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May 15, 2009

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

Dear Ms Walli,

**Union Gas 2008 Earnings Sharing and Incentive Regulation Review**

**Board File No.: EB-2009-0101**

**Our File No.: 339583-000040**

We enclose the Interrogatories of our client, Canadian Manufacturers & Exporters (“CME”). We apologize for the late delivery of these Interrogatories. I was out of my office between May 12 and 14, 2009, and was unable to complete these questions by the deadline of May 14, 2009, specified in Procedural Order No. 1. We hope that Union will grant us one day’s grace and provide responses to the enclosed Interrogatories prior to the commencement of the Settlement Conference in this matter.

Please contact me if you require any further information.

Yours very truly,

Peter C.P. Thompson, Q.C.  
PCT/kt  
Encl.

c. Intervenors EB-2008-0220  
Paul Clipsham (CME)

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

**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 in connection with the sharing of 2008 earnings under the incentive rate mechanism approved by the Ontario Energy Board on January 17, 2008.

**Interrogatories of  
Canadian Manufacturers & Exporters ("CME")  
to Union Gas Limited ("Union")**

Ref: Exhibit A, Appendix B, Schedule 1 – "Earnings Sharing Calculation" and Exhibit A, Appendix B, Schedule 2 – "Off-Ramp Calculation"

1. Please provide an "Earnings Sharing Calculation" in the format of Exhibit A, Appendix B, Schedule 1, and an "Off-Ramp Calculation" in the format of Exhibit A, Appendix B, Schedule 2 using the following assumptions:
  - (a) Each of the "Adjustments" in Column C, in Lines 1, 5, 6 and 8, consisting of the "Accounting adjustment", the "Unaccounted for Gas normalization adjustment", the "Donations", "EB-2008-0304 costs", and "Customer deposit interest" amounts in each Schedule are removed;
  - (b) The Ratepayers' share of earnings, producing 100 basis points of ROE above the benchmark ROE of 10.81%, is 50%; and
  - (c) The Ratepayers' share of earnings, producing an ROE in excess of 11.81%, is 100%.
2. Please indicate the extent to which the Earnings Sharing Amount and Off-Ramp Amount provided in response to Interrogatory No. 1 will increase if the Board determines Union's Actual Distribution Revenue Sufficiency for 2008 to be \$72.8M, shown in Line 12 of Column C in Table 1 at Exhibit A, page 4, instead of the \$66.6M shown at Line 14 in Columns B and C of Table 1.
3. Please provide a copy of the materials which Union produced at the Information Session held on Wednesday, April 8, 2009.