

June 15, 2007

Re: Union Gas Binding Long Term Peak Storage Open Season

Union Gas Limited ("Union") hereby invites your company to submit a binding offer for Union Gas storage at Dawn for a 24 month term starting July 1, 2007 and ending June 30, 2009. All bids are due on or before 11:30 am Eastern Time / 10:30 am Central Time on June 21st, 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. Contracts awarded during this open season will not require approval by the Ontario Energy Board per the EB-2005-0551 Decision with reasons dated November 7, 2006.

Service Parameters – Long Term Peak Storage

- All offers are 100% take-or-pay and will be billed prorata over 24 months beginning with July 2007.
- The first storage cycle is complete when the cumulative quantity of all injections and all withdrawals exceeds the contracted Maximum Storage Balance (MSB) times two (2). "Maximum Storage Balance" shall mean the maximum quantity of storage space available for Shipper's utilization.
- After the first storage cycle each year (to be reset on July 1, 2008), 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.
- No commodity or fuel charges shall apply on the first cycle. Commodity charges shall apply for all additional cycles, as outlined above.
- Delivery and Receipt points shall be Dawn.
- Injections:
Firm injection period is July 1 through June 30 of each year at the rate of 1.2% of MSB daily, regardless of balance level at or above zero. Interruptible injection period is July 1 through June 30 of each year at the rate of 3.8% of MSB daily on an interruptible basis.
- Withdrawals:
Firm withdrawal period will commence July 1 through June 30 of each year at the rate of 1.2% of MSB daily, regardless of balance level at or above zero. Interruptible withdrawal period is July 1 through June 30 of each year at the rate of 3.8% of MSB daily on an interruptible basis.
- 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 standard 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 Long Term Peak Storage Bid Form indicating the Price and Maximum Storage Balance (MSB) desired. Bid forms are binding and will be evaluated separately.

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 Long Term Peak Storage Contract.

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



Long Term Peak 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 June 21st, 2007.

Fax: (713) 989-3043,
Attention: **Storage & Transportation Sales, Spectra Energy Transmission.**

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

Price (\$USD/MMBtu/contract year) _____

MSB (MMBtu) _____

Term July 1, 2007 to June 30, 2009

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 standard form Long Term Peak Storage Contract with Union (modified as applicable by Union's notification of the quantities allocated to the Shipper). If the above event does not occur within 7 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 Long Term Peak Storage Bid Form as the legally binding agreement.