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April 11, 2008

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Reference: 9483/3642

Ontario Energy Board
P.O. Box 2319, 26th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

**Re: Union Application to Vary Conditions of Approval
EB-2008-0038**

Dear Ms. Walli:

I am writing as counsel for Union Gas Limited (Union) to advise that Union agrees to the draft Condition of Approval which was proposed by Board Staff on June 9, 2008, a copy of which is attached hereto. Union's agreement is based on Union's understanding that Staff's proposal is that each of the existing Pressure Gradient Conditions in the various orders (as listed in Schedule 1 of the Pre-Filed Evidence) will be replaced with the attached draft Condition.

I understand that the Ministry of Natural Resources is also in agreement with the draft Condition of Approval.

Because all parties agree to the draft Condition of Approval, we trust that there is no need for Union to file any further written submissions with the Board, but please let us know if this is not the case.

Yours truly,

Sharon Wong

sw/maem

c: Maureen Helt
Zora Crnojacki
All Intervenors

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**Union Gas Limited 2008 Storage Enhancement Project
Application for Order Varying Conditions of Approval
EB-2008-0038**

Draft Condition Proposed by Board Staff

June 9, 2008

Union Gas Limited shall not operate the storage pool above a pressure representing a pressure gradient of 0.73 psi per foot of depth without leave of the Board. Union Gas Limited shall file an engineering study and a geological study in support of any leave application.