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**Commission de l'Énergie
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BY E-MAIL

January 23, 2015

Emma Blanchard
Borden Ladner Gervais LLP
100 Queen St. Suite 1300
Ottawa ON K1P 1J9

Dear Ms. Blanchard:

**Re: Natural Resource Gas Limited
Motion to Review - Decision and Order of October 9, 2014 in EB-2014-0154
CME Letter
Board File No. EB-2014-0375**

The Canadian Manufacturers & Exporters (CME) filed a letter on January 20, 2015 asking that the Ontario Energy Board (the OEB) review, at the same time as it hears NRG's Motion, its Order with respect to the allocation of amounts arising from the application of certain penalty charges to non-compliant direct purchase customers.

CME argues that NRG's Motion requesting that the Board reduce the penalty charges that are applicable to NRG is related to the issue of the appropriate allocation of the penalty amounts recovered by Union. The OEB disagrees.

The OEB finds that the allocation issue raised by CME is outside the scope of the Motion proceeding (EB-2014-0375).

The OEB notes that in its Decision and Order in the Penalty Reduction proceeding (EB-2014-0154), dated October 9, 2014, it stated the following:

The Board will not make any findings regarding the appropriate allocation of the excess amounts arising from the application of the penalty charges in this proceeding. The Board notes that this allocation issue is currently before the Board in Union's 2013 Deferral Account Disposition proceeding (EB-2014-0145).¹

¹ Decision and Order, EB-2014-0154, October 9, 2014 at p. 7.

The OEB made its findings on the allocation issue raised in CME's letter in its Decision and Order, dated October 30, 2014, in Union's 2013 Deferral Account Disposition proceeding (EB-2014-0145).² The OEB notes that NRG's Motion is for a review of Union's Penalty Reduction proceeding (EB-2014-0154) and not Union's 2013 Deferral Account Disposition proceeding (EB-2014-0145).

The OEB notes that CME had options available to it to ask the OEB to review and vary its October 30, 2014 Decision and Order in EB-2014-0145 but CME did not pursue those avenues.

For all of the above reasons, the OEB will not review the allocation issue as part of the Motion proceeding (EB-2014-0375).

Yours truly,

Original signed by

Kirsten Walli
Board Secretary

cc: John Campion, Fasken Martineau
Brian Lippold, Natural Resource Gas Limited
All intervenors in EB-2014-0375

² Decision and Order, EB-2014-0145, October 30, 2014 at pp. 9-10.