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SENT BY E-MAIL

Toronto, September 13, 2007

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

RE: Multi-Year Incentive Rate Regulation for Natural Gas Utilities (EB-2007-0606/EB-2007-0615)

I am writing on behalf of the Association of Power Producers of Ontario (APPRO) in response to the motion brought by Union Gas Limited to sever its rates application from the combined proceeding. This letter sets out APPRO's submissions on the motion. I will not be attendance at the hearing of the motion.

Union has not advanced any rationale that outweighs the Board's initial reasons for combining the two proceedings, as set out in its decision dated July 13, 2007. Separating the two proceedings would lead to the duplication of effort on the common issues that the combined proceeding was intended to avoid. Although APPRO is eligible for intervenor funding, it still faces costs that are not covered by cost awards and these costs will be greatly increased if the combined proceeding is separated into two proceedings, at a time when there are other processes underway that will also require participation by generators, most notably the IPSP.

Furthermore, a consistent approach is needed to ensure that existing and small new gas fired generators can gain access to required services during the course of the proposed 5 year IRM period, similar to the access established for large new generators as a result of the NGEIR process, given that a significant number of the old Ontario Hydro NUG contracts will be expiring

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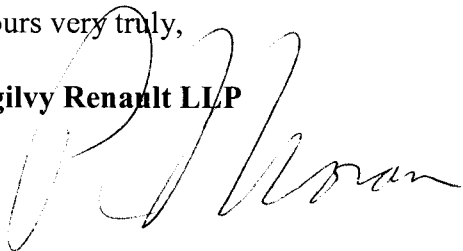
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during the 5 year period and there will be further reliance on new gas fired generation during the same period.

Yours very truly,

Ogilvy Renault LLP

A handwritten signature in black ink, appearing to read 'P. Moran', written over the printed name 'Patrick Moran'.

Patrick Moran

PJM/

c.c. parties (by email)