

November 21, 2007

Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2701
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms. Walli:

Re: Practice Direction on Cost Awards

I write to seek clarification on the relationship between the Board's decision to amend the Practice Direction on Cost Awards ("Practice Direction") to reflect a new tariff for legal counsel and consultants, and its "Decision on Motion", dated October 15, 2007, in EB-2007-0606 and EB-2007-0615.

The Board has amended the Practice Direction to reflect a new tariff for legal counsel and consultants. The Board's letter of November 16, 2007, states that the new tariffs may be applied for work that is performed on or after November 16, 2007.

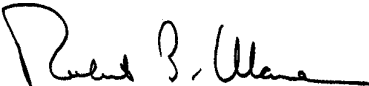
The Board's "Decision on Motion" divided the incentive regulation applications, in EB-2007-0606 and EB-2007-0615, into three phases, for cost award purposes. The first of the phases was to cover costs incurred up to the filing date for intervenor evidence. The Board subsequently advised parties that that date was to be October 19, 2007. The "Decision on Motion" also provided that "if the Board adopts higher rates at the conclusion of the Consultation on Cost Awards, the higher rates will be applied to the entire proceeding."

As you can see, there is a potential conflict between the operative date for the new tariff for legal counsel and consultants and the provision, in the "Decision on Motion", making the new tariff retroactive, for the purposes of the one proceeding. It is our view that the wording of the "Decision on Motion" should prevail, given that it is a specific order and given that it was not rescinded by the subsequent letter setting the operative date for the revised tariff. However, given that parties to the EB-2007-0606 and EB-2007-0615 proceedings must file interim cost claims by November 28, 2007, we thought we should confirm that that is the correct interpretation, so as to avoid having to file those claims twice, with the consequent risk of delay.

Your attention in this matter is appreciated.

Yours very truly,

WeirFoulds LLP



Robert B. Warren

RBW/dh

cc: Union Gas Limited
Enbridge Gas Distribution Limited
All Parties

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