

September 18, 2017

**VIA RESS AND COURIER**

Ms. Kirsten Walli  
**ONTARIO ENERGY BOARD**  
P.O. Box 2319, 27<sup>th</sup> Floor  
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Dear Ms. Walli:

**Re: EB-2017-0278: Union Gas Limited (Union) October 1, 2017 QRAM Application.**

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**Industrial Gas Users Association (IGUA) Comments.**

We write as legal counsel to IGUA.

### **IGUA's Position on Proposed Rate Adjustments**

IGUA's advisors, Aegent Energy Advisors Inc. (Aegent), have reviewed Union's Application for quarterly adjustment of rates (QRAM) to be effective October 1, 2017. Based upon Aegent's advice, IGUA is satisfied that Union has properly followed the QRAM methodology for quarterly rate adjustments approved by the OEB's EB-2008-0106 Decision.

IGUA has no objection to approval of Union's application as filed.

We note that, consistent with the last QRAM, Union has transferred the latest QRAM recovery variances (covering the period April – June, 2017) for its previous North PGVA and North Tolls & Fuel variance accounts to the new deferral accounts aligned with the new North West and North East zones. Union proposes to continue this transfer for the next 3 QRAMS and then it will be able to close the old accounts. In the current filing, the total amount being proposed for transfer is a debit of \$83,000 (for recovery from system supply customers), and a small credit being transferred to the north East Tolls & Fuel account. IGUA has previously commented that Union's proposal for addressing these recovery variances was reasonable, and continues to so observe.

We have also noted OEB Staff's interrogatory for Union regarding a negative figure in the April – September, 2018 system supply purchases for the North West zone. We understand that this was an error on Union's part, though with very minimal impact which is limited to system supply customers. We understand that Union will address this in response to Board Staff's question, and IGUA has no further comment on this issue.

## Costs

Pursuant to the Board's *Practice Direction on Cost Awards*, IGUA is eligible to apply for a cost award as a party primarily representing the direct interests of ratepayers in relation to regulated gas services. IGUA requests that the Board award it costs reasonably incurred in review of Union's QRAM.

IGUA has, in the past, been consistently awarded modest costs for review of QRAM applications. IGUA respectfully submits that the Board, in making such awards, has recognized some value (commensurate with modest costs) in the independent and informed review of such applications.

IGUA continues to be mindful of the need for efficiency in its regulatory interventions, in particular in respect of relatively non-contentious matters such as is normally the case with QRAM applications. For QRAM reviews, IGUA has retained Aegent, whose professionals are expert in Ontario gas commercial and regulatory matters, including rate matters in particular. Aegent conducts a review of the QRAM application as filed, and provides a report to IGUA. Provided that Aegent's report does not indicate any concerns with either the application of the QRAM protocols or the rate outcome, IGUA is in a position to advise the Board that it has no cause for objection, as is the case in this instance.

IGUA submits that it has acted responsibly with a view to informing the Board's review and decision on this Application, while maintaining due attention to cost efficiency. On this basis, IGUA is requesting recovery of its costs for participation in this process.

Yours truly,



Ian A. Mondrow

- c. Dr. Shahrzad Rahbar (IGUA)
- Vanessa Innis (Union)
- Crawford Smith (Torys)
- Valerie Young (Aegent)
- Intervenors of Record (EB-2016-0245)

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