

July 16, 2009

Re: Union Gas Limited Long Term Firm Dawn to Parkway/Kirkwall Transportation Service and F24-T Intraday Service Open Season

Dear Shipper:

In response to continuing customer interest in Dawn to Parkway/Kirkwall M12 capacity, Union Gas Limited (“**Union**”) is pleased to announce an open season for service commencing November 1, 2011 (the “**2011 Open Season**”).

Union is proposing to expand its existing system to create up to 550,000 GJ/day of additional transport capacity. Union conducted an open season during the summer of 2008 targeting an in-service date of November 1, 2010. The capacity available in the 2010 Open Season was partially contracted, and the expansion was deferred until November 1, 2011. As a result, the 2011 Open Season will be for the remaining uncommitted capacity of at least 150,000 GJ/d of firm Dawn to Parkway/Kirkwall capacity. The 2011 expansion will require approval by the Spectra Board of Directors and the Ontario Energy Board.

The 2011 Open Season is for Firm Transportation Service (M12 Transportation Service between Dawn and Parkway/Kirkwall) and F24-T Service.

2011 Open Season Procedures

The 2011 Open Season will be conducted in accordance with the Open Season Procedures outlined at <http://www.uniongas.com/storagetransportation/openseason/OpenSeasonforM12Transportation.pdf>

Please refer to “Submitting a Binding Bid for Firm Transportation Service and F24-T Service,” (Section 3) for instructions on how to participate in the 2011 Open Season.

1. Firm Transportation Service

Union invites your company to submit binding bids for long term firm transportation from the Dawn Hub to Parkway or Kirkwall for service commencing November 1, 2011 or November 1, 2012. Service will be in accordance with Union’s M12 Rate Schedule.

Shippers who require firm transportation from the Dawn Hub to either Parkway or Kirkwall are encouraged to participate in this 2011 Open Season. The Dawn to Parkway system is an important transportation link for customers with gas requirements in Ontario, Quebec and the US Northeast.

Union will evaluate all binding bids using the product of rate (M12 tolls) and term (years) (the “Value”), with bids resulting in the highest overall total Value having the highest priority. For purposes of bid evaluation, Union will consider the tolls for Dawn to Parkway and Dawn to Kirkwall to be equal. If two or more bids have an equivalent Value, and insufficient capacity exists to satisfy all such bids, then the capacity allocated to these bids will first be awarded based on the earlier start date and prorated for bids with an equivalent start date. All offers received will be deemed to be for “any quantities available” to a maximum of the quantity indicated by Shipper.



Firm Transportation Service Parameters

- Fuel will be provided by shipper according to Union's M12 Rate schedule (which includes Union's General Terms & Conditions) which is subject to revision from time to time. A copy of this rate schedule is available at www.uniongas.com/storage/transportation/servicesrates
- Receipt point will be Dawn.
- Delivery point will be Parkway or Kirkwall.
- Term of the contract will be as bid with a minimum term of 10 years.
- Transportation service will commence November 1, 2011 or November 1, 2012, as requested by Shipper.
- Payment to Union will be in accordance with Union's standard form General Terms & Conditions.
- Successful 2011 Open Season bidders will be required to execute Union's standard M12 Transportation Contract available at www.uniongas.com/openseason

2. F24-T Intraday Service

In addition to long term firm transportation, Union is also inviting bids for F24-T Service during the 2011 Open Season. F24-T Intraday Service is an "add-on" service to existing or new M12 Dawn to Parkway or Kirkwall transportation. F24-T Service provides M12 Transportation Contract holders with firm all day capacity and the ability to nominate on 13 nomination windows (four NAESB nomination windows plus nine additional nomination windows).

Shipper can elect to contract for any amount of F24-T Service, up to the M12 transportation contracted quantity (the "**F24-T Quantity**"). F24-T Service ensures that the F24-T Quantity will be available on each nomination window providing Shippers with the ability to change their transportation nomination on a firm basis throughout the gas day.

These additional nomination windows, and the reservation of capacity throughout the gas day, provide additional nomination and transportation flexibility to Shippers who have variable gas requirements throughout the gas day and allow Shippers to optimize the use of their transportation capacity.

2011 Open Season participants that need new M12 Transportation and F24-T Service can make their F24-T Service bid conditional upon the awarding of the accompanying Dawn to Parkway or Kirkwall Firm Transportation Service bid during the 2011 Open Season. Alternatively, 2011 Open Season participants can bid for F24-T Service to be added to an existing M12 Transportation Contract subject to the service parameters below.



Bids for F24-T Service will be evaluated based on the term requested (minimum 1 year term) with longer terms having a higher priority. Shippers may request a term longer than one year; however, the term of the F24-T Service cannot exceed the remaining term of the accompanying M12 Transportation Contract. If Shipper wishes to extend the term of the existing M12 Transportation Contract, it may elect to do so on the bid form.

Union's standard F24-T Service contract is available at www.uniongas.com/openseason

F24-T Service Parameters

- The demand charge for F24-T Service shall be according to Union's M12 Rate Schedule, as approved by the OEB from time to time. The demand charge is currently \$0.692/GJ/Month (\$0.02275/GJ/day). There are no incremental commodity or fuel charges associated with the F24-T service.
- Receipt and delivery points will be the same as the accompanying M12 Transportation Contract.
- F24-T Service can commence on November 1, 2009 or November 1, 2010 (for existing Shippers) or November 1, 2011 or November 1, 2012 (for new or existing Shippers), as requested by Shipper.
- Shipper cannot request an F24-T Service quantity that is greater than, or a contract term that is longer than, the contracted quantity or term of the accompanying M12 Transportation Contract.
- Term of the F24-T Service will be as bid, minimum one year. If the remaining term of the accompanying M12 Transportation Contract is less than the term bid for F24-T Service, the M12 Transportation Contract is required to be extended as part of this offer to be equal to, or longer than, the term bid for F24-T Service.
- Renewal rights will be included for all F24-T Contracts that are for a term of 3 years or longer.
- Existing M12 Transportation Shippers may submit a bid for F24-T Service to be added to their existing M12 Transportation Contract without submitting a bid for additional transportation capacity in the 2011 Open Season.
- Payment to Union will be in accordance with Union's standard form General Terms & Conditions.
- Successful 2011 Open Season bidders will be required to execute Union's standard F24-T Contract available at www.uniongas.com/openseason



3. Submitting a Binding Bid for Firm M12 Transportation Service and F24-T Service

If you wish to participate in the 2011 Open Season, please complete, sign and return the attached M12 Transportation Services Bid Form and/or F24-T Intraday Service Bid Form via email or fax to:

ATTN: Matthew Piatek
Email: mpiatek@uniongas.com
Fax: (519) 436-4643

Completed forms must be returned on or before 12:00 noon Eastern Time on August 26, 2009. Union will advise each Shipper by written notice on or before 2:30 p.m. Eastern Time September 9, 2009 of the actual quantity awarded to Shipper, if any.

Union has the right to reject any and all bids, in its sole discretion. Without limiting the foregoing, Union may, but is not required to, reject any bids which do not conform to the 2011 Open Season, are incomplete with the terms and conditions outlined in the 2011 Open Season, contain additional or modified terms, or are otherwise deficient in any respect.

By participating in the 2011 Open Season, Shipper further agrees to the terms and conditions set out in the attached M12 Transportation Services Bid Form and/or F24-T Intraday Service Bid Form, as applicable.

If you have any questions about the 2011 Open Season, please feel free to contact your account manager.

Yours truly,

UNION GAS LIMITED

Matthew Piatek
Co-ordinator, Business Development S&T

Phone: (519) 436-4600 ext. 2805
Email: mpiatek@uniongas.com

4. M12 TRANSPORTATION SERVICES BID FORM

If you wish to participate in the 2011 Open Season, please complete, sign and return this M12 Transportation Services Bid Form on or before 12:00 noon Eastern Time on **August 26, 2009** via email or fax to:

ATTN: Matthew Piatek **Email:** mpiatek@uniongas.com **Fax:** (519) 436-4643

This is a binding bid. By signing and returning this M12 Transportation Services Bid Form, subject to Union’s acceptance and notification of quantities allocated to Shipper, Shipper hereby irrevocably commits to enter into the Firm Transportation Service Agreement for M12 Transportation Service (found under the July 16, 2009 posting at www.uniongas.com/openseason) (the “**M12 Agreement**”) with Union on the terms outlined below. If this does not occur within 20 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 Shipper’s participation in this 2011 Open Season; or treat Shipper’s signature and return of the M12 Transportation Services Bid Form together with the M12 Agreement as the legally binding agreement (modified as applicable by Union’s notification of the quantities allocated to Shipper) between Union and Shipper for the Firm Transportation Services outlined below:

Firm Transportation Service Binding Bid:

Receipt Point	Dawn
Delivery Point (circle one)	Parkway Kirkwall
Start Date (circle one)	November 1, 2011 or November 1, 2012 (choose one)
Quantity (GJ/d)	Maximum _____
Term (years) (10 year minimum)	_____

Dated this _____ day of _____ 2009

SHIPPER LEGAL NAME: _____

By: _____
Signature

Name

Phone

