



uniongas
A Spectra Energy Company

March 22, 2010

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

Attention: Ms. Kirsten Walli, Board Secretary

**RE: EB-2008-0411 St. Clair Transmission Line – Cumulative Under-recovery and
Removal from Rates - Draft Accounting Orders**

Dear Ms. Walli:

On March 15, 2010 Union filed two draft accounting orders related to the sale of the St. Clair Transmission Line. Union subsequently discovered an error on the draft order for deferral account no. 179-121. The debit and credit in the fourth entry were reversed but have now been corrected. In addition, Union has changed the name of the account in the fourth entry to clearly identify the account as the cumulative under-recovery for the St. Clair Transmission Line.

Please find attached the corrected draft accounting order for Account No. 179-121. Also attached is the draft accounting order for Account No. 179-122 which has not been revised.

If you have any comments about this matter, please contact me at (519) 436-5476.

Yours truly,

[original signed by]

Chris Ripley
Manager, Regulatory Applications

cc: Sharon Wong, Blakes
EB-2008-0411 Intervenors

UNION GAS LIMITED

Accounting Entries for Cumulative Under-recovery – St. Clair Transmission Line Deferral Account No. 179-121

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 105 Accumulated Depreciation – Utility Plant
Credit	-	Account No. 179-121 Cumulative Under-recovery – St. Clair Transmission Line

To record, as a credit in Deferral Account No. 179-121, the cost of removal for the St. Clair Transmission Line ordered by the Board in EB-2008-0411 to be equal to the amount of cumulative under-recovery of Union's St. Clair Pipeline, from 2003 until the time of the sale of the asset, to be refunded to ratepayers.

Debit	-	Account No. 171 Extraordinary Plant Losses
Credit	-	Account No. 105 Accumulated Depreciation – Utility Plant

To record, as a debit to Account No. 171, the loss on the sale of the St. Clair Transmission Line and related assets. The loss represents the cost of disposition ordered by the Board in EB-2008-0411 that could not have been provided for previously in the accumulated provision for depreciation.

Debit	-	Account No. 333 Other Income Deductions
Credit	-	Account No. 171 Extraordinary Plant Losses

To record, as a debit to Account No. 333, the write-off to operations for the loss on the sale of the St. Clair Transmission Line and related assets.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-121 Other Deferred Charges - Cumulative Under-recovery – St. Clair Transmission Line

To record, as a credit in Deferral Account No. 179-121, interest on the balance in Deferral Account No. 179-121. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

UNION GAS LIMITED

**Accounting Entries for
Impact of Removing St. Clair Transmission Line from Rates
Deferral Account No. 179-122**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit	-	Account No. 300 Operating Revenues
Credit	-	Account No. 179-122 Other Deferred Charges – St. Clair Transmission Line

To record, as a credit in Deferral Account No. 179-122, the impact of removing the St. Clair Transmission Line (and related St. Clair River Crossing) from rates (including all rate base and OM&A consequences) effective March 1, 2010 through December 31, 2010 as ordered by the Board in EB-2008-0411.

Debit	-	Account No. 323 Other Interest Expense
Credit	-	Account No. 179-122 Other Deferred Charges – St. Clair Transmission Line

To record, as a credit in Deferral Account No. 179-122, interest on the balance in Deferral Account No. 179-122. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.