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August 30, 2011

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Ontario Energy Board
2300 Yonge Street
Suite 2700
Toronto, Ontario
M4P 1E4

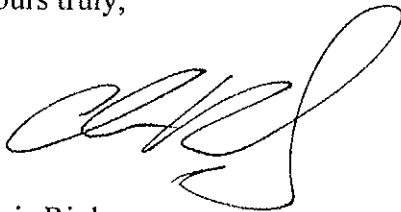
Attention: Ms. Kirsten Walli, Board Secretary

Re: Union Gas Limited - November 2011 Vertical Slice

Dear Ms. Walli:

Union Gas has committed to communicating the upcoming vertical slice percentages to customers (and to the Board), typically in August of each year. In order to keep the Board, intervenors and its customers informed on the composition of the vertical slice on a timely basis, attached please find a copy of a Union Gas Factsline communication that is being emailed to Union's customers today.

Yours truly,



Chris Ripley
Manager, Regulatory Applications

CR/la

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



August 30, 2011

Union Gas (working) will use the following upstream transportation portfolio to serve

Each year, Union Gas reviews and makes arrangements for its upstream transportation needs. As of November 1, 2011, Union Gas will use the following upstream transportation portfolio to serve sales service customers in the Southern Operations area:

| | |
|------------------------------|-------|
| Alliance-Vector | 26.9% |
| Vector 2008 | 37.0% |
| Trunkline | 8.4% |
| Panhandle Field Zone (PEPL) | 10.4% |
| TransCanada Pipelines (TCPL) | 17.3% |

Between November 1, 2011 and October 31, 2012, Union South customers moving from sales service to Direct Purchase will be allocated transportation capacity on upstream pipelines in the proportions listed above.

Similar to recent Vertical Slice allocations, Union Gas has continued its efforts to build-in flexibility for Direct Purchase customers.

Information on non-renewal options will be provided to each customer as the underlying contracts expire/renew.

Alliance-Vector

Alliance-Vector deliveries are obligated at Dawn-Vector. Customers' Alliance-Vector deliveries will be nominated from the Alliance field zone to Vector Pipelines to Dawn-Vector.

Vector 2008

Vector deliveries are obligated at Dawn-Vector. Customers' Vector deliveries will be nominated from the interconnect between Alliance Pipelines and Vector Pipelines to Dawn-Vector.

Trunkline

Trunkline deliveries are obligated at Parkway. Customers' Trunkline deliveries will be nominated from the East LA field zone to the Trunkline/Panhandle interconnect, and then along Panhandle to Ojibway. From Ojibway, this supply will be delivered to Parkway.

Panhandle Field Zone (PEPL)

Panhandle Field Zone deliveries are obligated at Parkway. Customers' Panhandle deliveries will be nominated from the Panhandle Field Zone to Ojibway. From Ojibway, this supply will be delivered to Parkway.

TransCanada Pipelines (TCPL)

TCPL deliveries are obligated at Parkway. Customers will nominate the TCPL capacity plus fuel at Empress. Union Gas will transport the gas to Parkway and will invoice customers for the TCPL transportation at NEB approved tolls.

| Pipeline | Currency/Unit | Demand Toll (\$/unit/month) | Commodity Toll (\$/unit/day) | ACA surcharge applicable | Ojibway to Parkway toll applicable |
|-----------------------|------------------------------------|--------------------------------|------------------------------------|--------------------------------|---|
| Alliance Canada | Cdn/10 ³ m ³ | \$960.2862 | | | |
| Alliance US | US/Dth | \$17.9234** | | | |
| Vector Canada | Cdn/GJ | \$0.00* | | | |
| Vector US | US/Dth | \$7.6042* | | X | |
| Vector 2008 (Canada) | Cdn/GJ | \$0.00* | | | |
| Vector 2008 (US) | US/Dth | \$7.6042* | | X | |
| PEPL Field Zone | US/Dth | \$12.93 | 0.0442 | | X |
| Trunkline | US/Dth | \$3.506 | 0.0149 | | X |
| PEPL (Trunkline Path) | US/Dth | \$2.2721 | 0.0125 | | |
| TCPL | Cdn/GJ | \$63.84842 | 0.14377 | | |

- The Annual Charge Adjustment (ACA) commodity surcharge is currently \$0.0019US/Dth and is subject to change.
- The Ojibway to Parkway toll is \$0.20 Cdn/GJ effective November 1, 2011.
- *The Vector Canada/US demand toll is \$0.25US/Dth for each Vector allocation. You will be invoiced in U.S. dollars only.
- ** The Alliance US demand toll includes a non-renewal surcharge applied to all Shippers that are not renewing their capacity beyond 2015.
- The tolls represented above are those currently in effect.

Turnback effective November 1, 2011

Customers are reminded that the allocations underlying their existing DCQ will change to reflect any turnback of Panhandle, Vector 2008, and Trunkline capacity that they had elected earlier this year.

For more information, please see the March 29, 2011 edition of [Factsline](#).

If you have any questions about this communication, please contact Patrick Boyer or Bruce Walker.

For more information, please contact the following individuals:
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