Ontario Energy Board P.O. Box 2319 27th Floor 2300 Yonge Street Toronto ON M4P 1E4 Telephone: 416- 481-1967 Facsimile: 416- 440-7656 Toll free: 1-888-632-6273 Commission de l'énergie de l'Ontario C.P. 2319 27e étage 2300, rue Yonge Toronto ON M4P 1E4 Téléphone; 416- 481-1967 Télécopieur: 416- 440-7656 Numéro sans frais: 1-888-632-6273



BY EMAIL

June 9, 2011

Robert J.M. Janes, Janes Freedman Kyle Law Corporation Suite 816 – 1175 Douglas Street Victoria BC V8W 2E1

Dear Mr. Janes:

Re: Union Gas Limited – Red Lake Project Board File Nos. EB-2011-0040, EB-2011-0041, EB-2011-0042

The Board is in receipt of your June 7, 2011 letter observing pre-construction activities taking place in the vicinity of the Red Lake Project.

The Board is also in receipt of a letter from Union Gas Limited dated June 8, 2011 responding to your letter.

The Board's experience is that pre-construction activities of the nature described in both your letter and Union's letter are in preparation for the commencement of pipeline construction work to be carried out in the event a formal Leave to Construct Order is issued by the Board. Although preparatory work has been undertaken, it does not appear that any actual construction work has commenced, nor can it without the Board's approval of the Leave to Construct application. The Board acknowledges Union's comment that such activities and associated cost consequences are entirely at Union's risk should a Leave to Construct Order not be forthcoming.

Yours truly,

Original Signed By

John Pickernell Assistant Board Secretary

cc: All Parties, Intervenors and Observers