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By Electronic Filing and By E-mail

July 29, 2010

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

Dear Ms Walli

Union Gas Limited ("Union") – Dawn to Dawn-TCPL Firm Rate

Board File No.: EB-2010-0207

Our File No.: 339583-000003

This letter contains the submissions of our client, Canadian Manufacturers & Exporters ("CME") with respect to this matter.

Our questions with respect to this application pertained to whether its approval could have any adverse implications for ratepayers. In particular, we were concerned that granting the relief requested in this application would not have any affect on the benefits that are supposed to accrue to Union's ratepayers from Union's sale of the St. Clair Line to Dawn Gateway Limited Partnership ("DGLP") in which Union's parent holds a 50% interest.

We wanted to assure that the approval of this application will have no impact on the issue that has arisen in Union EB-2010-0039 proceeding pertaining to Union's failure to complete the sale of the St. Clair Line to DGLP in March 2010 immediately following DGLP's acceptance of the Board's March 9, 2010 Decision approving DGLP's leave to construct application and the light-handed regulatory regime proposed by DGLP.

In the EB-2010-0039 proceedings, we contend that the failure of those managing and/or directing Union's utility business to complete the sale transaction in March 2010, in accordance with Union's representations to the Board and its representations in its Annual Report released on or about March 17, 2010, constitutes an imprudent breach by Union of its utility obligations to ratepayers. We understand that the parties in that proceeding are requesting that the Board schedule a hearing on dates between November 1 and December 15, 2010 to enable all matters relevant to this contention to be considered and determined.

It was on the basis of this concern that we asked, in CME Interrogatory No. 4, whether the shipper volumes that form the subject matter of this application and the shipper volumes that supported DGLP's leave to construct the Dawn Gateway Pipeline, and the related sale of the St. Clair Line to Union, were connected in any way. Union's response in Exhibit B2-04 is that the shipper volumes pertaining to each of the projects are unrelated.

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Having regard to that response, we are satisfied that an approval of this application will have no impact on the outcome of the issue that has arisen in Union's EB-2010-0039 proceeding. Accordingly, since the application by Union to accommodate the request for service made by TransCanada Pipelines Limited ("TCPL") has no adverse effect on ratepayers, it should be approved.

CME requests that it be awarded its reasonably incurred costs of participating in this proceeding.

Yours very truly,

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

Peter C.P. Thompson, Q.C.
PCT/kt

c. Karen Hockin (Union)
Mark Kitchen (Union)
Crawford Smith (Torys)
All Intervenors
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