

February 9, 2009

Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Re: EB-2008-0220 Draft Rate Order for 2009 Rates

Dear Ms. Walli:

On February 5, 2009 Union submitted a draft Rate Order for its 2009 rate application (EB-2008-0220) which included a \$1.3 million reduction to rates per the Board's EB-2008-0304 Decision.

On February 6, 2009 the Board issued its Decision and Order in EB-2009-0022 modifying the third condition from its EB-2008-0304 Decision to read:

“Union's rates will be reduced effective January 1, 2009 to reflect the cost reduction of \$1.3 M resulting from this reorganization. In the event the preference shares are not redeemed by January 1, 2009 the rate reduction will be deferred until such time as the preferred shares are redeemed and the rate reduction will be in an amount to be determined at that time to reflect the cost savings resulting from the replacement of the preference shares by debt. Union will give the Board and the intervenors 60 days' notice of any proposed redemption of preference shares.”

The preferred shares referenced in the Board's Decision were not redeemed on January 1, 2009 therefore there is no resulting cost reduction of \$1.3 million. As a result, Union's 2009 draft Rate Order must be revised and filed with the Board and intervenors for comment and approval.

Union proposes to file the revised draft Rate Order on February 12, 2009. Following the Board's schedule in Procedural Order No. 1 from EB-2008-0220 Union proposes that intervenors provide comment by February 19, 2009 and Union provide reply by February 20, 2009.

If you have any questions or concerns regarding details of the draft rate order or related rate implementation, please contact me at 519-436-5476.

Yours truly,

[original signed by Joanne Clark for]

Chris Ripley
Manager, Regulatory Applications

cc: EB-2008-0220 Intervenor
Michael Penny (Torys)