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SENT VIA E-FILING

Toronto, September 8, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
Suite 2700
PO Box 2319
Toronto, ON, M4P 1E4

Dear Ms. Walli:

**RE: Guidelines for the Pre-Approval of Long-Term Gas Supply and/or Upstream
Transportation Contracts ("LTC Guidelines")
OEB File No.: EB-2008-0280**

We are counsel to Natural Resource Gas Limited ("NRG").

Further to the Board's letter dated August 22, 2008 in respect of the above-noted proceeding, please direct all correspondence and submissions in respect of the proceeding to the writer at:

Mr. John Beauchamp
Ogilvy Renault LLP
3800 – 200 Bay Street
P.O. Box 84
Toronto, ON, M5J 2Z4

On page 3 of the letter, the Board indicates that intervenor costs associated with this process will be recovered from the three Regulated Distributors (as that term is defined in the Board's letter of August 22, 2008). NRG would like to raise one issue on this point. As the Board is aware, NRG enters into long-term gas supply contracts for its system gas customers. However, NRG does not enter into long-term upstream transportation contracts on behalf of its system gas customers; instead, NRG (because it is embedded in Union's service area) is like any other Union customer when it comes to Union's long-term transportation arrangements (i.e., NRG is assigned a vertical slice of Union's portfolio). We believe that this should be taken into account

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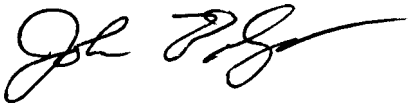
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in the Board's ultimate determination as to cost responsibility among the Regulated Distributors. For example, if there were consultation or proceeding time devoted to consideration of guidelines for long-term transportation contracting, NRG's position would be that it not be responsible for intervenor costs for those periods. If, on the other hand, the proceeding unfolded on the basis of discussions, evidence, etc. on a generic basis (i.e., same guidelines for both commodity and transportation contracting), then NRG's position would be that NRG should only bear its share of intervenor costs associated with half the proceeding.

Should you have any questions, please contact me.

Yours very truly,

A handwritten signature in black ink, appearing to read 'JMB', followed by a long, sweeping horizontal line.

John M. Beauchamp

JMB/mej

c.c. M. Bristoll, (NRG), via email