



By Electronic Filing and By E-mail

August 25, 2009

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

Dear Ms Walli,

Union Gas Limited ("Union")
Dawn Gateway Limited Partnership ("Dawn Gateway LP")
Reply Submissions re: Possible New Issue
Board File No.: EB-2008-0411
Our File No.: 339583-000036

In the Reply Submissions of Union Gas Limited ("Union") with respect to the potential new issue in this matter, which we reviewed last evening, Union asserts that the submissions we made on August 17, 2009, are "based on the false premise that the OEB has jurisdiction to order Dawn Gateway LP and Dawn Gateway LLC to complete the purchase of the St. Clair."

We are writing because this is an incorrect interpretation of our August 17, 2009 submissions. We are not contending that the Board can order the Joint Venture ("JV") to purchase the St. Clair Line. We recognize and acknowledge that the Board does not have that power.

We thought that was clear from the portion of our August 17, 2009 letter on page 4, as well as the submissions contained in paragraphs 131 to 134, 138, 139(d) and 154(i) of the Written Argument we filed on Friday, August 21, 2009, where we urge the Board to include directions in its decision in this case that cover the contingency of a decision by the JV to refrain from completing the transaction. These submissions are based on the premise that the JV cannot be mandated to complete the transaction.

The process directions we urge the Board to include in its Decision in this case are intended to help the JV and Union decide whether they wish to proceed with the transaction in the event that it is found that provincial jurisdiction prevails and/or where the amount to be allocated to Union's ratepayers is not limited to the Net Book Value ("NBV") of the St. Clair Line.

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We also request the issuance of directions requiring Union to apply for an Order determining the rate-making consequences, if any, of a decision by the JV to refrain from completing the transaction.

We hope this letter clarifies the situation for Union and anyone else who incorrectly concludes that we are contending that the Board has authority to order the JV to complete the transaction.

If there is anything in this letter to which Union wishes to respond, it can do so in its Final Reply Argument due Friday of this week.

Please contact me if there are any questions about the contents of this letter.

Yours very truly,

A handwritten signature in black ink, appearing to read "Peter C.P. Thompson", with a long horizontal flourish extending to the right.

Peter C.P. Thompson, Q.C.

PCT\slc

c. Intervenor EB-2008-0411
Paul Clipsham (CME)
Vince DeRose & Vanessa MacDonnell (BLG)

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