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By Email

June 8, 2007

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

Dear Ms Walli

Union Gas Limited – July 1, 2007 QRAM

Board File No.: EB-2007-0634

Our File No.: 302701-000400

I am writing on behalf of the Industrial Gas Users Association (“IGUA”). We have completed our due diligence review of Union’s QRAM Application and its supporting materials. We have also spoken with Mr. Chris Ripley and Mr. Harold Pankrac of Union to confirm the correctness of our understanding of the impacts of the relief requested in the Application on industrial gas users. As a result of our review and our conversation with Mr. Ripley and Mr. Pankrac, I confirm that IGUA has no objections to the QRAM relief sought by Union.

As an eligible intervenor, IGUA requests that the Board award it its reasonably incurred costs in conducting this due diligence examination of Union’s QRAM Application. On behalf of IGUA, our practice is to conduct a due diligence examination of the materials, as well as their rate impacts on industrial gas users. We then generally contact utility representatives to make sure that we correctly understand the impacts of the Application. If there is nothing of concern to industrial gas users, then we normally inform the Board that IGUA has no objections to the QRAM relief being requested. This is exactly what has occurred in this Application.

As the Board is aware, IGUA’s due diligence examination has historically led to the discovery of irregularities. For instance, this past year our due diligence examination and questions led Enbridge Gas Distribution Inc. (“EGD”) to recognize that there were material errors in its Application which were producing a QRAM load balancing delivery revenue requirement which was excessive by an amount of more than \$100 million. As a result, EGD withdrew that particular QRAM Application and filed a corrected Application.

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IGUA respectively submits that the Board may derive some comfort from the fact that the QRAM Application has been subject to review and examination by IGUA. The fact that this QRAM Application has been subject to IGUA's due diligence examination contributes to the Board's ability to decide the matters.

For these reasons, IGUA requests an award of its reasonably incurred costs in connection with conducting its due diligence examination of Union's QRAM Application for relief effective July 1, 2007. We will submit a claim for costs on behalf of IGUA if the Board responds favourably to this request.

Yours very truly

Vincent DeRose
VJD/kt

- c. Chris Ripley (Union Gas Limited)
- Michael Penny (Torys)
- EB-2005-0520 Intervenors
- Murray Newton (Industrial Gas Users Association)

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