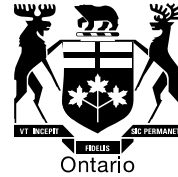


**Ontario Energy
Board**
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**Commission de l'Énergie
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BY EMAIL

September 17, 2008

Chris Ripley
Manager, Regulatory Applications
Union Gas Limited
50 Keil Drive North
P.O. Box 2001
Chatham ON N7M 5M1

Dear Mr. Ripley:

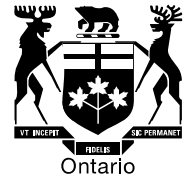
**Re: Union Gas Limited – QRAM Rate Application
Decision and Order on Cost Awards
Board File No. EB-2008-0109**

The Board has today issued its Decision and Order on Cost Awards in the above matter.

Yours truly,

Original signed by

John Pickernell
Assistant Board Secretary



EB-2008-0109

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c.15 (Sched. 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 July 1,
2008;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism approved by the Ontario
Energy Board in RP-2003-0063.

BEFORE: Ken Quesnelle
Member

DECISION AND ORDER ON COST AWARDS

Union Gas Limited ("Union") filed an application (the "Application") dated June 6, 2008, with the Ontario Energy Board (the "Board") for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission, and storage of gas. The Application was made pursuant to Union's approved Quarterly Rate Adjustment Mechanism ("QRAM") under Board File No. EB-2008-0109.

The Board issued its Decision on June 19, 2008, and directed parties to file their cost claims with the Board and Union no later than July 4, 2008. If Union had any comments concerning the claims, these concerns were to be forwarded to the Board and copied to all parties by July 18, 2008. Any responses to Union's comments were to be filed with the Board and Union by July 25, 2008.

The Canadian Manufacturers & Exporters (“CME”) and the Industrial Gas Users Association (“IGUA”) filed cost claims with the Board and copied Union. On September 5, 2008, CME submitted a revised cost claim indicating that they inadvertently failed to include GST of \$43.90 in the claim.

On June 16, 2008, Union filed a letter to the Board indicating that it had no concerns with CME request for costs in the July 1, 2008 QRAM proceeding. No comments were received for IGUA from Union.

The Board has reviewed CME and IGUA’s cost claims and finds both parties to be entitled to 100% of their reasonably incurred costs of participating in this proceeding. The Board also finds each party’s cost claims to be reasonable and approves them.

THE BOARD THEREFORE ORDERS THAT:

1. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Union Gas Limited shall pay:
 - CME the cost claim total of \$921.90; and
 - IGUA the cost claim total of \$481.95.
2. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Union Gas Limited shall pay the Board’s costs of and incidental to this proceeding immediately upon receipt of the Board’s invoice.

ISSUED at Toronto September 17, 2008

ONTARIO ENERGY BOARD

Original signed by

John Pickernell
Assistant Board Secretary