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Please Reply to the TORONTO OFFICE

BY EMAIL

July 24, 2008
Our File No. 2080000

Ontario Energy Board
2300 Yonge Street
27th Floor
Toronto, Ontario
M4P 1E4

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: EB-2008-0106 – Natural Gas Issues Consultation

We are writing this letter on behalf of the School Energy Coalition to provide comments on the Issues List in this matter.

Our comments are as follows:

2. We agree with the very useful submissions provided by Mr. Aiken on behalf of LPMA & BOMA.
3. While we probably disagree with LPMA and BOMA on some of the issues they have proposed to add, we agree that they should be issues addressed in this proceeding.
4. We assume that this issue will encompass the basic question of whether only actual information should be used, or forecast actuals should also be included.

We also assume that these issues will encompass the question of whether cost re-allocation should take place at the time of each adjustment, or whether it should happen less frequently.

It may be useful to include as an express issue the question of compliance with s. 78 of the Act, even though it may be assumed to be implicit in the issues proposed.

We agree with LPMA and BOMA that the addition of their proposed issues 4.5 and 4.6 would be useful.

GREAT LAKES
LAW



5. If changes arising out of QRAM affect only system gas customers because they are limited to the commodity price only, the QRAM is a fundamentally different process than if changes affect all customers. We believe this issue should be clarified to make sure it deals with the issue of whether any QRAM changes that affect direct purchase customers are appropriate. In addition, assuming that issue is included, further sub-issues relating to the best alternative methodology and process to reflect non-commodity impacts of changes in gas costs (ie. outside of the QRAM process) should be added, including questions relating to budgeting and assumption of risk, risk management, and timing, and of course the implications of IRM.

6. It would be useful if the Board would clarify whether the scope of this issue encompasses the question of postage-stamp commodity prices in Ontario (as we have with the RPP in electricity), or it is limited to common “mechanisms” that will typically produce prices differentiated by geography.

7. This issue should start with the basic question of whether there should be standard filing requirements at all. We would also like to ensure that this issue includes the question of whether joint QRAM preparation (in whole or in part) would be useful for the companies, the Board, and/or the stakeholders.

8. We adopt the submissions of LPMA/BOMA.

9. We believe this issue should be substantially expanded. First, it should include all cost allocation between distribution costs, load balancing costs, and the commodity. Second, the issue should be added “Under what circumstances should utilities be permitted to change cost allocation principles, percentages, or amounts as between distribution costs, load balancing, and commodity?”

All of which is respectfully submitted.

Yours very truly,

SHIBLEY RIGHTON LLP

A handwritten signature in blue ink, appearing to read 'Jay Shepherd', is written over a light blue rectangular background.

Jay Shepherd

cc: Bob Williams, SEC (email)
Gail Anderson, SEC (email)
Interested Parties (email)