

Aiken & Associates

578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6

Phone: (519) 351-8624
Fax: (519) 351-4331
E-mail: raiken@xcelco.on.ca

January 11, 2010

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

Dear Ms. Walli:

Re: EB-2009-0162 – Notice of Revised Proposal to Amend a Rule – Revised Proposed Amendments to the Natural Gas Reporting and Record Keeping Requirements (RRR) Rule for Gas Utilities - Comments of the London Property Management Association

This letter is in response to the Board's December 18, 2009 letter related to the Notice of Revised Proposed Amendment to a Rule – Revised Proposed Amendments to the Natural Gas Reporting and Record Keeping Requirements (RRR) Rule for Gas Utilities and provides the comments of the London Property Management Association ("LPMA") on the revised proposed changes contained in the Board's letter. Three paper copies have been provided to the Board and an electronic version has been filed through the Board's web portal at www.err.ueb.gov.on.ca.

Comments

LPMA has reviewed the revised proposed amendments and provides the following comments on the sections noted.

1. Retail Market Information

LPMA has reviewed the revised proposed changes related to retail market information and accepts that it is appropriate to aggregate the information for all marketers, rather than to provide information by marketer. LPMA also agrees that it is not necessary for

gas distributors to report the total number of new customer enrolments on a quarterly basis.

However, LPMA agrees with the October 19, 2009 submission of the School Energy Coalition that the provision of information contemplated in Section 2.1.3 would be more useful if it were disaggregated by rate class rather than between low and high volume customers. Ideally it may be more useful to have the information disaggregated by market into residential, commercial, institutional, industrial and wholesale classes. However, it is not likely that reliable information at this level of detail is available. Provision of the data by rate class is the next best level of detail available and should be available from all utilities. This information would be valuable in evaluating the impact of the retail market in different end use markets.

2. Information on Quantities of Gas Purchased, Sold and Lost

LPMA agrees with the changes proposed for Section 2.1.14 as they provide more clarity. However, LPMA believes that additional clarity is required for this section. A review of the submissions from Union Gas (dated October 20, 2009) and from Enbridge Gas Distribution (dated October 19, 2009) indicate that there appears to be some confusion as to what is being requested in parts (a), (f) and (g) of Section 2.1.14.

With respect to part (a), which is related to the quantity of gas purchased by the utility for sales service customers in the quarter and year to date, EGD indicated that it cannot specifically identify gas purchased for sales service customers only. As an example EGD indicated that discretionary/peaking supplies are purchased on behalf of all customers for load balancing purposes. On the other hand, Union made no comments on part (a), although it would be assumed that Union may also purchase discretionary/peaking supplies for load balancing purposes.

LPMA submits that the Board may want to clarify with Union and EGD to ensure that both utilities report based on the same understanding. If there is an issue related to the load balancing related supplies, the Board may want to add a separate reporting requirement for these load balancing related gas purchases.

With respect to parts (f) and (g), which are related to the change in the level of inventory held for the account of sales service customers and to the change in the level of inventory held for the account of direct purchase customers, respectively, EGD indicated that it could only provide estimates allocations of amounts of inventory change for sales service and direct purchase customers. Union, on the other hand, provides a specific definition for both the change in the level of inventory held for the account of sales service customers and the change in the level of inventory held for the account of direct purchase customers. Union defines the change in the level of inventory for sales service customers as the difference between the quantity of gas purchased by the utility for the sale service customers and the quantity of gas consumed by those customers. A similar definition is applicable to the change in inventory related to direct purchase customers. In both cases, the information required to do these calculations is provided in other parts of Section 2.1.14.

LPMA submits that if the Union understanding is correct, then this could be shown mathematically in parts (f) and (g) as the difference between parts (a) and (c) for sales service customers and as the difference between parts (b) and (d) for direct purchase customers. If the Union understanding is not correct, then LPMA submits that further clarity is required in both parts (f) and (g).

3. Mapping and Reconciliation of the Uniform System of Account Balances

LPMA supports the Board's proposed amendments related to the mapping and reconciliation of the Uniform System of Account Balances. This would result in alignment with the requirements that apply to electricity utilities.

LPMA also supports the Board's proposal that this information not be treated as confidential. Again this is consistent with that proposed for electricity utilities. LPMA notes that Union did not have any objections to this proposal in their October 20, 2009 submission.

EGD, however, opposed the proposal in their October 19, 2009 submission. In particular EGD did not believe it was necessary to place a detailed trial balance in addition to the

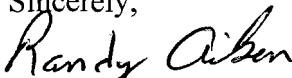
audited financial statements on the public record. EGD did recognize that providing detailed trial balances to the Board and Board Staff was a reasonable requirement given their level of knowledge and expertise with the OEB's Uniform System of Accounts requirements. However, EGD expressed concern that the publishing of detailed trial balance would potentially lead to unnecessary misinterpretation and confusion by less knowledgeable readers.

LPMA submits that EGD's concern is without merit. It is submitted that representatives of intervenors, like the Board and Board Staff, have a sufficient level of knowledge and expertise with the OEB's Uniform System of Accounts to mitigate any concern EGD may have with these parties having access to this information. Any other party that may not be familiar with the Uniform System of Accounts but takes the time and effort to review the detailed trial balance could reasonably be expected to review the underlying Uniform System of Accounts, which is also available on the Board's website.

4. Coming Into Force

The Board now proposes that the Revised Proposed Amendments to the RRR-Gas for Utilities come into force on May 1, 2010 and be applicable for all filings on or after May 1, 2010. In effect, this would result in the proposed amendments being applicable to the first quarter of 2010, which is the first quarter in the fiscal years of both Union and EGD. LPMA supports this timeframe as being appropriate.

Sincerely,



Randy Aiken

Aiken & Associates