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BY EMAIL

January 15, 2007

Patrick McMahon
Manager, Regulatory Research and Records
Union Gas Limited
P.O. Box 2001
50 Keil Drive North
Chatham ON N7M 5M1

LETTER OF DIRECTION

Dear Mr. McMahon:

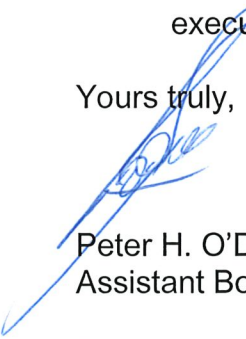
**Re: Union Gas Limited - Corporation of Haldimand County
Board Decision and Order for a Franchise Approval
Board File Number EB-2006-0274**

The Board has now issued its Decision and Order in this matter and an executed copy is enclosed.

You are directed:

1. To serve immediately a copy of the Decision and Order for the franchise approval on the Clerk of the Corporation of Haldimand by courier or by registered mail;
2. To file with the Board, affidavit evidence demonstrating the above service immediately upon completion, with the Decision and Order and courier waybill information or original Post Office Registration Receipt(s) (where applicable) attached as appendices; and
3. To file with the Board a duly certified copy of the by-law after third reading and an executed copy of the franchise agreement, as soon as these are available.

Yours truly,



Peter H. O'Dell
Assistant Board Secretary

Encl.



EB-2006-0274

IN THE MATTER OF the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended;

AND IN THE MATTER OF an application by Union Gas Limited for an order approving the terms and conditions upon which the Corporation of Haldimand County is, by by-law, to grant Union Gas Limited the right to construct and operate works for the distribution of gas; the right to extend and add to the works; and the period for which such rights are granted;

AND IN THE MATTER OF an application by Union Gas Limited for an order declaring and directing that the assent of the municipal electors to the by-law is not necessary.

By delegation, before: Mark C. Garner.

DECISION AND ORDER

Union Gas Limited ("Union") has filed an application with the Ontario Energy Board (the "Board") dated November 1, 2006 under section 9 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, for an order of the Board approving the terms and conditions upon which and the period for which the Corporation of Haldimand County (the "Corporation") is, by by-law, to grant Union the right to construct and operate works for the distribution of gas and the right to extend and add to the works in Haldimand County (the "Municipality"). Union has also applied for an order of the Board declaring and directing that the assent of the municipal electors to the by-law is not necessary. The Board has assigned the application File Number EB-2006-0274.

Union submitted a resolution dated October 18, 2006, passed by the Corporation, approving the draft by-law and requesting that the Board declare and direct that the assent of the municipal electors to the by-law is not necessary.

The Board's Notice of Application and Notice of Written Hearing was published on November 24, 2006. There were no intervenors.

Union is presently serving gas in portions of the Municipality and holds Certificates of Public Convenience and Necessity for those portions.

The proposed franchise agreement is in the form of the 2000 Model Franchise Agreement approved by the Board as a standard form of agreement.

Based on the information provided in the application, granting the application is in the public interest. Further, in all the circumstances, the assent of the municipal electors can properly be dispensed with.

IT IS ORDERED THAT:

1. The terms and conditions upon which, and the period for which, the Corporation of Haldimand County is, by by-law, to grant to Union Gas Ltd. the right to construct and operate works for the distribution of gas, and the right to extend and add to the works, as set out in the franchise agreement attached as Appendix A, are approved.
2. The assent of the municipal electors to the by-law is not necessary.

DATED at Toronto, January 15, 2007

ONTARIO ENERGY BOARD



Mark C. Garner
Managing Director, Market Operations

APPENDIX A
TO BOARD DECISION AND ORDER
EB-2006-0274
FRANCHISE AGREEMENT
DATED: January 15, 2007