

July 23, 2010

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

Re: EB-2010-0039 - Union Gas Limited - 2009 Earnings Sharing & Disposition of Deferral Account and Other Balances – Transcript Corrections

Dear Ms. Walli:

Union is writing further to the technical conference in the above noted matter. Union has now had the opportunity to review the transcript from that conference and answers provided. Below are supplementary responses relating to the conditions precedent of the sale of the St. Clair Line and the split of O&M costs relating to the Spectra employee in the IFRS project.

Conditions Precedent on Sale of St. Clair Line

Ms. Elliot commented at page 21 of the transcript that the two conditions precedent identified in Union's annual report were the only two conditions precedent to the close of the sale of the St. Clair line to the Dawn Gateway Limited Partnership ("DGLP"). This answer was incorrect. Article 3 of the Purchase and Sale Agreement between Union and DGLP contains additional conditions precedent to the close of the sale of the St. Clair line.

The conditions in favour of DGLP are set out in Article 3.1. These conditions are for the exclusive benefit of DGLP and may only be waived by that party. Union has never received confirmation from DGLP that all of the conditions listed in Article 3.1 have been waived, satisfied or complied with.

Further, it is Union's understanding that at least the following conditions have not been waived, satisfied or complied with: Article 3.1 (e) requiring a vote of DGLP's partners in favour of proceeding with the Pipeline System (as defined); Article (g) relating to the contemporaneous closing of a lease or purchase between Dawn Gateway Pipeline, LLC and Michigan Consolidated Gas Company; and Article (l) requiring regulatory approvals including from the Michigan authority to the operation of the Pipeline System. As

indicated in Exhibit JT1.1, the Purchase and Sale Agreement was filed subject to the Board's Practice Direction on confidential filings in EB-2008-0411.

Split of O&M Costs Relating to Spectra Employee on the IFRS Project

Mrs. Elliot commented at page 77 of the transcript that the costs associated with the part-time Spectra employee were allocated equally across Chatham, Houston and Calgary. After investigation, Union has determined that half of the employee's costs were allocated to Union as only Union and Westcoast are converting to IFRS.

If you have any questions, please contact me at (519) 436-4521.

Yours truly,

[Original Signed by]

Chris Ripley
Manager, Regulatory Applications

cc Crawford Smith (Torys)
 EB-2010-0039 Intervenors