



uniongas

A Spectra Energy Company

December 10, 2008

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON, M4P 1E4

Dear Ms. Walli:

Re: EB-2008-0220: Notice of Motion Re: Interim Rates

Enclosed is a motion to declare Union's rates interim effective January 1, 2009.

Union's incentive regulation settlement, approved by the Board in EB-2007-0606, contemplates an application by Union by October 31 and a Board order by December 15 of each year during the five year IR term.

Union filed its application in this matter on September 26, 2008. The Board's Procedural Order No. 1, issued on November 28, 2008, makes it clear that there will be no Board order before the new year, such that Union will be unable to implement new rates on January 1, 2009. It will be Union's proposal in this matter to deal with any retrospective impact of the delayed implementation through a rate rider for general service rate classes and a onetime adjustment for all other rate classes, which will recover any change in rates ultimately approved by the Board's order with effect from January 1, 2009.

Sincerely,

[original signed by]

Chris Ripley
Manager, Regulatory Applications

cc: Michael Penny, Torys
All EB-2008-0220 Intervenors

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, (Schedule B);

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

**NOTICE OF MOTION
RE INTERIM RATES**

1. Union Gas Limited's rates from January 1, 2008 to December 31, 2012 are to be determined under an incentive rate ("IR") mechanism approved by the Ontario Energy Board in EB-2007-0606. The approved IR mechanism contemplates the filing, by Union, of an application, including a draft rate order and supporting documentation, by October 31 in each year so that a final rate order may be issued by December 15 of that year for implementation by January 1 of the following year during each year of the five year IR term.
2. Union applied on September 26, 2008, with a draft rate order and supporting documents, for an order approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas effective January 1, 2009.
3. The Board issued Procedural Order No. 1 in this matter on November 28, 2008. Procedural Order No. 1 determined that this matter shall proceed by way of a written hearing on a schedule which provides for Union to file reply argument by January 7, 2009.
4. It is clear, from Procedural Order No. 1, that the Board does not contemplate issuing a 2009 rate order by December 15, 2008 for implementation by Union on January 1, 2009.

5. Accordingly, Union seeks an Order of the Board declaring Union's rates in effect as of December 31, 2008, interim as of January 1, 2009.
6. Union will seek in this proceeding provision for a rate rider for its general service rate classes and a one time adjustment for all other rate classes so as to give effect to the Board's ultimate disposition of this application from January 1, 2009.
7. Union proposes to rely, in connection with this motion, on material which is already filed in the record, together with such additional material as may be required for the proper disposition of this motion.

December 10, 2008

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AND TO: All Intervenors