

January 19, 2011

RESS AND EMAIL

Kirsten Walli, Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EB-2010-0300 -- Union Gas Limited -- Pre-Approval for the Cost
Consequences of Three Long-Term Transportation Contracts**

**EB-2010-0333 -- Enbridge Gas Distribution -- Pre-Approval for the Cost
Consequences of a Long-Term Transportation Contract**

We are counsel to Union Gas Limited (Union) in the above-noted EB-2010-0300 proceeding. We write further to the letters to the Board on behalf of the Industrial Gas Users Association (IGUA) and Federation of Rental-Housing Providers of Ontario (FRPO) dated January 18, 2011, and January 19, 2011, respectively.

In their letters, IGUA and FRPO assert that the Board should depart from the proposed schedule in the upcoming hearing in the above-noted proceedings in order to allow for additional time for the parties to consider the evidence and provide arguments. Through its counsel, IGUA has specifically requested that intervenors be given until at least February 11, 2011 to file their written arguments (no reference was made to timelines for Union and Enbridge to file reply argument, but presumably this would further extend the proceeding).

In Union's submission, the letters sent on behalf of IGUA and FRPO raise no issues that merit serious consideration and the extensions of time requested should be denied.

Union's application and evidence were filed over three months ago, on October 5, 2010. In accordance with Procedural Order No. 1, dated November 1, 2010, Union responded to all interrogatories it received (those from Board Staff, Canadian Manufacturers & Exporters, TransCanada PipeLines Ltd., FRPO and the Association of Power Producers of Ontario) on November 30, 2010. In addition, on January 6, 2011, Union provided additional responses to questions from the Board dated December 21, 2010. This timeline has allowed parties over three months to review and consider the issues and evidence in Union's application. An extension is not warranted.

Furthermore, even if such an extension were warranted, the requests of IGUA and FRPO are untimely. The hearing dates of January 20 and, if necessary January 21 were set by Procedural Order on January 7, 2011. The proposed schedule for the upcoming hearing was circulated by

Board Staff to the parties by email on January 11, 2011. That proposed schedule set out the order of events for the hearing, and included oral argument. In its email, Board Staff specifically requested that any concerns with the proposed schedule be raised with Board Staff on or before January 14, 2011. To Union's knowledge, no such concerns were raised.

Moreover, in Union's submission, the fact that it has recently (as of January 17, 2011) withdrawn its application in respect of the Parkway to NDA and Parkway to EDA contracts does not support a request for an extension of time for arguments. On the contrary, the withdrawal of the Parkway contracts has made this proceeding more streamlined. For clarity, and contrary to the assertion made in the letter from IGUA's counsel, there will be no displacement of TCPL mainline volumes as a result of Union's amended application.

Finally, as set out in Exhibit B2.17, Union requires Board approval of its application before January 31, 2011 in order to proceed with the Niagara to Kirkwall contract. January 31, 2011 represents the deadline for commitment to the Niagara-Kirkwall contract, after which Union will incur potentially significant costs if it withdraws. If Board approval for Union's application is not received prior to January 31, 2011, Union will not proceed with the Niagara-Kirkwall contract. Accordingly, if the extension requested by counsel for IGUA were granted, the application would be rendered moot before final written arguments were submitted.

In Union's submission, the issues and evidence relevant to the EB-2010-0300 proceeding have been on the record for over three months. Indeed, the very reason Union filed its application when it did was to allow for ample time for review and consideration. In addition, the length of time needed for review and consideration has been significantly reduced as a result of Union's decision to withdraw its application in respect of the Parkway contracts.

An extension of time to consider the issues and evidence is not warranted and would amount to a decision against pre-approval as Union would be forced to withdraw from the Niagara-Kirkwall contract. For these reasons, it is Union's submission that the request of IGUA and FRPO should be denied, and that the hearing on January 20 and 21 should proceed as set out in Board Staff's proposed schedule.

Yours truly,

[Original signed by]

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EK

cc: Mark Kitchen (Union)
Karen Hockin (Union)
Neil McKay (Board Staff)
Intervenors in EB-2010-0300