



PUBLIC INTEREST ADVOCACY CENTRE
LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC

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February 15, 2008

VIA EMAIL and COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, ON
M4P 1E4

Dear Ms. Walli:

**Re: Union Gas / Enbridge Gas Distribution Inc. - Incentive Rate Regulation for
Natural Gas Utilities B-2007-0606 / EB-2007-0615**

Please find enclosed interrogatories to be submitted to Union Gas Limited.

Yours truly,

Michael Buonaguro
Counsel for VECC
Encl.

IN THE MATTER OF THE *Ontario Energy Board Act*
1998, S.O. 1998, c.15, (Schedule B);

AND IN THE MATTER OF an Application by Union
Gas Limited for an Order or Orders approving or fixing a
multi-year incentive rate mechanism to determine rates for
the regulated distribution, transmission, and storage of
natural gas, effective January 1, 2008;

AND IN THE MATTER OF an Application by Enbridge
Gas Distribution Inc. for an Order or Orders approving or
fixing Rates for the distribution, transmission, and storage
of natural Gas, effective January 1, 2008;

AND IN THE MATTER OF a combined Board
proceeding Pursuant to section 21(1) of the *Ontario Energy*
Board Act, 1998.

INTERROGATORIES

of the

VULNERABLE ENERGY CONSUMERS COALITION (“VECC”)

to UNION GAS LIMITED (Mintz/Wilson)

1. Please describe fully the macroeconomic transmission mechanism through which lower federal corporate tax rates are reflected in the overall price level and its rate of change in the Canadian economy.
2. Please provide your views as to the factors that affect inflation in the Canadian economy.
3. Please indicate your views on the extent to which monetary policy affects the rate of inflation in the Canadian economy.
4. In your view, does a decrease in federal corporate tax rates provide a fiscal stimulus to the Canadian economy?

5. With respect to the Canadian economy in the last quarter of 2007, please provide your estimates of (i) the non accelerating inflation rate of unemployment (NAIRU) and (ii) capacity utilization.
6. With respect to the Canadian economy at present, please provide your estimates of (i) the non accelerating inflation rate of unemployment (NAIRU) and (ii) capacity utilization
7. In your view, for the last quarter of 2007 was the Canadian economy operating approximately at its productive capacity, i.e., at its potential output?
8. In your view, at present is the Canadian economy operating approximately at its productive capacity, i.e., at its potential output?
9. Please provide your estimate of the amount of the Canadian capital stock owned by foreigners and the amount of the corporate tax cut savings that will accrue to them as a result of the announced tax rate cuts.
10. Please provide your views as to how the exercises of fiscal policy and monetary policy interact in the Canadian economy.
11. Please provide your understanding of the terms (i) economic investment, (ii) portfolio investment, and (iii) foreign direct investment.
12. Please provide your views as to the extent that various macroeconomic price indices, e.g., GDPIPIFDD, GDPPI, PPI, WPI, and CPI track each other.