

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

April 2, 2015

**RE: TransAlta Corporation, TransAlta Generation Partnership and TransAlta Cogeneration L.P.
("TransAlta") Complaint - Daily Contract Quantity ("DCQ") Obligation Interpretation
Board File No. EB-2014-0363**

Dear Ms. Walli,

We are writing with regard to the TransAlta complaint filed on December 3, 2014 with the Ontario Energy Board (the "OEB") in relation to Union Gas Limited's ("Union") treatment of obligated delivery daily contract quantities of natural gas ("DCQ"), and the related application filed on February 6, 2015, at the instruction of the Board (the "Application"). The preliminary issues outlined in the Application will be heard by the Board on April 7, 2015, and the Board has requested input from certain entities on TransAlta's amended requested relief regarding the resolution of sector-wide DCQ issues.

Veresen, is a member of the Association of Power Producers of Ontario (APPRO), and files this letter of support for TransAlta's amended requested relief with regards to the broader Union Gas DCQ issue. Unfortunately, we are unable to attend the hearing of this matter on April 7, 2015 and hereby request that this letter form part of the Board's consideration.

Background

The Application raises issues relating to Union's discriminatory treatment of TransAlta resulting from obligated DCQ obligations. TransAlta requests that the Board address certain preliminary issues relating to Union's conduct and actions relating to the DCQ, which resulted in significant damages to TransAlta. As a dispatchable generator in Ontario, Veresen is also subject to the same DCQ issues outlined by TransAlta and has experienced related challenges and financial harm. TransAlta has also more recently requested that the Board address the obligated DCQ issue in the event that a consensus based solution is not reached through Union's stakeholder consultation process, which was intended to address large customer challenges and impacts related to obligated DCQ issues. Veresen continues to work cooperatively with the Association of Power Producers of Ontario ("APPRO"), electricity generators, and other electricity sector stakeholders on the sector-wide DCQ issues and is engaged in Union's consultations. However, there is little assurance that these DCQ issues will be resolved prior

to the winter 2015/2016 season.

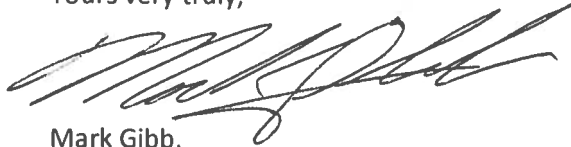
Recent Developments

During the winter of 2015, DCQ obligations again resulted in customer challenges and inefficiencies, and differing, obligated DCQ requirements continue to be a significant and pressing issue for the sector. We understand that APPrO has made several submissions on the broader DCQ policy issue in the context of the NGR proceeding. While the Union consultations are proceeding, there is little assurance that the DCQ issues will be addressed in an acceptable manner for generators going forward.

As noted above, Veresen will continue to work cooperatively in the Union stakeholder consultation to attempt to resolve issues related to DCQ in good faith. However, if the DCQ issue is not adequately addressed in the consultations, Veresen wants to ensure that it is addressed by the Board in a timely manner through another forum.

In summary, Veresen supports TransAlta's filing and amended requested relief.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Mark Gibb', with a stylized, flowing script.

Mark Gibb,
Vice President, HSE and Regulatory Affairs,
Veresen Inc.