SHIBLEY RIGHTON LLP
Barristers and Solicitors

TORONTO OFFICE:
250 University Avenue, Suite 700, Toronto, Ontario, M5H 3E5
Main 416 214-5200 Toll free 1-877-214-5200
Facsimile 416 214-5400

WINDSOR OFFICE:
2510 Ouellette Avenue, Windsor, Ontario, N8X 1L4
Main 519 969-9844 Toll free 1-866-522-7988
Facsimile 519 969-8045

www.shibleyrighton.com

Please Reply to the TORONTO OFFICE

Jay Shepherd
Direct Line (416) 214-5224
Direct Fax (416) 214-5424
jay.shepherd@shibleyrighton.com

BY EMAIL

June 9, 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

Argument on the above matter was completed on April 15, 2008, and aside from a couple of followup letters, the matter has since that time been in the hands of the Board panel. We have subsequently come into possession of material that may have bearing on the issues in this proceeding. Therefore, in the interests of ensuring that the Board has everything that could be relevant, we are providing that material to the Board. We have no particular proposal as to how it should be used. We are simply providing it, and putting ourselves in the Board's hands.

Enclosed are two letters. The first is a letter written by the undersigned and sent to the Bank of Canada on March 12, 2008, well before the hearing on this matter commenced. In our letter, we requested information on the interaction between fiscal policy and monetary policy. We also noted that we needed the information for a hearing at the end of March.

We did not receive any response to this letter prior to the hearing, and we assumed that the Bank of Canada was not going to be of any assistance in this matter. (In fact, I think it is fair to say that we forgot about it.)

However, on April 24, 2008, the attached letter from the Governor of the Bank of Canada, Mark Carney, dated April 14, 2008 was received through ordinary surface mail by my office. As the Board is aware, I was away on an extended business trip, and did not return until June 1st. In the meantime, as the Bank of Canada letter did not reference a particular proceeding, and I often receive general policy letters from government departments on various subjects, no-one in my office realized that this was relevant to a matter before the Board. It just sat on my desk. As soon as I was back in the office on June 2nd, I realized the nature of the letter received, and contacted the Board to determine the status of this proceeding. In light of the fact that the decision has not yet been rendered, I am providing it to the Board as soon as possible.

The Bank of Canada letter deals with two issues: whether inflation is likely to be influenced by pervasive corporate tax changes, and whether, if the impact were to be sustained, the Bank would counter any such influence through monetary policy. These issues, of course, were addressed in some detail in the hearing before this Board.

As indicated at the top of this letter, we do not have a proposal for how this material should be handled. However, in view of the importance of the issue of tax adjustments, not just for the parties in this proceeding, but in many other proceedings before the Board, we are providing the information to the Board, to use or not as the Board believes is appropriate.

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)