



By E-mail

December 9, 2008

Kirsten Walli
Board Secretary
Ontario Energy Board
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Dear Ms Walli

Union Gas Limited
Quarterly Rate Adjustment Mechanism (“QRAM”) of January 1, 2009
Board File No.: EB-2008-0371
Our File No.: 339583-000019

I am writing on behalf of our client, Canadian Manufacturers & Exporters (“CME”). Pursuant to the Board’s correspondence of December 8, 2008, interested parties were granted until December 11, 2008 to file comments.

We have reviewed the Application of Union Gas Limited (“Union”) for an order approving or fixing rates for the sale, distribution, storage and transmission of gas effective January 1, 2009. CME does not oppose the relief sought by Union.

The Board may be aware that TransCanada Pipelines Limited (“TCPL”) has filed an application for approval of Mainline Interim Tolls effective January 1, 2009. TCPL’s new tolls, if approved, will result in a toll reduction from \$1.40/GJ to \$1.19/GJ. CME sought clarification from Union on the operation of its TCPL Tolls and Fuel – Northern and Eastern Operations Area deferral account. CME also sought information on the impact that the reduction of the TCPL Tolls will have on Union’s customers, in particular, Union’s northern customers and those customers subject to the South Portfolio Cost Differential. Union has provided all the information that CME requires at this time.

We urge the Board to take comfort from the fact that Union’s QRAM Application has been subject to ratepayer scrutiny. In our respectful submission, the review of QRAM applications by CME contributes to the regulatory process.

CME requests an award of its reasonably incurred costs in connection with conducting its examination of Union’s QRAM Application and the clarification process. We will submit a claim for costs on behalf of CME if the Board responds favourably to this request.

Yours very truly

Vincent J. DeRose
VJD

- c. Chris Ripley (Union)
- Michael Penny (Torys)
- Paul Clipsham (CME)
- Mike Humphries (Zochem)

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