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WeirFoulds LLP
BARRISTERS & SOLICITORS

July 4, 2007

Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2701
2300 Yonge Street
Toronto ON M4P 1E4

Dear Ms Walli:

Re: EB 2007-0606/EB-2007-0615/
Multi-Year Incentive Rate Regulation for Natural Gas Utilities

We are counsel to the Consumers Council of Canada. We are responding to a letter dated July 3, 2007, from Connie Burns, of Union Gas ("Union") to you.

In her letter, Ms Burns proposes a bifurcation of the applications of Union and of Enbridge Gas Distribution Inc. ("EGD"). Our view is that a bifurcation of the proceedings between the two utilities would be inappropriate. As we understand it, the objective of the Board, from the outset, was to try to develop a common set of rules for the incentive regulation schemes for Union and EGD. That will be made more difficult, if not impossible, if there are separate proceedings. Even if EGD were to seek a revenue cap incentive mechanism, while Union sought a price cap incentive mechanism, the parties might wish to argue that the same mechanism should be applied to both. Quite apart from the incentive mechanism itself, there may be other elements of the incentive regulation schemes which should be common to the two utilities. Again, it would be difficult, if not impossible, to establish common elements if the applications proceed separately. Among other considerations, trying to establish common elements in separate proceedings might unfairly prejudice one or the other of EGD and Union.

In our view, the appropriate approach is to begin the process outlined in the Board's procedural order no. 1, dated June 27, 2007, at a date approximately 4 weeks after the release of the Board's decision in EGD's 2007 rate application. Thereafter, the proceeding should remain combined until all of the evidence from all of the parties has been filed. At that time, the Board and the parties would be in a position to determine the common issues that should, ideally, be heard in a combined proceeding.

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Yours very truly,

WeirFoulds LLP

Robert B. Warren

RBW/dh

cc: Union Gas Limited
Attention: Connie Burns
cc: Enbridge Gas Distribution
Attention: Patrick Hoey
cc: Helen Newland
cc: Michael Penny
cc: Julie Girvan
cc: All Parties
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