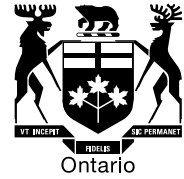


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**BY EMAIL**

March 15, 2017

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

Dear Ms. Walli:

**Re: Union Gas Limited (Union)  
April 1, 2017 QRAM Application  
Board File No. EB-2017-0089**

I am writing on behalf of OEB staff in regard to the above noted QRAM matter.

OEB staff has the following questions:

- 1. Ref: Tab 2, Schedule 4, Pages 1/ Tab 2, Schedule 5, Page 2  
EB-2016-0334, Tab 2, Schedule 5, Pages 2-4**

The annual rate impact for northern customers (North East and North West) in Union's franchise area ranged from approximately \$66 to \$162 in the previous QRAM (EB-2016-0034) for rates effective January 1, 2017. In the current QRAM, the annual rate impact is between \$40 and \$50 for northern customers. In other words, Union North customers will experience successive rate increases with a cumulative annual impact ranging from approximately \$100 to \$200.

- Has Union considered any rate mitigation measures for its northern customers considering the successive rate increases?
- If the OEB required some kind of rate mitigation measure, are there any measures that Union can propose to achieve this objective?

- c) If Union were to delay recovering the balances in the North PGVA (\$4.7 million), North West PGVA (\$188,000) and North East PGVA (\$4.6 million) to a subsequent QRAM, what would be the rate impact for northern customers? Please provide updated rate impacts and work sheets including variance account balances.
- d) Does Union agree with the above approach as a rate mitigation measure for northern customers? If no, why not?

*Original signed by*

Khalil Viraney  
Case Manager

cc: Vanessa Innis, Union Gas Limited  
Crawford Smith, Torys  
Vincent DeRose, BLG  
Ian Mondrow, Gowlings