

**THE INDUSTRIAL GAS USERS ASSOCIATION  
("IGUA")**

Undertaking No. 1

To provide information relating to whether members contract for transportation service with Union with obligated DCQ requirement / whether members ask to be released from DCQ obligation. (Transcript 107)

Response

IGUA members contracted to Union have an obligation to deliver their Daily Contract Quantity ("DCQ") to Receipt Point(s) specified in the contracts. From time to time, an IGUA member may ask Union to temporarily release it from its DCQ obligation. If Union grants the request, then it does so on condition that it can, on short notice, terminate the release and re-instate the DCQ obligation. Accordingly, any releases of the DCQ obligation which Union grants are temporary.

IGUA members, which find themselves in an imbalance situation and holding gas which they can neither use nor store, may attempt to restore the required balance by selling such gas into the market.

Undertaking No. 2

To provide IGUA's concerns, if any, with EGD's new unbundled rate proposals, including Rates 125 and 316. (Transcript pages 96 and 110).

Response

IGUA is still examining whether the components of EGD's proposed rates, compared to the components of its existing rates, are likely to have any adverse impacts on large volume industrial gas users. Normally, IGUA has an opportunity to meet informally with EGD to discuss customer-specific comparisons of existing rates to proposed rates. Because of the heavy regulatory agenda in which both EGD and IGUA are involved, such a meeting has yet to take place. At the moment, IGUA's concerns can only be articulated at a conceptual level. The conceptual concerns IGUA has with EGD's new rate proposals are described at pages 17 through 21 of the evidence filed on behalf of IGUA & AMPCO.

Undertaking No. 3

To provide an explanation of the statement at page 11, paragraph 26 of the IGUA & AMPCO Evidence which reads as follows:

“Contractual provisions between the utilities and gas-fired generators should be structured to insulate existing customers from any adverse impacts.”

Response

Contractual terms between the utilities and the power generators could have an adverse impact on existing customers. For example, contractual terms which allowed a power generator to draft the system to an extent that required EGD to curtail interruptible customers, or required EGD to take other mitigation actions which result in increased costs being allocated to other customers classes might not be foreclosed by the terms and conditions of the contracts between EGD and its power generator customers. What IGUA & AMPCO are intending to convey in the sentence quoted is that care needs to be taken by EGD in the drafting and negotiation of the terms of its contracts with the power generators in order to avoid any adverse impacts on other utility customers.