



uniongas

A Spectra Energy Company

August 30, 2010

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

Dear Ms. Walli:

RE: NOVEMBER 2010 VERTICAL SLICE

Union Gas has committed to communicating the upcoming vertical slice percentages to customers (and to the Board), typically in August of each year. In order to keep the Board, intervenors and its customers informed on the composition of the vertical slice on a timely basis, attached please find a copy of a Union Gas Factsline communication that is being emailed to Union's customers today.

Yours truly,

[Original signed by]

Chris Ripley
Manager, Regulatory Applications

CR/la

c.c.: EB-2009-0275 Intervenors
Crawford Smith (Torys)



August 30, 2010

Union Gas Vertical Slice Allocations as of November 1, 2010

Every year, Union Gas reviews and makes arrangements for its upstream transportation needs. As of November 1, 2010, the upstream transportation portfolio Union will use to serve sales service customers in the Southern Operations area, includes:

Alliance-Vector	23.6%
Vector 2008	35.3%
Trunkline	7.7%
Panhandle Field Zone (PEPL)	9.9%
TCPL	16.5%
Parkway (Dawn)	7.0%

Between November 1, 2010 and October 31, 2011, Union South customers moving from sales service to Direct Purchase will be allocated transportation capacity on upstream pipelines in the proportions listed above.

Similar to recent Vertical Slice allocations, Union has continued its efforts to build-in flexibility for Direct Purchase customers.

Information on non-renewal options will be provided to each customer as the underlying contracts expire/renew.

Alliance-Vector

Alliance-Vector deliveries are obligated at Dawn-Vector. Customers' Alliance -Vector deliveries will be nominated from the Alliance field zone to Vector Pipelines to Dawn-Vector.

Vector 2008

Vector deliveries are obligated at Dawn-Vector. Customers' Vector deliveries will be nominated from the interconnect between Alliance Pipelines and Vector Pipelines to Dawn-Vector.

Trunkline

Trunkline deliveries are obligated at Parkway. Customers' Trunkline deliveries will be nominated from the East LA field zone to the Trunkline/Panhandle interconnect, and then along Panhandle to Ojibway. From Ojibway, this supply will be delivered to Parkway.

Panhandle Field Zone (PEPL)

Panhandle Field Zone deliveries are obligated at Parkway. Customers' Panhandle deliveries will

be nominated from the Panhandle Field Zone to Ojibway. From Ojibway, this supply will be delivered to Parkway.

TCPL

TCPL deliveries are obligated at Parkway. Customers will nominate the TCPL capacity plus fuel at Empress. Union will transport the gas to Parkway and will invoice customers for the TCPL transportation at NEB approved tolls.

Parkway (Dawn)

Parkway (Dawn) deliveries are obligated at Parkway. Customers' Parkway (Dawn) deliveries will be nominated from Dawn to Parkway.

Pipeline	Currency/Unit	Demand Toll (\$/unit/month)	Demand Toll (\$/unit/day)	Commodity Toll (\$/unit/day)	ACA surcharge applicable	Ojibway to Parkway toll applicable
Alliance Canada	Cdn/10 ³ m ³	\$960.2862				
Alliance US	US/Dth	\$16.50				
Vector Canada	Cdn/GJ	\$0.00*				
Vector US	US/Dth	\$7.6042*			X	
Vector 2008 (Canada)	Cdn/GJ	\$0.00*				
Vector 2008 (US)	US/Dth	\$7.6042*			X	
PEPL Field Zone	US/Dth		0.425	0.0442		X
Trunkline	US/Dth	3.506		0.0149		X
PEPL (Trunkline Path)	US/Dth	2.2721		0.0125		
TCPL	Cdn/GJ	47.77094		0.06753		
Parkway (Dawn)	Cdn/GJ		\$0.1357			

- The Annual Charge Adjustment (ACA) commodity surcharge is \$0.0019US/Dth and is subject to change.
- The Ojibway to Parkway toll is \$0.156 Cdn/GJ effective November 1, 2010.
- *The Vector Canada/US Demand toll is \$0.25US/Dth for each Vector allocation. You will be invoiced in U.S. dollars only.

- The tolls represented above are those currently in effect.

Turnback effective November 1st, 2010

Customers are reminded that the allocations underlying their existing DCQ will change to reflect any turnback of TCPL, Vector 2008, and Trunkline capacity that they had elected earlier this year. Note that all Parkway (Dawn) DCQ's allocated in 2009/10 will end November 1st, 2010 and will be obligated at Parkway.

For more information, please see the March 29, 2010 edition of [Factsline](#).

For more information, please contact Patrick or Bruce.

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