

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by Union Gas Limited, pursuant to section 36(1) of the *Ontario Energy Board Act, 1998*, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of July 1, 2007;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism approved by the Ontario Energy Board in RP-2003-0063.

APPLICATION

1. Union Gas Limited (“Union”) was an applicant in a proceeding before the Board to fix just and reasonable rates and other charges for the sale, distribution and storage of natural gas under Board File No. EB-2005-0520. The rates under consideration in the EB-2005-0520 proceeding concerned the year 2007 and were approved and implemented through the Board’s EB-2005-0520 Rate Order dated December 19, 2006.

2. Pursuant to Section 36(1) of the *Ontario Energy Board Act, 1998* (the *Act*), and the Quarterly Rate Adjustment Mechanism approved by the Board, Union hereby applies to the Board for further orders effective July 1, 2007 as follows:

(a) an order establishing the reference prices specified in the table below:

	Current (Approved in EB-2007-0053)	Proposed (Effective July 1, 2007)
Alberta Border Reference Price ¹	8.288 \$/GJ	8.379 \$/GJ
	31.0303 cents/m ³	31.3710 cents/m ³
Ontario Landed Reference Price ²	9.711 \$/GJ	9.833 \$/GJ
	36.3580 cents/m ³	36.8148 cents/m ³
South Portfolio Cost Differential ("SPCD") ³	0.021 \$/GJ	0.073 \$/GJ
	0.0786 cents/m ³	0.2733 cents/m ³

Notes:

¹ The Alberta Border Reference Price represents the North Purchase Gas Variance Account ("NPGVA") (Deferral Account No. 179-105) reference price and the TCPL Tolls and Fuel – Northern and Eastern Operations Area deferral account (Deferral Account No. 179-100) reference price with respect to fuel gas.

² The Ontario Landed Reference Price represents the South Purchase Gas Variance Account ("SPGVA") (Deferral Account No. 179-106) and Spot Gas Variance Account (Deferral Account No. 179-107) reference price.

³ The SPCD is used as the benchmark to reduce the debits/credits that would otherwise accumulate in the SPGVA if there was no adjustment to the South Transportation Rate.

(b) an order to reflect the inventory revaluation credit resulting from changes in gas costs as of July 1, 2007;

(c) an order reflecting the prospective recovery of the projected balance for the twelve month period ending June 30, 2008 recorded in the gas-supply deferral accounts;

(d) such further order or orders as Union may request and the Board may deem appropriate or necessary.

3. This application is supported by written evidence that has been pre-filed with the Board and provided by Union to all intervenors of record in the EB-2005-0520 proceeding.

4. The address of service for Union is:

Union Gas Limited

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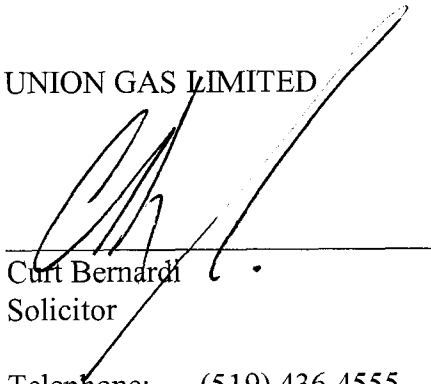
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DATED May 28, 2007.

UNION GAS LIMITED



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