

FINANCIAL SERVICES DEPARTMENT KITCHENER UTILITIES

James A. (Jim) Gruenbauer, CMA Manager, Regulatory Affairs & Supply City Hall, P.O. Box 1118 200 King St. West, 5th Floor Kitchener, Ontario Canada, N2G 4G7

> Phone: 519-741-2616 Cell: 519-580-3568 Fax: 519-741-2633 TDD: 519-741-2385

e-mail: jim.gruenbauer@kitchener.ca

BY E-MAIL & COURIER

November 3, 2008

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:

EB-2008-0220 – Union Gas Limited ("Union") Rates for 2009 – Request for Intervention Re: By the City of Kitchener ("Kitchener")

Pursuant to the Ontario Energy Board's ("Board's") Notice of Application dated October 27, 2008, Kitchener wishes to actively participate in this proceeding.

Kitchener is an embedded gas distributor in the Southern Area of the franchise territory of Union and receives storage and transportation services under Rates T3 and M12. Kitchener was an active participant in EB-2007-0606 and is directly impacted by the proposed changes to rates in this Application pursuant to the annual rate setting incentive regulation mechanism. There are some aspects to Union's Application (for example, the proposed Z Factor treatment of costs associated with conversion from Canadian GAAP to IFRS) that suggest an oral hearing may be preferable to a written hearing to obtain a clear and complete record. Kitchener is in the Board's hands in this regard.

Kitchener does not expect to seek costs in these proceedings. 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: C. Ripley (Union)

J. Alick Ryder, Q.C. (RWBH)

W. Malcolm (Kitchener)