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May 15, 2009

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street
27th floor
Toronto ON M4P 1E4

Dear Ms Walli,

Union Gas Limited ("Union")
2008 Deferral Account Balances
Board File No.: EB-2009-0052
Our File No.: 339583-000041

Please find enclosed the Written Submissions on behalf of the Canadian Manufacturers & Exporters ("CME").

Please contact me if you require any further information.

Yours very truly,

Peter C.P. Thompson, Q.C.

PCT/kt
Encl

c. Intervenors EB-2009-0052
Paul Clipsham (CME)

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IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B);

AND IN THE MATTER OF an Application by Union Gas Limited for an order or orders amending or varying the rate or rates charged to customers as of July 1, 2009.

**SUBMISSION OF
CANADIAN MANUFACTURERS & EXPORTERS ("CME")**

1. These are the submissions of CME with respect to the disposition of 2008 Deferral Account and Other Balances Union Gas Limited ("Union") proposes.

Account Balances

2. We have reviewed the Written Submissions of Mr. Aiken on behalf of the London Property Management Association ("LPMA"). We have also reviewed the Submissions of the City of Kitchener. We adopt and support those Submissions.

3. In particular, we share the concerns Mr. Aiken and Mr. Ryder have raised about verifying that the amounts recorded at Lines 12 and 13 of Exhibit A, Tab 1, Schedule 1 are correct. The amount at Line 12 is a debit balance of \$360,000, in Account 179-70, entitled "Short Term Storage and Other Balancing Services". The amount at Line 13 is a credit balance of \$28,461,000 recorded in Account 179-72, entitled "Long Term Peak Storage Services".

4. In their Submissions both Mr. Aiken and Mr. Ryder refer to Union's Interrogatory Response, Exhibit B3.1, including its Attachments 1 and 2, and the Supplemental Interrogatory Response, Exhibit B3.1 Supplemental to justify their suggestions that the Board should require Union to provide further information related to these two accounts so that all parties can be satisfied that the amounts calculated are appropriate.

5. We believe that the information provided by Union in Exhibit B2.1, in response to an Interrogatory from CME, is further rationale for the concerns that Mr. Aiken and Mr. Ryder raise. Attachment 1 and Exhibit B2.1 indicate that those completing Union's 2008

Financial Statements expected the Ratepayer Deferral for Short Term Storage and Other Balancing Services to be a credit balance of \$606,000, and not a debit balance of \$360,000 shown at Line 12 of Exhibit A, Tab 1, Schedule 1. The Financial Statement accrual for Ratepayer Deferral for Long Term Peak Storage Services is an amount of \$32,037,000, or some \$3.576M greater than the credit balance of \$28,461,000 recorded in Account 179-72. In total, the accruals for Ratepayer Deferrals in the Financial Statements are \$32,643,000 compared to the total amounts recorded at Lines 12 and 13 on Exhibit A, Tab 1, Schedule 1 of \$28,101,000. The Financial Statement credit balances on account of Ratepayer Deferrals are some \$4,542,000 greater than the amounts recorded at Lines 12 and 13 in Exhibit A, Tab 1, Schedule 1.

6. In these circumstances, we agree with Mr. Aiken's suggestion that the balances Union has calculated should be cleared now on condition that there may need to be a true-up of the amounts later. Interested parties should have an opportunity to obtain further information from Union, preferably by way of oral questioning, in order to better understand the derivation of the amounts recorded in these two deferral accounts and their reconciliation with the Financial Statement accounting accrual amounts for Ratepayer Deferrals.

Allocation of 2008 Deferral Account Balances

7. We adopt, support and have nothing further to add to the submissions Mr. Aiken has made with respect to the allocation of 2008 Deferral Account Balances between Rate Classes.

Disposition of 2008 Deferral Account Balances

8. We adopt, support and have nothing further to add to the submissions Mr. Aiken has made with respect to the manner in which Union proposes to clear Deferral Account Balances to each Rate Class.

Costs

CME requests 100% of its reasonably incurred costs for participating in this proceeding.

ALL OF WHICH IS respectfully submitted this 15th day of May, 2009.



Peter C.P. Thompson, Q.C.
Borden Ladner Gervais LLP
Counsel for CME

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