



uniongas

A Spectra Energy Company

March 4, 2008

Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

**Re: Multi-Year Incentive Rate Regulation for Natural Gas Utilities
EB-2007-0606**

Dear Ms. Walli:

Enclosed, please find:

- Updated Exhibit List
- Corrected responses to Exhibits E3.1.6, E3.3.11 and E3.3.15

pertaining to Union's application for an order approving a multi-year incentive rate mechanism to determine rates for Union's regulated gas distribution, transmission and storage services effective January 1, 2008.

Yours truly,

[original signed by]

Connie Burns, CMA, PMP
Manager, Regulatory Initiatives

Enclosure

cc: All Intervenors
Michael Penny, Torys

INCENTIVE REGULATIONEXHIBIT LIST

<u>Exh.</u>	<u>Tab</u>	<u>Contents</u>
A		ADMINISTRATION
	1	Exhibit List
	2	Application
	3	Curricula Vitae of Witnesses
	4	Settlement Agreement, Addendum and Rate Schedules
B		PRE-FILED EVIDENCE
	1	Union Incentive Regulation Evidence
	2	Supplemental Weather Normalization Evidence
	3	Commodity Risk Management Evidence
	4	Commodity Risk Management Report
C		INTERROGATORIES
	1	Board Staff
	2	APPrO
3/16/33		BOMA/LPMA/WGSPG
	4	CCC
	5	Coral
	7	Direct Energy
	9	Enbridge
	10	Energy Probe
	11	GEC
	13	IGUA
	15	Kitchener
	17	OAPPA
	20	Pollution Probe
	22	Power Workers' Union
	23	School Energy Coalition
	27	TransAlta
	28	TCE
	32	VECC

Exh. Tab Contents

D PROPOSED RATES

- 1 2008 Rate Proposals Evidence
- 2 Appendix A - Summary of Changes to Sales Rates
 Appendix B - Rate Schedules
 Appendix C - Summary of Average Rate Changes for Rates 25, M5A, M7 and T1
 Interruptible Contract Services
- 3 Schedule 1 - Calculation of Price Cap Index
 Schedule 2 - Calculation of Storage Premium Adjustment Factor
 Schedule 3 - Summary of 2008 Proposed Rates
 Schedule 4 - Detailed In-franchise and Ex-franchise Rates
 Schedule 5 - Rate Impact Continuity
 Schedule 6 - Unbundled Delivery Rate Detail - Southern Operations Area
 Schedule 7 - Storage Rate Detail – Southern Operations Area
 Schedule 8 - Storage Rate Detail – Northern & Eastern Operations Area
 Schedule 9 - Calculation of Supplemental Service Charges
 Schedule 10 - Percentage Change in Average Unit Price – In-franchise Rate Classes
 Schedule 11 - General Service Customer Bill Impacts for Rates M1, M2, 01, 10
 Schedule 12 - Impact of Weather Normalization Methodology Change
 Schedule 13 - Calculation of 2005 and 2006 LRAM Volume Adjustment
 Schedule 14 - Total Delivery and Storage Revenue
 Schedule 15 - Summary of S&T Transactional Margin Included in 2008 Rates

<u>Exh.</u>	<u>Tab</u>	<u>Contents</u>
E		TAX EVIDENCE AND INTERROGATORIES
E1		Utility Evidence
	1	Federal and Provincial Corporate Tax Changes: Implications for Incentive Regulation - Jack M. Mintz and Thomas A. Wilson
E2		PEG and Intervenor Evidence
	1	Z Factoring Pervasive Corporate Tax Reductions - Mark Newton Lowry, PhD
E3		Union Responses to Interrogatories
	1	BOMA/LPMA/WGSPG
	2	CCC
	3	Schools
	4	VECC
E4		Board Staff/PEG Responses to Interrogatories
	1	BOMA/LPMA/WGSPG
	2	CCC
	3	Schools
	4	VECC

UNION GAS LIMITED

Answer to Interrogatory from
The Building Owners and Managers Association of the Greater Toronto Area ("BOMA")
The London Property Management Association ("LPMA")
The Wholesale Gas Service Purchasers Group ("WGSPG")

Question:

Is Union proposing to adjust base rates to reflect the changes in the federal corporate tax rate for 2008 that were known in 2007? If not, please explain why not?

Response:

No. See response provide in Exhibit E3.14. Further, there are no 2007 impacts associated with federal corporate income tax rate changes. |

Question: February 15 2008

Answer: March 4, 2008

Docket: EB-2007-0606

UNION GAS LIMITED

Answer to Interrogatory from
School Energy Coalition "SEC"

Question:

On average, what percentage of the assets of a Canadian company are in each of Class 1 and Class 45 of the federal CCA tables? What is the percentage of the assets of Union Gas in each of those CCA classes.

Response:

The existing Class 1 balance represents 77% and the existing Class 45 balance represents 0.4% of Union's total UCC amounts. For the remainder of the answer, see answer to Exhibit E3.2.4.

Witness: Jack Mintz / Tom Wilson / Union Witness

Question: February 15, 2008

Answer: March 4, 2008

Docket: EB-2007-0606

UNION GAS LIMITED

Answer to Interrogatory from
School Energy Coalition "SEC"

Question:

Please provide a bibliography of all studies or other reference materials used or referred to by you in developing your evidence dated January 4, 2008. Please identify which of those materials are empirical studies of the relationship between tax changes and inflation.

Response:

Given the time pressures under which we prepared our evidence, we did not draw upon specific published studies. We relied upon our experience and expertise in preparing our submission. The estimated effects of corporate tax reductions for 2007 and 2008 shown in Table 1 of our submission are based on the model used by Mintz in several previous studies (see answer to Exhibit E3.3.14).

Witness: Jack Mintz / Tom Wilson
Question: February 15, 2008
Answer: March 4, 2008
Docket: EB-2007-0606