



**FINANCIAL SERVICES DEPARTMENT
KITCHENER UTILITIES**

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BY FAX & COURIER

June 8, 2007

Ontario Energy Board
Attn: Ms. Kirsten Walli, Board Secretary
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario, M4P 1E4

Dear Ms. Walli:

Re: EB-2007-0606 / EB-2007-0615 – Intervention by City of Kitchener (“Kitchener”)

Pursuant to the Ontario Energy Board’s (“Board’s”) Notice of Applications and Combined Proceeding dated May 25, 2007, Kitchener wishes to actively participate in this proceeding.

Kitchener is an embedded gas distributor in the Southern Area of the franchise territory of Union Gas (“Union”) and receives semi-unbundled storage and transportation services under Rate T3 at cost of service (“COS”) rates. Kitchener is directly and materially impacted by the issues to be determined by the Board in this combined proceeding, in particular, the potential cost impacts arising from the multi-year incentive rate (“IR”) mechanism to determine rates for the regulated services which Kitchener receives from Union. Due to the material impact of the IR mechanism on ratepayers and Union and the multi-year departure from COS rate regulation, Kitchener prefers an oral hearing.

Kitchener may seek an award of its proportionate costs to participate in this proceeding to the extent that it retains experts, in concert with other intervenors, to present and support evidence on the issues to be considered and such evidence is useful to the Board in the public interest.

If there are any questions or concerns with this request for intervention, please contact me at your earliest convenience.

Sincerely,

James A. Gruenbauer, CMA
Manager, Regulatory Affairs and Supply

Cc: M. Packer (Union Gas)
P. Hoey (Enbridge)
J. Alick Ryder, Q.C. (RWBH)
D. Quinn (Kitchener)