

VIA E-MAIL & RESS

March 30, 2010

Ontario Energy Board  
Attn: Kirsten Walli, Board Secretary  
P.O. Box 2319  
27<sup>th</sup> Floor, 2300 Yonge Street  
Toronto ON M4P 1E4

**RE: EB-2008-0411 DRAFT ACCOUNTING ORDERS**

FRPO is writing to provide its comments on the draft accounting orders circulated by Union Gas Limited ("Union") on March 15, 2010.

We have been privy to the communications between Union representatives and counsel for Canadian Manufacturers & Exporters ("CME") pertaining to whether or not debit and credit transactions to be recorded in these accounting orders comply with the provisions of the Uniform System of Accounts ("USofA") if they reflect a sale of the St. Clair Line at \$13.17M, being its Board determined Fair Market Value ("FMV").

FRPO agrees with CME that appropriate "regulatory accounting" calls for the transaction to be recorded as a sale of the Line for a cash consideration of \$13.17M. If this "regulatory accounting" can be reflected in the accounting orders the Board established, then the debit and credit transactions Union proposes should be revised to reflect the cash sale for \$13.17M. On the other hand, if the USofA only permits the accounting order debits and credits that Union proposes, then, in issuing the accounting orders, the Board should emphasize that they will have no effect on a subsequent determination of the appropriate "regulatory accounting" to apply to the sale transaction for the purposes of determining its earnings sharing implications, if any.

FRPO also reserves its rights to seek adjustments to Union's 2011 and 2012 rates to reflect the removal of the St. Clair Line from utility rate base.

Respectfully Submitted on Behalf of FRPO,



Dwayne R. Quinn  
Principal  
DR QUINN & ASSOCIATES LTD.

c. Interested Parties, EB-2008-0411