



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 2800, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

March 26, 2009

Sharon Wong
Dir: 416-863-4178
sharon.wong@blakes.com

Ontario Energy Board
P.O. Box 2319, 26th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Reference: 9483/3640

Attention: Ms. Kirsten Walli, Board Secretary

**Re: EB-2008-0411: Union Gas Limited ("Union")- Application for Leave to Sell
Union's Additional Comments on Draft Issues List**

Dear Ms. Walli:

The following are Union's additional comments on the Draft Issues List and is supplementary to the letter Union filed on March 19, 2009.

Issue 1 - Jurisdiction

Union has concerns with proposed Issues 1.1 and 1.2 being on the final Issues List.

Union's application is for leave to transfer the St. Clair Line "in the future, once the Dawn Gateway JV has completed all other steps necessary to put the Dawn Gateway Line into service". Union intends to continue owning and operating the St. Clair Line until the sale actually takes place. Union acknowledges that the St. Clair Line will continue to be under OEB jurisdiction until it is sold to the Dawn Gateway JV in the future, if it is sold.

Union submits that Issue 1.2 is not relevant to this proceeding because Union's application for leave to sell is predicated on the sale not occurring unless the NEB grants the necessary approvals to the Dawn Gateway Line. If the Dawn Gateway Line does not acquire the necessary NEB approvals, then the sale to the Dawn Gateway JV will not occur, and the *status quo* will continue with the St. Clair Line continuing to be under OEB regulation. Questions about the NEB's jurisdiction can be more appropriately addressed in the Dawn Gateway JV's future NEB proceedings regarding the Dawn Gateway Line.

Union also questions whether the OEB has jurisdiction to make a ruling on the future regulatory status of the Dawn Gateway Line in this application by Union, given that the Dawn Gateway JV is not an applicant and is not seeking any approvals from the OEB.

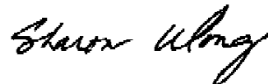
Accordingly, Union requests that the Jurisdiction issues, and in particular Issue 1.2, be removed from the Issues List.

Reply to FRPO Submissions

Union submits that FRPO's concern that the No Harm test would fetter the OEB's ability to consider the public interest is groundless. The wording that Union proposed for the No Harm test explicitly contemplates that the OEB could weigh the impact of the proposed transaction on all of the OEB's statutory objectives and determine on balance whether the proposed transaction will have an adverse effect.

FRPO's submissions accept that there is precedent for the application of the No Harm test in this type of proceeding. Union submits that expressly acknowledging the No Harm test in the Issues List will promote regulatory efficiency and certainty without unduly fettering the OEB's discretion to consider all relevant matters.

Yours truly,



Sharon Wong

c: All Intervenors in EB-2008-0411