

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

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 January 1, 2009.

INTERROGATORIES OF THE
SCHOOL ENERGY COALITION

1. Ref. A-1, pg. 4-10: IFRS Z-Factor Adjustment

- (a) Why does Union take the view (as stated at pg. 5) that the purpose of the OEB-initiated consultation with respect to IFRS conversion is "not to determine specific utility conversion costs"?
- (b) Please provide a summary of the specific accounting policies that need to be changed as a result of the conversion to IFRS.
- (c) Please explain how the cost estimates set out at Table 1 on pg. 6 were developed? Did Union Gas retain a third party (consultant, etc.) to help with the conversion? If so, when was the consultant retained? Please provide a copy of the consultant's report, if any exists.

2. Ref. A-1: IFRS Z-Factor Adjustment

The document entitled *The CICA's Guide to IFRS in Canada* states in the Foreword that the AcSB announced its decision to replace Canadian GAAP with IFRS for all Canadian Publicly Accountable Enterprises (PAE's) in January 2006.¹

Questions:

- (a) Please confirm that Union Gas is a Publicly Accountable Enterprise.

¹The document can be found on the CICA website:
http://www.cica.ca/download.cfm?ci_id=39765&la_id=1&re_id=0

- (b) When did Union Gas become aware that the Canadian Accounting Standards Board ("AcSB") decided that all publicly accountable enterprises would have to adopt IFRS in place of Canadian GAAP for interim and annual reporting purposes? Please provide a copy of any exposure drafts or other announcements from the AcSB regarding the conversion.
- (c) Please provide any comments that Union Gas or its affiliates submitted to either the AcSB or the IFRS Advisory Committee in relation to the conversion.
- (d) When did Union Gas first begin taking action regarding the conversion?
- (e) It appears that Union Gas should have known about the change in accounting policy at least as early as January 2006. If that is the case, wouldn't the cost of responding to that change in policy already have been built in to Union's 2007 cost of service application and/or the price cap index?