



**FINANCIAL SERVICES DEPARTMENT
KITCHENER UTILITIES**

Jim Gruenbauer, CMA
Manager, Regulatory Affairs & Supply
City Hall, P.O. Box 1118
200 King St. West
Kitchener, Ontario
Canada, N2G 4G7
Phone: 519-580-3568
Fax: 519-741-2633
TDD: 519-741-2385
e-mail: jim.gruenbauer@city.kitchener.on.ca

VIA E-MAIL

April 30, 2007

Ontario Energy Board
Attn: Kirsten Walli, Board Secretary
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

RE: EB-2006-0209 – Response to Invitation to Comment

I am writing in response to the Board's invitation for written comments from participants in these proceedings as set out in its letter dated March 30, 2007.

With respect to the scoping of issues and regulatory process for dealing with the setting of rates for Union Gas Limited and Enbridge Gas Distribution Inc., the City of Kitchener relies on and supports the analysis and proposals contained in Mr. Warren's letter dated April 23, 2007 to Ms. Hare of the OEB.

With respect to the Total Factor Productivity ("TFP") Study prepared by Pacific Economics Group ("PEG"), Board Staff's technical expert, Kitchener supports the comments of IGUA as stated in Mr. Thompson's letter dated April 25, 2007 to you. However, we submit that further comments at this point are premature, given the proposal to transition the regulatory process into adjudicative proceedings in a timely fashion with the likelihood that the PEG TFP Study will subsequently be filed as evidence and examined accordingly. Kitchener would provide its comments on the PEG TFP Study as the need arises, likely in concert with our intervenor colleagues which have jointly sponsored expert assistance in this regard.

Finally, as noted in Ms. Klein's recent e-mail of April 25, 2007, Kitchener has no comments on Board Staff's Discussion Paper.

Yours truly,

Jim Gruenbauer,
Manager, Regulatory Affairs & Supply

cc: Interested Parties
J.A. Ryder (RWBH)