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By electronic filing

February 9, 2012

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th floor
Toronto, ON M4P 1E4

Dear Ms Walli,

Union Gas Limited ("Union")
2010 Earnings Sharing & Deferral Accounts and Other Balances
Board File No.: EB-2011-0038
Our File No.: 339583-000104

I am writing with respect to the Draft Rate Order and supporting working papers for rates effective April 1, 2012, which was circulated by Union on February 2, 2012.

By correspondence dated January 27, 2012, CME provided comments in advance of receipt of the Draft Rate Order. Specifically, on the basis of the January 20, 2012, Decision and Order (the "Decision") of the Board, CME submitted that 100% and not 79% of the net credit in Account No. 179-70 is the utility portion of the net revenues on short-term storage sales. As a consequence, the ratepayers' share of the 2012 net short-term revenues should be \$0.831M rather than \$0.657M.

Appendix C, Schedule 1 of the Draft Rate Order lists Account No. 179-70 (short-term storage and other balancing services) as \$0.669M. Consequently, it appears that Union has not agreed with our analysis that the short-term net revenues to be shared with ratepayers should increase to \$0.831M. In these circumstances, we respectfully request that the Board invite submissions from Union and others on this issue, and then determine whether or not the Board agrees that the ratepayers' share of 2010 short-term storage revenues should be increased to \$0.831M.

If you have any further questions or concerns, please do not hesitate to contact us.

Yours very truly,



Vincent J. DeRose

c. Chris Ripley (Union)
Intervenors in EB-2011-0038
Paul Clipsham (CME)
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