



uniongas

A Spectra Energy Company

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By email & courier

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

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**RE: Tipperary Pool Storage Development Project (“Project”)
EB-2006-0159
Vary Order to Amend Conditions of Approval**

We are writing to request that the Ontario Energy Board amend the following Condition of Approval (“Condition”) from the Order to Inject Store and Withdraw for the Project for as long as Union Gas Limited (“Union”) is the operator of the Project.

1.1.2 Prior to commencement of any injection, storage or withdrawal operations, Tipperary shall complete and file with the Board, the Ministry of Natural Resources, and all Parties to these proceedings the following plans and procedures as required by CSA 341.1-02:

1.1.2.1 Operations and Maintenance Procedures (s.10.1.1)

1.1.2.2 Emergency response Plan (s. 10.1.2)

And thereafter with any and all on-going obligations as required in respect of such procedures and plans pursuant to CSA Z3341.1-02 or any successor version thereto.

Union requests that the Condition be amended to state that it is not applicable to the Project so long as Union is the operator. Union also requests that it be permitted to operate the Project in the manner Union operates its 19 other storage pools in Ontario until such time as the Board can rule on the request to vary the Condition.

Previous Board Approval for Union to acquire Tipperary

The Board in EB-2007-0837 approved Union’s purchase of 75% of the voting securities of Tipperary Gas Corp. (“Tipperary GP”). Tipperary GP is a storage company which was to be the operator of the Project, prior to the sale to Union.

Submissions regarding the Application of the Conditions to Union

In regard to the requested amendment to condition 1.1.2 Union submits:

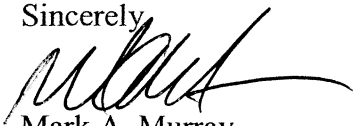
- Union understands that this condition was imposed on Tipperary GP as they did not have any experience operating a storage pool. Union has extensive experience in the development and operation of storage pools. Union currently operates 19 such pools in Ontario and two have an unblemished safety record;
- Union has an existing emergency response plan and operating manuals for its storage pools;
- Union will make available for review by affected landowners its emergency response plan and will continue to make itself available to answer an questions regarding the plan;
- Union's operations and procedural manuals are commercially sensitive material. It is not appropriate for these documents to become public so that others may benefit inappropriately from Union's long and successful operating history;
- These documents are proprietary and confidential in nature because funds and effort that have gone into developing these documents;
- However, emergency response plans, as a rule, are not made public as they may compromise the purpose and intent of the plans if the very people who might want to disrupt Union's facilities knew the steps that Union would take in the event of an emergency situation.

None of the 19 storage pools which Union currently owns and operates are subject to a condition similar to the condition imposed on Tipperary GP.

For the above reasons, Union requests that the Condition be amended to state that it is not applicable to the Project conditional upon Union operating the Project. In addition, Union requests that it be permitted to operate the Project in the manner Union operates its 19 other storage pools until such time as the Board rules on this request.

If the Board has any questions or requires additional information please contact me.

Sincerely,



Mark A. Murray
Manager, Regulatory Projects

Encl.

:mjp

cc. Neil McKay, Manager Facilities Applications
Zora Crnojacki, Project Advisor