



uniongas

A Spectra Energy Company

August 27, 2008

Mr. Mark Bristol
Natural Resource Gas Limited
39 Beech Street E.
Aylmer ON N5H 2S1

Dear Mr. Bristol:

By letter dated June 16, 2008, Union indicated that it was forecasting a maximum exposure to Natural Resource Gas Limited ("NRG") well in excess of the unsecured credit limit assigned by Union to NRG. Union also outlined two ways that NRG could seek to satisfy Union's anticipated maximum exposure: NRG could provide financial assurances in the form of a cash security deposit or letter of credit, or it could make arrangements to change the renewal date of its direct purchase contract.

Also, by letter dated August 1, 2008, Union applied to the Ontario Energy Board for an order to suspend service or terminate service to NRG.

The NRG direct purchase contract is scheduled to expire on September 30, 2008. Union is not prepared to renew that contract for a further 12 month term effective October 1, 2008. Union has prepared an amendment to renew the contract for a 6 month term (October 1, 2008 to March 31, 2009). In addition, Union has increased the Daily Contract Quantity ("DCQ") to match NRG's consumption during that 6 month term. As a result, NRG will need to arrange for additional supply. Subsequent renewals will be for 12 month terms (April 1 to March 31) with the DCQ lowered to match consumption.

Renewing the contract as outlined above will reduce Union's maximum exposure to a level within the unsecured credit limit currently assigned by Union to NRG and resolve Union's concern regarding NRG's creditworthiness. In the event NRG is prepared to accept the above changes to its direct purchase contract, Union will withdraw its above noted application to the OEB.

Enclosed please find two copies of the amendment to the Bundled T Gas Contract between Natural Resource Gas Limited and Union Gas Limited ("Union").

Please sign and return these amendments to me. After we receive your signed amendments, we expect to execute them within two weeks. Once all signatures are in place, we will return your copy of the executed amendment.

If you require any further information, feel free to contact me (519) 436-5386.

Yours truly,

Tom Byng
Manager, Contracting & Customer Support
Enclosure

CC:

Patrick Boyer, Manager, Retail Energy Markets
Lori Couture, Customer Support Representative
Mark Kitchen, Director, Regulatory Affairs
Pat Elliott, Controller
Kirsten Walli, Board Secretary, OEB
Richard King, Ogilvy Renault

Contract Parameters Report

Contract ID: SA918
 Contract Name: NRG
 DUNS#: DUNS04387

Month		Historical	Forecast		BGA (GJ)	Checkpoint (GJ)	Balancing Points	
		Consumption (m3)	Consumption (GJ)	Receipts (GJ)			Ceiling (GJ)	Floor (GJ)
October	2008	627,539	23,608	78,709	55,101			
November	2008	1,678,469	63,144	76,170	68,127			
December	2008	2,301,223	86,572	78,709	60,264			
January	2009	2,598,804	97,767	78,709	41,206			
February	2009	2,725,173	102,521	71,092	9,777			
March	2009	2,351,914	88,479	78,709	0			
Total		12,283,122	462,091	462,098			29,464	(29,464)
Load Factor		1.000						
Heat Value		37.62						
DCQ (GJ)		2,539						

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	Western			Parkway			Dawn	Dawn-Vector		Total
	South	Exchange	VS	Regular	Trunkline	PEPL	Regular	Vector	Alliance/ Vector	
Current DCQ (Auth. Notice)	761	0	0	739	0	0	0	0	0	1,500
Current DCQ (Schedule 1)	761	0	0	739	0	0	0	0	0	1,500
Consumption Increase (+ve)	0	0	0	1,039	0	0	0	0	0	1,039
Consumption Decrease (-ve)	0	0	0	0	0	0	0	0	0	0
Account Transfer (+ve/-ve)	0	0	0	0	0	0	0	0	0	0
Delivery Point Change (+ve/-ve)	0	0	0	0	0	0	0	0	0	0
Turnback (+ve/-ve)	0	0	0	0	0	0	0	0	0	0
Move (+ve/-ve)	0	0	0	0	0	0	0	0	0	0
DCQ Adjustments (+/-)	0	0	0	0	0	0	0	0	0	0
Drop (-ve)	0	0	0	0	0	0	0	0	0	0
New DP Enrol (+ve)	0	0	0	0	0	0	0	0	0	0
Vendor Switches (+/-)	0	0	0	0	0	0	0	0	0	0
Revised DCQ (Schedule 1)	761	0	0	1,778	0	0	0	0	0	2,539
Assignment (+ve/-ve)	0	0	0	0	0	0	0	0	0	0
Revised DCQ (Auth. Notice)	761	0	0	1,778	0	0	0	0	0	2,539

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SCHEDULE "1"
Contract Parameters And Notice Lists
Southern Bundled T

Contract ID: SA918
Contract Name: NRG
DUNS#: DUNS04387

1. Dates

"Day of First Receipt" means the 1st day of October, 2007.
The Contract Year shall expire at the end of March, 2009.
This Schedule 1 is effective October 01, 2008.

2. Daily Contract Quantity (DCQ)

Upstream Point(s) Of Receipt

LOCATION	Obligated DCQ GJ per Day
Western	761

Ontario Point(s) Of Receipt

LOCATION	Obligated DCQ GJ per Day
Parkway	1778

Obligated DCQ does not include fuel.

On Days when requested by Customer and Authorization Notice is given by Union, the above quantity parameters, Upstream Point(s) of Receipt, and Ontario Point(s) of Receipt shall be deemed to be amended in accordance with such Authorization Notice.

3. Maximum BGA Balances

All units referenced in the table below are Gigajoules (GJ).

BGA Balancing Period Date	Maximum Positive Variance	Maximum Negative Variance
September 30, 2008	21,900	-21,900
March 31, 2009	29,464	-29,464

In this Schedule 1, if a BGA Balancing Period Date (other than Contract Anniversary) coincides with the Winter Checkpoint Date, the greater of the Maximum Negative Variance on the BGA Balancing Period Date or the checkpoint value will prevail. If a BGA Balancing Period Date (other than Contract Anniversary) coincides with the Fall Checkpoint Date, the lesser of the Maximum Positive Variance on the BGA Balancing Period Date or the checkpoint value will prevail.

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4. Checkpoint Balancing Parameters

Checkpoint	Fall/Winter Checkpoint Date	Checkpoint Quantity (GJ)
Winter	Feb 29, 2008	-179,823
Winter	Feb 28, 2009	9,777

This Contract operates on the basis of:

- ☐ Customer Determined Balancing Option
Or ☒ Union Determined Balancing Option

5. Contact List for Notices

Notices for Nomination Matters

Natural Resource Gas Limited

Controller

Mail: 39 Beech Street E., P.O. Box 307, Aylmer ON, N5H 2S1

Courier: 39 Beech Street E., Aylmer ON, N5H 2S1

Phone: 519-773-5321

Fax: 519-773-5335

Union Gas Limited

Manager, Gas Management Services

Mail: 50 Keil Dr N, Chatham ON, N7M 5M1

Phone: 519-436-4545

Fax: 519-436-4635

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Notices for Invoices and Payments

Natural Resource Gas Limited

Controller

Mail: 39 Beech Street E., P.O. Box 307, Aylmer ON, N5H 2S1

Courier: 39 Beech Street E., Aylmer ON, N5H 2S1

Phone: 519-773-5321

Fax: 519-773-5335

Union Gas Limited

Manager, Billing & Operational Support

Mail: 50 Keil Dr N, Chatham ON, N7M 5M1

Phone: 519-352-3100

Fax: 519-436-5320

Notices for All other Matters

Natural Resource Gas Limited

Controller

Mail: 39 Beech Street E., P.O. Box 307, Aylmer ON, N5H 2S1

Courier: 39 Beech Street E., Aylmer ON, N5H 2S1

Phone: 519-773-5321

Fax: 519-773-5335

Union Gas Limited

Manager, Contracting & Customer Support

Mail: 50 Keil Dr N, Chatham ON, N7M 5M1

Phone: 519-352-3100

Fax: 519-358-4064

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A Spectra Energy Company

The undersigned execute this Contract as of the above date.

UNION GAS LIMITED

I have the Authority to bind the Corporation, or Adhere C/S, if applicable

Wayne Andrews - Manager, Contract Billing & Operational Support

CUSTOMER

I have the Authority to bind the Corporation, or Adhere C/S, if applicable

please print name



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DUNS#: DUNS04387

"SCHEDULE 3"
End Use List

The location(s) stated hereunder shall collectively be defined as Point(s) of Consumption. The parties acknowledge that the Union account number(s) is for ease of administration and should any number be changed to a new number, this Contract is deemed to be automatically amended to include such new number.

For all Bundled T Contracts submitted and administered electronically by the Customer or its Agent using Unionline, the End Use List is provided in the Unionline Price Point Cross Reference Report ("Price Report").

If this Contract is executed by an Agent, then Customer shall mean the End Users referenced in this Schedule 3.

<u>Union Account #</u>	<u>Consumer Name</u>	<u>Location</u>
SA1550	NRG LIMITED	30040 WESTCHESTER BR DORCHESTER N TP, ON

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