

October 22, 2010

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4B 1E4

Dear Ms. Walli:

**Re: Union's 2011 Rates Application
(EB-2010-0148 – Effective January 1, 2011)**

Dear Ms. Walli:

In response to the Ontario Energy Board's ("the Board") October 20, 2010 letter re: LEAP Emergency Financial Assistance, Union Gas Limited ("Union") is writing to inform the Board that Union is withdrawing its proposal to recover \$836,000 associated with the emergency financial assistance plan from its 2011 Rates Application (dated September 23, 2010). Further, Union also withdraws its request for a deferral account to capture the difference between the \$836,000 included in rates and the final LEAP funding approved by the Board.

The Board's October 20th letter acknowledged that Union is subject to a Late Payment Penalty class action court settlement that requires contributions to the Winter Warmth program. Since the amount Union is required to contribute to the Winter Warmth program by way of the class action settlement exceeds the equivalent of 0.12% of total distribution revenue, the Board determined that no additional contribution by Union is required for 2011.

Once the Board issues its final Decision with Reasons specific to the above noted proceeding, Union will include the necessary updates resulting from this Board directive in the EB-2010-0148 Draft Rate Order.

Yours truly,

[Original signed by]

Chris Ripley
Manager, Regulatory Applications

c.c.: EB-2010-0148 Intervenors
Crawford Smith (Torys)