

December 19, 2007

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

Dear Ms. Walli:

Re: Franchise Agreement and Certificate of Public Convenience and Necessity with the Municipality of Central Elgin
Board File Nos. EB-2007-0809 and EB-2007-0810

On October 12, 2007, Union Gas Limited applied to the Board for Orders with respect to a Franchise Agreement and Certificate of Public Convenience and Necessity with the Municipality of Central Elgin. New information has been uncovered that necessitates changes to these applications.

Franchise Agreement

In its application, Union applied for approval of a Franchise Agreement with the Municipality of Central Elgin that "covers the same territory as that covered by the existing Franchise Agreements, plus parts of the former Township of Yarmouth and the former Village of Belmont serviced by Natural Resource Gas Limited".

Through discussions with Natural Resource Gas, Union has learned that there are sections of the former Township of Yarmouth that are not covered by any existing franchise agreements:

- Concession I Lots 23 to 28 (inclusive)
- Concession II Southern Part of Lots 23 to 25
- Concession II Lots 26, 27 and 28
- Concession III Lot 26
- Concession III Part of Lots 27 and 28 south of Catfish Creek
- Concession IV Part of Lots 26 and 27 south of Catfish Creek
- Range I south of Edgeware Road Lots 20, 21 and 22
- Range I north of Edgeware Road Lots 20, 21 and 22
- Range II north of Edgeware Road Lots 20, 21 and 22
- Concession XIV Lots 13, 14, 15 and 16
- Concession XV Lots 14, 15 and 16

While the agreement reached with the Municipality is still for a franchise agreement for all of Central Elgin, Union's application is better described as a request for approval of a Franchise Agreement with the amalgamated Municipality that covers the same territory as that covered by the existing Franchise Agreements, plus parts of the former Township of Yarmouth not currently serviced through a franchise agreement, and parts of the former Township of Yarmouth and the former Village of Belmont serviced by Natural Resource Gas Limited.

Certificate of Public Convenience and Necessity

At the time of the original application, Union and Board staff were under the impression that all sections of the Municipality were covered under Certificates held by either Union or Natural Resource Gas. Through discussions with Natural Resource Gas and Board staff, Union has learned that the sections of the Municipality not covered under an existing franchise agreement (all lying within the former Township of Yarmouth) are not covered under a Certificate of Public Convenience and Necessity either.

Union's original application was for a Certificate of Public Convenience and Necessity for those areas of the amalgamated Municipality not covered by any Certificate of Public Convenience and Necessity held by Natural Resource Gas Limited. The recently uncovered information has revealed that this would result in Union obtaining a Certificate that covers more area than originally intended.

Union's application for a Certificate of Public Convenience and Necessity is hereby revised to be for a Certificate for all of the amalgamated Municipality of Central Elgin excluding for those areas covered by any Certificate of Public Convenience and Necessity currently held by Natural Resource Gas Limited as well as the following sections of the Municipality:

- Concession I Lots 23 to 28 (inclusive)
- Concession II Southern Part of Lots 23 to 25
- Concession II Lots 26, 27 and 28
- Concession III Lot 26
- Concession III Part of Lots 27 and 28 south of Catfish Creek
- Concession IV Part of Lots 26 and 27 south of Catfish Creek
- Range I south of Edgeware Road Lots 20, 21 and 22
- Range I north of Edgeware Road Lots 20, 21 and 22
- Range II north of Edgeware Road Lots 20, 21 and 22
- Concession XIV Lots 13, 14, 15 and 16
- Concession XV Lots 14, 15 and 16

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

Yours truly,

[Original signed by]

Patrick McMahon Manager, Regulatory Research and Records

PM/la

c.c: Mr. Richard King
Ogilvy Renaud
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
Toronto, ON M5J 2Z4

Mr. Donald N. Leitch Chief Administrative Officer/Clerk The Corporation of the Municipality of Central Elgin 450 Sunset Drive St. Thomas, ON N5R 5V1