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BY EMAIL

April 16, 2008
Our File No. 2060604

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

Attn: Kirsten Walli, Board Secretary

Dear Ms. Walli:

Re: Gas IRM Applications – EB-2007-0606/615 – Tax as a Z Factor

On April 15th, during the oral argument in this matter, counsel for Union Gas first raised in reply the conjecture that earnings sharing, already agreed in this case, would in some way ameliorate the otherwise unfair effects of the large tax reductions Union is expecting to receive.

We have had an opportunity to review the letter sent earlier today by Mr. Warren on behalf of the Consumers Council of Canada. That letter was sent with our prior knowledge, and we concur 100% with the comments he makes therein. The ESM is not in any way relevant to the question of the extent to which tax windfalls of the type Union expects should be accorded Z factor treatment. The Union Gas position elucidated by Mr. Penny yesterday is akin to saying that, because there is an ESM, the Board can afford to get the Z factor question wrong.

All of which is respectfully submitted.

Yours very truly,
SHIBLEY RIGHTON LLP

Jay Shepherd

cc: Michael Penny, Torys (email)
Michael Millar, OEB (email)
Interested Parties (email)

**GREAT LAKES
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