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Our File # 339583-000019

By electronic filing

June 14, 2017

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms. Walli

**Re: Union Gas Limited ("Union")
July 1, 2017 QRAM Application
Board File #: EB-2017-0185**

We are writing on behalf of Canadian Manufacturers & Exporters ("CME"). Please consider this correspondence as CME's written comments on Union's QRAM Application, which seeks changes to Union's rates for the sale, distribution, storage and transmission of natural gas effective July 1, 2017.

As the Board is aware, it is CME's practice to conduct a due diligence review of Union's QRAM Applications. CME wishes to better understand the rationale for transferring the current balance from the existing Union North PGVA and Union North Tolls and Fuel accounts to the new Union North deferral accounts.

- 1) At Tab 2, page 5 of 8, Union states that "Union continues to track and record the recovery variance associated with these deferral accounts (for activity up to and including December 31, 2016) to account for the difference between what was actually recovered in previous rate riders and what Union forecast to recover." CME would like to know what Union is still tracking. Is Union still tracking transactions that occurred in December, or are their still variances occurring today that impact the 2016 time periods?
- 2) Could Union please provide a more fulsome explanation as to why these amounts are not being cleared from the original accounts in accordance with the previous Board approved cost allocation for those accounts?
- 3) Could Union please provide a summary which shows the customer classes that the balance would be allocated to in the Union North PGVA, the Union North Tolls and Fuel Account, as well as the customer classes that it would be allocated to in the new Union North deferral accounts?

We request an opportunity to provide further comments, if required, once Union has provided answers to these questions. CME also requests an award of its reasonably incurred costs in connection with conducting its examination of Union's QRAM Application.

Yours very truly

Borden Ladner Gervais LLP



Scott Pollock

c. Vanessa Innis (Union)
Crawford Smith (Torys)
All Interested Parties EB-2016-0245
Paul Clipsham and Ian Shaw (CME)

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