

June 14, 2017

VIA RESS AND COURIER

Ms. Kirsten Walli
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Dear Ms. Walli:

Re: EB-2017-0185: Union Gas Limited (Union) July 1, 2017 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 Union's Application for quarterly adjustment of rates (QRAM) to be effective July 1, 2017. Based upon Aegent's advice, IGUA is satisfied that Union has properly followed the QRAM methodology for quarterly rate adjustments approved by the OEB's EB-2008-0106 Decision.

IGUA has no objection to approval of Union's application as filed.

Aegent has specifically considered Union's proposal [Tab 2, p. 4, line 14 through p. 6, Table 1] to transfer deferral account recovery variances from the Union North PGVA and Union North Tolls & Fuel deferral accounts associated with Union North Zone prior to adoption of the Dawn Reference Price Settlement Proposal (EB-2015-0181). Union proposes to transfer the variance in recovery of the deferrals held in these "old" Union North gas cost deferral accounts to the new Union North deferral accounts listed in Union's pre-filed evidence herein, in this and each of the next 3 QRAMs. This approach would allow Union to close the "old" Union North gas cost deferral accounts at the end of June, 2018. IGUA considers this proposal to rationalize existing gas cost deferral accounts to be reasonable.

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 Union'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

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