



By E-mail

August 29, 2006

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Dear Ms Walli

**Natural Gas Electricity Interface Issues and Determination to Refrain from Regulating Rates Charges for the Storage of Gas (“NGEIR”)**

**Board File No.: EB-2005-0551**  
**Our File No.: 302701-000387**

At page 93 of Volume 15 of the Transcript dated August 28, 2006, I reserved my rights to discuss the recommendations made by counsel for the Board Hearing Team (“BHT”) during her Argument.

Mr. Fournier, the President of IGUA, has reviewed the proposals and has instructed me to advise the Board that IGUA strongly opposes the BHT deferral account recommendations.

If approved, the BHT deferral account recommendations will relieve Union and EGD from accounting to ratepayers for utility revenues realized from the provision of storage-related Transactional Services (“TS”). In addition, they will relieve Union from accounting to its ratepayers for the revenues in excess of allocated costs realized from the sale of storage services to ex-franchise customers.

These recommendations are completely unjustified for the many reasons outlined in the Argument made on behalf of IGUA and AMPCO on August 28 and August 29, 2006. If implemented, they will result in very significant rate increases for distribution customers served by Union and EGD. These rate increases will be in an amount of about \$50 M per annum.

Counsel for the BHT provided little, if any, explanation as to why the BHT would make such recommendations which are clearly contrary to the interests of gas consumers in Ontario. In fact, counsel for the BHT provided no assessment of the impact of these recommendations on Ontario gas consumers during the course of her Argument.

It is of great concern to IGUA that the BHT would see fit to make such recommendations without any prior consultation with, or advance disclosure of the proposals to all parties in these proceedings. We submit that the BHT should be required to make advance

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disclosure of recommendations which will have a materially adverse impact on gas consumers before the evidentiary portion of a hearing has been completed so that, if necessary, they can be tested during the evidentiary phase of the process.

Please file this letter in the NGEIR proceedings as a supplement to the Oral Argument made on behalf of IGUA and AMPCO.

Yours very truly

Peter C.P. Thompson, Q.C.

PCT\slc

c. EB-2005-0551 Intervenors  
Peter Fournier (Industrial Gas Users Association)

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