



By E-mail

October 29, 2007

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th floor - 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms Walli

Union Gas Limited ("Union")
Application for 2006 Deferral Account and Earnings Sharing Disposition
Board File No.: EB-2007-0598
Our File No.: 302701-000416

As solicitors for the Industrial Gas Users Association ("IGUA"), we have reviewed the Draft Rate Order contained in Union's letter of October 25, 2007, and, in particular, have compared pages 1 and 2 of Appendix C thereof to pages 1 and 2 of Appendix C of the Draft Rate Order circulated on August 27, 2007, to verify that the concerns with the initial Draft Rate Order described in our letter of September 6, 2007, to the Board have been addressed.

This will confirm that the 2006 Earnings Sharing amount of \$14.535M at line 25 on page 1 of Appendix C is in accordance with the terms of our letter to the Board of September 6, 2007. This amount has been carried forward to paragraph 3 of the Draft Rate Order and, as a result, we believe that the October 25, 2007 Draft Rate Order is consistent with the Board's Decision dated August 17, 2007.

In our letter, we asked that IGUA be awarded its costs of reviewing Union's Draft Rate Orders and preparing submissions in response thereto.

We assume that it will be appropriate for IGUA to submit its further claim for costs with respect to these services shortly after Union files its reply to any further comments that it receives from other parties on the corrected Draft Rate Order.

Yours very truly

A handwritten signature in black ink, appearing to read 'Peter Thompson', is written over a horizontal line.

Peter C.P. Thompson, Q.C.

PCT\slc

c. Interested Parties EB-2007-0598
Murray Newton (Industrial Gas Users Association)
Vince DeRose (Borden Ladner Gervais LLP)

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