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By E-mail

June 8, 2007

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

EB-2007-0613

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File No:	Sub File: 8
Panel	KQ, PV
Licensing	VC
Other	
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Dear Ms Walli

Union Gas Limited
Dawn to Dawn-Vector Application
Board File No.: EB-2007-0613
Our File No.: 302701-000418

This letter contains IGUA's submissions with respect to the above-noted matter.

IGUA has reviewed the evidence filed by Union Gas Limited ("Union"), including its responses to IGUA's interrogatories, and Union's letter of June 4, 2007, containing its Argument-in-Chief.

On the basis of Union's evidence, that:

- (a) the proposed Firm Transportation service will recover all of the costs to provide the service, including return, over the 20 year duration of the contract with the Greenfield Energy Centre LP ("GEC"); and
- (b) the proposed Firm Transportation service will have no adverse impacts on any other rate classes,

IGUA does not object to the issuance of an Order granting Union the relief it seeks in its Application.

IGUA requests that it be awarded its reasonably incurred costs of conducting a due diligence examination of this Application, including the preparation and submission of interrogatories to Union and this letter in response to Union's letter of June 4, 2007. Our rationale for requesting a Cost Award for conducting what amounts to a due diligence examination of Union's Application and providing a report thereon to the Board is

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contained in submissions we made in Union's QRAM Application effective April 1, 2007, by letter dated March 7, 2007, a copy of which is attached to this letter.

Please contact me if the Board has any questions.

Yours very truly

Peter C.P. Thompson, Q.C.

PCT\slc
enclosure

c. Interested Parties EB-2007-0163
Murray Newton (Industrial Gas Users Association)
Vince DeRose (Borden Ladner Gervais LLP)

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BORDEN
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By Email

March 7, 2007

Kirsten Walli
Board Secretary
Ontario Energy Board
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Toronto, ON M4P 1E4

Dear Ms Walli

Union Gas Limited QRAM Rate Application of April 1, 2007

Board File No.: EB-2007-0053

Our File No.: 302701-000400

As solicitors for 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. Pankrac, Mr. Kitchen and Ms Ancheta 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 this "due diligence" examination, we confirm that IGUA has no objections to the QRAM relief being sought by Union.

As an eligible intervenor, IGUA requests that the Board award it its reasonably incurred costs of conducting this due diligence examination of Union's QRAM Application. In this connection, we note the statement contained in the Board's Notice of Written Hearing and Procedural Order No. 1 dated February 28, 2007, as follows:

"Given the mechanistic nature of this matter, the Board does not anticipate awarding costs."

For the following reasons, we respectfully urge the Board to re-consider its plan to refrain from awarding costs to eligible intervenors with respect to QRAM Applications.

We readily concede that QRAM Applications are generally routine matters. However, this is not always the case. The Application materials need to be scrutinized and the rate impacts checked.

On behalf of IGUA, our practice is to conduct due diligence examination of the materials, and their rate impacts on industrial gas users. We then generally contact utility representatives to make sure that we correctly understand the rate impacts on industrial gas users. If there is nothing of concern to industrial gas users in the Application, then we normally inform the Board that IGUA has no objections to the QRAM relief being requested. We understand that other intervenors such as VECC perform similar "due diligence" examinations of QRAM applications.

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The Cost Awards which have traditionally resulted from this due diligence process are modest and usually less than \$1,000.00, including disbursements.

On occasion, these due diligence examinations lead to the discovery of irregularities. In a recent Enbridge Gas Distribution Inc. ("EGD") case, our due diligence examination and questions arising from it led EGD to recognize that there were material errors in the application which were producing a QRAM load balancing delivery revenue requirement which was excessive by an amount of more than \$100M. As a result, EGD withdrew that particular QRAM application and filed a corrected application.

We respectfully suggest that, when the Board considers and decides QRAM applications submitted by Union and EGD, it should derive some comfort from the fact that QRAM applications have been subject to due diligence reviews by ratepayer representatives. We respectfully submit that, in this way, the participation of eligible intervenors in the QRAM process does contribute to the Board's ability to decide the matters.

The ability of intervenors representing ratepayer interests, who are eligible for and dependent upon Cost Awards, to provide the Board with the comfort of these due diligence examinations will be compromised if the Board eliminates the heretofore traditional practice of awarding costs in connection with these due diligence reviews.

For these reasons, IGUA requests that the Board re-consider its plan to refrain from allowing Cost Awards in connection with the QRAM applications submitted by Union and EGD. IGUA respectfully requests an award of its reasonably incurred costs in connection with conducting its due diligence examination of Union's QRAM Application for relief effective April 1, 2007. We will submit a claim for costs on behalf of IGUA if the Board responds favourably to this request.

Yours very truly

Peter C.P. Thompson, Q.C.

PCT\slc

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