

February 3, 2012

Sent by E-mail and Courier

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4



Barristers & Solicitors / Patent & Trade-mark Agents

Norton Rose Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 CANADA

F: +1 416.216.3930
nortonrose.com

On January 1, 2012, Macleod Dixon joined
Norton Rose OR to create Norton Rose Canada.

Your reference
EB-2011-0210

Direct line
+1 (416) 216-1927

Our reference
01015413-0020

Email
john.beauchamp@nortonrose.com

Dear Ms. Walli:

Union Gas Limited ("Union") – 2013 Rebasing Application (EB-2011-0210)

We are counsel to the Association of Power Producers of Ontario ("APPrO") and make these submissions on APPrO's behalf with respect to the preliminary issue in this proceeding.

In interrogatories filed on January 18, 2012, APPrO posed the following question to Union:

Union Gas' application was filed on the basis of US GAAP as opposed to IFRS. Please explain the effect on rates for R100, T1 and, if possible, T2 under each scenario.

In its response, Union referenced its response at Exhibit J1.1 (c) and explained that, should its rates be set under IFRS as opposed to US GAAP, the revenue requirement would increase by \$63.6 million (approximately 6.7%). Union also submitted that it did not have sufficient detail to determine the impacts to specific distribution delivery rates.

Based on this response, APPrO is prepared to offer conditional support for Union's application to adopt US GAAP for regulatory purposes. APPrO will only support Union's application to adopt US GAAP if the proposed adoption results in lower rates for R100, T1, and the newly proposed rate class T2 (as compared to the rates that would result from Union adopting IFRS).

Yours very truly,

"Signed"

John Beauchamp

JB/mnm

Cop(y/ies) to: All parties to the proceeding

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