

March 16, 2015

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-2015-0027: Enbridge Gas Distribution Inc. (EGD) April 1, 2015 QRAM Application.

Industrial Gas Users Association (IGUA) Comments.

We write as legal counsel to IGUA.

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 April 1, 2015. 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. Aegent has also reviewed the proposed clearance by EGD of its 2013 DSM variance account balances, and its 2012 DSM and other 2013 variance account balances, all as previously approved, and has found these proposed clearances to be in accord with the Board's previous decisions.

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

Additional Comment

IGUA notes that decreases in EGD's delivery rates and gas supply charges resulting from commodity price decreases are offset in part by TransCanada toll increases that increase the transportation component of EGD's rates for system supply and Western T

customers. As was noted in IGUA's additional comments on Union Gas Limited's April 2015 QRAM application, this most recent increase in TransCanada tolls is driven by the inclusion in TCPL tolls of a new abandonment surcharge sanctioned by the National Energy Board, which represents a further increase in TransCanada tolls relative to the increase reflected in EGD's January QRAM to account for the toll increases resulting from the recently approved LDC/TransCanada Settlement Agreement. In respect of Union's rates, this observation was noted in the context of IGUA's 2014 Gas Market Review comments regarding consideration of the continued utility of an Alberta border reference price. In the context of EGD's application, IGUA notes this cost in the context of consideration of future EGD service and supply options.

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 Aagent, whose professionals are expert in Ontario gas commercial and regulatory matters, including rate matters in particular. Aagent conducts a review of the QRAM application as filed, and provides a report to IGUA. Provided that Aagent'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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