

September 14, 2011

BY RESS & Courier

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

Dear Ms. Walli:

Re: EB-2011-0013, EB-2011-0014, EB-2011-0015 Jacob Storage Pool Project

Further to the Board's decisions regarding the above noted matter, we would like to update you on the status of the proposed Jacob Storage Pool Project.

Based on the Board's decisions in EB-2011-0013, EB-2011-0014 and EB-2011-0015, Union Gas was prepared to move forward with the development the Jacob Storage Pool.

Due to a continuing decline in the market demand and value of natural gas storage at Dawn and across North America, Union Gas has decided to delay development of the Jacob Storage Pool. We will reassess the project next year to determine if market conditions support development of this storage pool.

All other aspects of the storage pool development, including the final preferred pipeline route, will not change as a result of the delay and all existing landowner commitments negotiated with Union Gas will be honoured at the time of any construction.

To ensure the public is aware of this change, Union Gas will send letters to affected landowners, intervenors and other stakeholders.

We will keep you informed of any future developments with this pipeline project. Please bring this letter to the attention of the Board panel members involved with this project.

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

Sincerely, [original signed by]

Mark Murray Manager Regulatory Projects & Land Acquisition, Union Gas Limited 519 436-4601 <u>mmurray@uniongas.com</u>

cc: Intervenors P. O. Box 2001, 50 Keil Drive North, Chatham, ON, N7M 5M1 www.uniongas.com Union Gas Limited