



By Email

May 2, 2008

Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
27th floor - 2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms Walli

Union Gas Limited ("Union")
2007 Deferral Account and Other Balances
Board File No.: EB-2008-0034
Our File No.: 302701-000416

I am writing on behalf of the Industrial Gas Users Association ("IGUA"). We have reviewed Union's written evidence, answers to interrogatories and written argument. We have also had the benefit of reviewing the argument of the London Property Management Association ("LPMA").

IGUA submitted a number of interrogatories relating to Union's proposed clearance of a debit balance of \$6.941 million relating to un-audited 2007 DSM activity. IGUA does not oppose the clearance of the forecasted deferral account balances relating to un-audited 2007 DSM activities at this time. IGUA's agreement on this matter is premised on the fact that the disposal of these amounts is subject to a future true up, which would be captured in the deferral account for future disposition.

IGUA agrees with the submissions of LPMA that the same approach should be applied to the proposed Capital Cost Allowance ("CCA") rates from the March 2007 federal budget, related to assets acquired on or after March 19, 2007 for computer equipment, non-residential buildings and natural gas distribution lines. As with the un-audited DSM related accounts, the CCA component of the tax variance account would also be subject to a future true up that would be captured in the deferral account for future disposition.

IGUA requests that it be awarded 100% of its reasonably incurred costs of participating in this proceeding.

Yours very truly

A handwritten signature in black ink, appearing to read 'VJD', is written over a horizontal line.

Vincent DeRose
VJD/kt

c Interested Parties
Murray Newton (Industrial Gas Users Association)

Borden Ladner Gervais LLP
Lawyers • Patent & Trade-mark Agents
World Exchange Plaza
100 Queen Street, Suite 1100
Ottawa ON K1P 1J9
tel.: (613) 237-5160 fax: (613) 230-8842
www.blgcanada.com

VINCENT J. DEROSE
direct tel.: (613) 787-3589
e-mail: vderose@blgcanada.com

Vancouver
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Toronto
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Ottawa
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Montréal
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