

**OGILVY
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SENT BY E-MAIL

Toronto, September 5, 2008

Mr. Tom Byng
Manager, Contracting & Customer Support
Union Gas Limited ("Union")
P.O. Box 2001
Chatham, ON, N7M 5M1

Dear Mr. Byng:

**RE: Union Application to Discontinue Service
EB-2008-0273**

As you know, we are counsel to Natural Resource Gas Limited ("NRG"). We are in receipt of your letter to Mark Bristoll dated August 27, 2008.

Your letter states that Union is not prepared to renew my client's existing Bundled-T Gas Contract with Union. As you know from my correspondence to Union of July 2, 2008, NRG's position is that Union has no reasonable grounds to demand that natural gas be supplied to NRG only if: (a) NRG agrees to post financial assurance; or (b) NRG agrees to change its contract commencement date.

Union has already decided, by virtue of filing its application to discontinue service to NRG, to have the Board determine the contractual arrangement between the parties post-September 30, 2008. My client's position is that the most appropriate course of action (assuming that the matter cannot be resolved by the two parties or the Board by September 30, 2008) is to continue the existing contractual arrangement on a "status quo" basis pending an ultimate Board determination.

Please contact me directly if you have further questions.

Barristers & Solicitors,
Patent Agents & Trade-mark Agents

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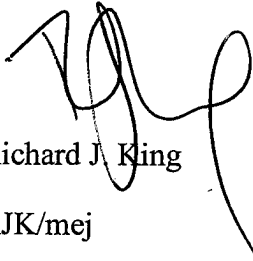
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Yours very truly,

A handwritten signature in black ink, appearing to be 'RJ King', with a long, sweeping underline that extends to the right.

Richard J. King

RJK/mej

c.c. Ms. Kirsten Walli, Board Secretary (Ontario Energy Board)
Mr. Mark Bristoll, Chairman (Natural Resource Gas Limited)