

March 2, 2011

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

**Attention: Peter Fraser, Managing Director, Regulatory Policy
Ontario Energy Board (OEB)**

**Re: Enbridge Gas Distribution Inc. (Enbridge Gas) and Union Gas Limited (Union Gas)
Preliminary Assessment of Incentive Regulation Plans of the Natural Gas Utilities
Board File No.: EB-2011-0052
AltaGas Utilities Inc. (AUI, the Company)
Observer Request Letter**

In response to the OEB Announcement issued on February 25, 2011, AUI wishes to register as an observer to the Preliminary Assessment of Incentive Regulation (IR) Plans of the Natural Gas Utilities process. This process is of interest to AUI as the Alberta regulatory framework shifts towards IR. The Company intends to only monitor this proceeding and will not request cost eligibility.

Please forward all communication with respect to this proceeding to the following contacts:

AltaGas Utilities Inc.
5509 – 45 Street
Leduc, AB T9E 6T6

Attention: Robert Koizumi
Phone: (780) 980-6716
E-mail: rkoizumi@altagasutilities.com

AltaGas Utilities Inc.
5509 – 45 Street
Leduc, AB T9E 6T6

Attention: Nancy J. McKenzie
Phone: (780) 980-5914
E-mail: njmcken@altagasutilities.com

AltaGas Utilities Inc.
5509 – 45 Street
Leduc, AB T9E 6T6

Attention: Regulatory Affairs
Phone: (780) 986-5215
E-mail: regulatory@altagasutilities.com

In the interim, should the Board or OEB staff have any questions, please call.

ALTAGAS UTILITIES INC.

Per:

A handwritten signature in blue ink, appearing to read 'R. Koizumi', with a long horizontal stroke extending to the right.

Robert J. Koizumi, CMA
Director, Regulatory Affairs