

July 7, 2010

**BY E-MAIL**

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

Dear Ms. Walli:

**Re: EB-2010-0207 Union Dawn to Dawn-TCPL Firm Rate Application**

We are counsel to Union Gas Limited ("Union") and are writing to advise the Board of a planned amendment to Union's application in the above-noted matter.

On June 11, 2010, Union filed an application with the Board seeking approval to modify its current approved C1 rate schedule to accommodate firm transportation from Dawn to the Dawn-TCPL Interconnect, effective November 1, 2010. The application was filed following an open season which resulted in a request from TransCanada for 500,000 GJ/day of firm physical transportation from Dawn to the Dawn -TCPL Interconnect.

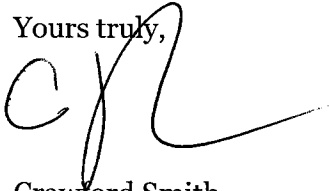
On June 24, 2010, the Board issued Procedural Order No. 1 outlining the process and timeline for review of Union's application. The Procedural Order directs that Union should respond to any interrogatories received by July 9, 2010. In total, nine interrogatories were received by Union from Board Staff and CME.

Union has been advised by TransCanada that it expects to use the firm transportation service for fewer days than is currently contemplated by the applied for rate design. While Union has not completed its calculations arising from the information provided by TCPL, it believes that an amendment to the rate design may be necessary and further that its application should be amended. In these circumstances, Union does not believe that it will be in a position to file responses to the interrogatories by the end of this week. Rather, Union proposes to file its amended application along with its responses by no later than Friday, July 16, 2010.

Union would appreciate the Board's indulgence with respect to Union's amended application and the timing of this matter.

Should you have any questions or concerns, please do not hesitate to contact me.

Yours truly,

A handwritten signature in black ink, appearing to be 'Crawford Smith', written over the words 'Yours truly,'.

Crawford Smith

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csmith@torys.com

CGS/slk

c: Mark Kitchen/Karen Hockin (Union)