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BY E-MAIL AND WEB POSTING

July 29, 2008

To: All Participants in EB-2008-0052

**Re: Staff Discussion Paper on a Storage and Transportation Access Rule
Board File No.: EB-2008-0052**

The purpose of this letter is to notify participants of the release of Board staff's discussion paper on a storage and transportation access rule ("STAR"), which has been posted on the Board's website at www.oeb.gov.on.ca.

Background

In the Ontario Energy Board's ("the OEB" or "Board") Decision with Reasons, Natural Gas Electricity Interface Review EB-2005-0551 ("NGEIR"), the Board stated that it was necessary to ensure consumer protection within the competitive storage market and to ensure non-discriminatory access to transportation services for storage operators and customers. The Board concluded that it would initiate a process to develop rules of conduct and reporting related to storage and noted that there was merit to the development of STAR.

Further to the NGEIR decision, the Board in a letter dated March 5, 2008, stated that STAR would address the following:

- operating requirements to ensure that Union and Enbridge cannot discriminate in favour of their own storage operations or those of their affiliates and cannot discriminate to the detriment of third-party storage providers;
- reporting requirements for all storage providers, although the requirements may vary as between utility and non-utility storage providers, and which may include: terms and conditions, system operating data, and customer information; and
- a complaint mechanism for customers (or other market participants).

Discussion Paper

This discussion paper sets out staff's initial views on STAR. This rule would apply to Union Gas Limited, Enbridge Gas Distribution Inc. and other storage providers including Market Hub Partners Canada L.P. and Tipperary Gas Corporation.

In developing the options set out in this paper staff was informed by:

- The Board's NGEIR decision that was released on November 7, 2006;
- The views of stakeholders expressed in consultations with staff; and
- Concentric Energy Advisors, Inc. ("CEA"), staff's technical expert. CEA conducted research regarding the rules of conduct and reporting related to storage implemented in other jurisdictions.

Staff is inviting written comments from parties on the STAR options set out in the discussion paper. In your comments, staff would benefit from understanding your preferred options and the associated rationale.

All written comments will be posted on the Board's website.

Upon the receipt of stakeholder comments, the first phase of the STAR process will be completed. In the second phase, the Board will initiate a process to make STAR into a Rule as per section 44(1) of the *Ontario Energy Board Act, 1988*. At that time, a Notice of Proposed Rule will be issued and all interested parties will have an opportunity to comment on the proposal.

Timelines

Written comments on staff's discussion paper must be filed with the Board by September 9, 2008.

Filings to the Board must quote file number **EB-2008-0052** and include your name, postal address, telephone number and, where available, an e-mail address and fax number. Three paper copies of your filing must be provided. The Board requests that parties make every effort to provide electronic copies of their filings in searchable/unrestricted Adobe Acrobat (PDF) format, and to submit their filing through the Board's web portal at www.errr.oeb.gov.on.ca. A user ID is required to submit documents through the Board's web portal. If you do not have a user ID, please visit

the “e-filings services” webpage on the Board’s website at www.oeb.gov.on.ca, and fill out a user ID password request. Additionally, parties are requested to follow the document naming conventions and document submission standards outlined in the document entitled “RESS Document Preparation – A Quick Guide” also found on the e-filing services webpage. If the Board’s web portal is not available, electronic copies of the comments may be submitted by e-mail at BoardSec@oeb.gov.on.ca.

Written comments must be received by **4:45 p.m.** on the required date.

Cost Awards

As indicated in the Board’s letter dated March 5, 2008, costs awards will be available for written comments on staff’s discussion paper, up to a maximum of 20 hours per eligible party.

For any questions regarding STAR please contact Laurie Klein at laurie.klein@oeb.gov.on.ca or (416) 440-7661. The Board’s toll free number is 1-888-632-6273.

Yours truly,

Original signed by

Kirsten Walli
Board Secretary