



August 22, 2007

Re: Union Gas Binding Peak Storage Open Season (Updated)

Union Gas Limited ("Union") hereby invites your company to submit a binding offer for Union Gas storage at Dawn for a 1, 2 or 5 year term starting September 1, 2007. All bids are due on or before 11:30 am Eastern Time / 10:30 am Central Time on August 23, 2007.

The "Service Parameters" are provided for information purposes only. Reference should be made to the definitive agreements (as posted on the Union website) for the proposed services to determine the actual legally binding obligations and liabilities of the parties.

Service Parameters – Short Term Peak Storage – 1 Year Term
– September 1, 2007 to August 31, 2008

- All offers are 100% take-or-pay and will be billed pro-rata over 12 months beginning with September 07.
- The first storage cycle is complete when the cumulative quantity of all injections and all withdrawals equals two (2) times the contracted Maximum Storage Balance (MSB). "Maximum Storage Balance" shall mean the maximum quantity of storage space available for Shipper's utilization.
- After the first storage cycle each year, injections into storage by Shipper and withdrawals from storage to Shipper will each be at a rate of \$0.05 Cdn/GJ; interruptible injections and interruptible withdrawals, after the first storage cycle, will be scheduled at a lower priority of service.
- 0% fuel on receipts and deliveries and no commodity charges, with the exception of the cycling charge described above.
- Delivery and Receipt points shall be Dawn.
- Injections:
 - Firm injections period will commence September 1 through October 31, 2007 at the rate of 1.65%, regardless of balance level at or above zero; 3.35% of MSB daily on an interruptible basis.
 - Interruptible injection period will commence November 1, 2007 through August 31, 2008 at the rate of 5% of MSB daily.
- Withdrawals:
 - Firm withdrawal period will commence September 1, 2007 through February 29th at the rate of 1.2% daily, regardless of balance level at or above zero; 3.8% of MSB daily on an interruptible basis.
 - Interruptible withdrawal period will commence March 1 through August 31 at the rate of 5% of MSB daily.
- Injections and Withdrawals in excess of the above limits may be scheduled at Union's sole discretion.
- All terms and conditions set out in Union's Short Term Peak Storage Contract, including payment options will be applicable and can be viewed on the Union website.

Service Parameters – Long Term Peak Storage – 2 Year Term

– September 1, 2007 to August 31, 2009

- All offers are 100% take-or-pay and will be billed pro-rata over 24 months beginning with September 07.
- The first storage cycle is complete when the cumulative quantity of all injections and all withdrawals equals two (2) times the contracted Maximum Storage Balance (MSB). "Maximum Storage Balance" shall mean the maximum quantity of storage space available for Shipper's utilization.
- After the first storage cycle each year, injections into storage by Shipper and withdrawals from storage to Shipper will each be at a rate of \$0.05 Cdn/GJ; interruptible injections and interruptible withdrawals, after the first storage cycle, will be scheduled at a lower priority of service.
- 0% fuel on receipts and deliveries and no commodity charges, with the exception of the cycling charge described above.
- Delivery and Receipt points shall be Dawn.
- Injections:
 - Firm injections period will commence September 1, 2007 through October 31, 2007 at the rate of 1.65%, regardless of balance level at or above zero; 3.35% of MSB daily on an interruptible basis.
 - Interruptible injection period will commence November 1, 2007 through August 31, 2009 at the rate of 5% of MSB daily.
- Withdrawals:
 - In all months except March and April firm withdrawals will be at the rate of 1.2% daily, regardless of balance level at or above zero; 3.8% of MSB daily on an interruptible basis.
 - Interruptible withdrawal period will commence March 1 through April 30 at the rate of 5% of MSB daily.
- Injections and Withdrawals in excess of the above limits may be scheduled at Union's sole discretion.
- All terms and conditions set out in Union's Long Term Peak Storage Contract, including payment options will be applicable and can be viewed on the Union website.

Service Parameters – Long Term Storage Contract – 5 Year Term

– September 1, 2007 to August 31, 2012

- All offers are 100% take-or-pay and will be billed pro-rata over 60 months beginning with September 07.
- The first storage cycle is complete when the cumulative quantity of all injections and all withdrawals equals two (2) times the contracted Maximum Storage Balance (MSB). "Maximum Storage Balance" shall mean the maximum quantity of storage space available for Shipper's utilization.
- After the first storage cycle each year, injections into storage by Shipper and withdrawals from storage to Shipper will each be at a rate of \$0.05 Cdn/GJ; interruptible injections and interruptible withdrawals, after the first storage cycle, will be scheduled at a lower priority of service.

- 0% fuel on receipts and deliveries and no commodity charges, with the exception of the cycling charge described above.
- Delivery and Receipt points shall be Dawn.
- Injections:
 - Firm injections period will commence September 1, 2007 through October 31, 2007 at the rate of 1.65%, regardless of balance level at or above zero; 3.35% of MSB daily on an interruptible basis.
 - Interruptible injection period will commence November 1, 2007 through August 31, 2012 at the rate of 5% of MSB daily.
- Withdrawals:
 - In all months except March and April firm withdrawals will be at the rate of 1.2% daily, regardless of balance level at or above zero; 3.8% of MSB daily on an interruptible basis.
 - Interruptible withdrawal period will commence March 1 through April 30 at the rate of 5% of MSB daily,
- Injections and Withdrawals in excess of the above limits may be scheduled at Union's sole discretion.
- All terms and conditions set out in Union's Long Term Peak Storage Contract, including payment options will be applicable and can be viewed on the Union website.

Submitting Bids and Awarding of Service

Please provide your binding offer under the above terms and conditions by signing and returning the enclosed Storage Bid Form indicating the Price, Term and Maximum Storage Balance (MSB) desired.

Union reserves the right to make its acceptance of your offer conditional upon satisfaction or waiver of conditions precedent set out in Section 3.01 of the standard Storage Contracts.

Union reserves the right to reject any and all bids at its sole discretion. Without limiting the foregoing, Union may, but is not required to, reject any bids which do not conform to the Open Season, are incomplete with the terms and conditions outlined in this Open Season, contain additional or modified terms, or are otherwise deficient in any respect.

If you have any questions regarding this offering, please feel free to contact your Union Gas Account Representative or any one of the Account Representatives listed below.

Spectra Energy Transmission, Storage & Transportation Sales

Michael Marsh	(713) 989-0559
Leah Moss	(713) 627-5054
Steven Tramonte	(713) 627-4411
Anne Moore	(713) 627-4555
Jason Gray	(713) 627-4598



Storage Bid Form

If you wish to participate in this Open Season, please complete, sign and return the attached Bid Form on or before 11:30 Eastern Time / 10:30 a.m. Central Time on August 23, 2007.

Fax: (713) 989-3043,
Attention: **MARKETER SERVICES, Spectra Energy Transmission.**

All bids must be made in U.S. Dollars.

1 Year Term

Price (\$USD/MMBtu) _____

MSB (MMBtu 1 year contract) _____

2 Year Term

Price (\$USD/MMBtu/year) _____

MSB (MMBtu 2 year contract) _____

5 Year Term

Price (\$USD/MMBtu/year) _____

MSB (MMBtu 5 year contract) _____

Please indicate the maximum cumulative storage quantity that shipper is willing to contract for:

Shipper's Corporate Name

Phone

per

Fax

Print Name

Date

By participating in this Open Season, subject to Union's acceptance and notification of quantities allocated to Shipper, Shipper hereby irrevocably commits to enter into Union's Storage Contract with Union (modified as applicable by Union's notification of the quantities allocated to the Shipper and term). If the above event does not occur within 10 days of delivery by Union of written notice to Shipper, Union may, in its sole discretion, elect by written notice to Shipper within 15 days thereafter, to either terminate the Shipper's participation in this Open Season; or treat Shipper's signature and return of the Storage Bid Form as the legally binding agreement.