeable clearance through the Rider C mechanism of load

balancing costs incurred in March [Ex. Q4-3/T1/S2/p.1/columns 11 and 12, line 6] and not already captured in EGD's April, 2014 QRAM. As these load balancing costs are recovered, in part, from direct purchase customers, we have reviewed these proposed recoveries in particular.

We have considered in particular EGD's short term forward gas planning and acquisition evidence [Ex. Q4-2/T1/S1], and the rate class allocations, and associated unit rates, of the incremental load balancing amounts [Ex.Q4-3/T4/S8/p.16] (as adjusted by a true up for collection of variances in load balancing costs during the historical period from the April, 2014 QRAM [Q4-3/T1/S2/p7]).

Following this review, we are in a position to confirm IGUA's "no objection" position as noted at the outset of this letter. As the writer was engaged in a National Energy Board Proceeding in Calgary late last week and on Monday, and in light of the quantum of costs to be cleared in this proceeding, we took the time to more carefully review this application with Aegent to ensure our understanding of the information provided and the impact of the application on IGUA's constituents. This, and the intervention of a weekend in the 5 calendar day time frame for comment, resulted in a filing that is one day late.

We further note that in its submissions in respect of EGD's April, 2014 QRAM (EB-2014-0050), IGUA requested that, going forward, EGD report extraction revenues (which offset gas purchase costs) by month. IGUA appreciates that EGD has, in the instant filing, provided that information [Ex.Q4-3/T1/S5]. We understand that these monthly extraction volumes are credited against gas purchase costs, and are thus embedded in the figures in column 1 on Ex. Q4-3/T1/S2/p.1.

Costs

Pursuant to the Board's *Practice Direction on Cost Awards*, IGUA is eligible to apply for a cost award as a party primarily representing the direct interests of ratepayers in relation to regulated gas services. IGUA requests that the Board award it costs reasonably incurred in review of EGD's QRAM.

IGUA has, in the past, been consistently awarded modest costs for review of QRAM applications. IGUA respectfully submits that the Board, in making such awards, has recognized some value (commensurate with modest costs) in the independent and informed review of such applications.

IGUA continues to be mindful of the need for efficiency in its regulatory interventions, in particular in respect of relatively non-contentious matters such as is normally the case with QRAM applications. For QRAM reviews, IGUA has retained Aegent, whose professionals are expert in Ontario gas commercial and regulatory matters, including rate matters in particular. Aegent conducts a review of the QRAM application as filed,

and provides a report to IGUA. Provided that Aegent's report does not indicate any concerns with either the application of the QRAM protocols or the rate outcome, IGUA is in a position to advise the Board that it has no cause for objection, as is the case in this instance.

IGUA submits that it has acted responsibly with a view to informing the Board's review and decision on this Application, while maintaining due attention to cost efficiency. On this basis, IGUA is requesting recovery of its costs for participation in this process.

Yours truly,



Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)
Andrew Mandyam (EGD)
Tania Persad (EGD)
Fred Cass (Aird & Berlis LLP)
Daniel Kim (OEB Staff)
Valerie Young (Aegent)
All Interested Parties (EB-2012-0459)

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