



By E-mail

June 27, 2007

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

Dear Ms Walli

Union Gas Limited ("Union")
Application for 2006 Deferral Account and Earnings Sharing Disposition
Board File No.: EB-2007-0598
Our File No.: 302701-000416

Pursuant to paragraph 2 of Procedural Order No. 2 which issued on June 22, 2007, we are writing on behalf of our client, the Industrial Gas Users Association ("IGUA"), to notify the Board that our client has no objection to confidential status being attached to Union's response to Interrogatory No. 4 from the London Property Management Association ("LPMA"), a copy of which Union provided to us today.

In his letter to the Board dated June 11, 2007, counsel for Union claims confidentiality on the grounds that there is a confidentiality provision contained in the Release which Union provided with respect to monies it received to resolve a "potential commercial dispute". These monies are the basis for a "non-utility adjustment" Union has made to reduce the amount of earnings it shares with its ratepayers by an amount of \$1.278M.

While we have no problem with information about this transaction being disclosed, in confidence, to the Board and to the parties to these proceedings, we disagree entirely with Union's classification of the amount as a "non-utility" reduction in the amount of Union's earnings to be shared with ratepayers.

Clearly, the money which gives rise to the adjustment was paid to Union to settle a "potential commercial dispute" that arose because Union is the franchised natural gas distributor in a particular area in Ontario. Contrary to the assertion in Mr Penny's letter of June 11, 2007, we suggest that the amount can only be construed as arising from Union's status as a franchised and regulated distribution, storage and transmission services provider in Ontario.

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We will be embellishing this submission in the Written Argument that we will be filing on behalf of IGUA with respect to this and other issues which, according to paragraph 4 of Procedural Order No. 2, must be filed on or before Monday, July 9, 2007.

We have yet to see the submissions contained in Union's Argument-in-Chief with respect to this "non-utility" adjustment and respectfully request that Union be directed to forthwith provide the redacted portion of its June 11, 2007 Argument in this matter to those parties who have executed the Confidentiality Undertaking.

Yours very truly

A handwritten signature in black ink, appearing to read 'Peter C.P. Thompson', is written over the typed name. The signature is fluid and cursive, with a long horizontal stroke at the end.

Peter C.P. Thompson, Q.C.

PCT\slc

c. Interested Parties EB-2007-0598
Murray Newton (Industrial Gas Users Association)
Vince DeRose (Borden Ladner Gervais LLP)

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