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July 23, 2008

Kirsten Walli, Board Secretary  
**ONTARIO ENERGY BOARD**  
2300 Yonge Street, 27th Floor  
Toronto, ON M4P 1E5

Dear Ms. Walli:

**Re: EB-2008-0106: Commodity Pricing, Load Balancing and Cost Allocation  
Methodologies for Natural Gas Distributors in Relation to Regulated Gas Supply.**

**IGUA Submissions On Draft Issues List.**

We write as legal counsel to IGUA to provide IGUA's comments on the Draft Issues List circulated by the Board as Appendix B to Procedural Order No. 1, herein.

Draft issue 2.1 provides as follows:

*Is a quarterly price adjustment based on a 12-month price forecast appropriate for the regulated gas supply option?*

IGUA understands this issue to have two related, but distinct, aspects: 1) The frequency of the price adjustment (i.e. quarterly or on some other frequency); and 2) the length of the price forecast used to establish the regulated gas supply price (i.e. 12-months forward or some other forecast length). IGUA has an interest in this issue, insofar as changes to the current adjustment frequency and forecast length could have implications for the degree of price transparency achieved through the QRAM process as well as the magnitude of individual regulated gas supply and related price changes.

IGUA suggests that it may be useful to clarify the two separate aspects of the proposed issue by expressing them as distinct in the final issues list, as follows:

- 2.1(a) Is a quarterly price adjustment appropriate for the regulated gas supply option?
- 2.1(b) Is a 12-month price forecast appropriate for determining the regulated gas supply price?

We also wish to confirm our earlier advice to Board Staff that IGUA intends to participate in the July 31, 2008 hearing to consider submissions on the draft issues list.

Your truly,  
**MACLEOD DIXON LLP**



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