

December 22, 2016

VIA RESS AND COURIER

Ms. Kirsten Walli
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Dear Ms. Walli:

Re: EB-2016-0334: Union Gas Limited (Union) January 1, 2017 QRAM Application.
Industrial Gas Users Association (IGUA) (Further) Supplementary Comments.

In our December 14th letter of comment on Union's January, 2017 QRAM application we included the following comment [emphasis added]:

Board Staff has asked Union for some additional Dawn pricing information, which we believe will be helpful in providing context for the rate increases applied for in the instant application. Any additional clarification that Union could provide to highlight, and isolate, the net customer impact of the shift to Dawn (as distinct from general price increases) would be helpful.

Union responded to Board Staff's questions on December 16th.

In our December 19th letter of supplementary comment, we indicated our view that Union's responses to Board Staff's questions did not include any additional clarification of net customer impact of the shift to Dawn, *per se*. Our letter indicated that we were seeking, presented in a clear and consolidated fashion, an indication of the net customer impact of the shift from an Empress to a Dawn reference price, net of underlying commodity price increases, for the Union North East Zone and Union South.

We have had subsequent exchanges directly with Union regarding its presentation of the impacts of the changes to a Dawn reference price, in particular as those impacts have been presented on Table 3 of Union's pre-filed material (Tab 2, page 11). We appreciate

Union's attempts to assist our understanding, and wish to reiterate that IGUA continues to endorse approval of Union's January 2017 QRAM application as filed.

Our objective in requesting additional information was to establish a record in the current proceeding which validates our assumption that the increase in commodity costs reflected in a Dawn reference price relative to an Empress reference price are essentially offset by reduced transmission costs for Dawn gas relative to Empress gas. In addition to these gas pricing considerations, however, we understand that the presentation on Union's Table 3 includes the impacts of a reorganization of customers into Union's new Northwest and Northeast zones in order to implement the underlying shift to Dawn supply.

Having further considered this presentation, and the various components of the change manifested in the instant QRAM application, we do not see any value in requesting further disaggregation of impacts at this time.

Yours truly,



Ian A. Mondrow

cc. Dr. Shahrzad Rahbar (IGUA)
Valerie Young (Aegent)
Vanessa Innis (Union)
Crawford Smith (Torys)
Intervenors of Record (EB-2016-0245)

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