



uniongas

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August 9, 2006

Ontario Energy Board  
2300 Yonge Street,  
Suite 2700  
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

**Re: EB-2005-0551 Issue I: Services for Power Generators – ADR Settlement Agreement**

Dear Ms. Walli:

Union developed 4 (four) new ex-franchise services for Power Generators (and other qualified customers) in response to input received from customer meetings and feedback received from customers. These services were accepted as part of the June 13, 2006 ADR Settlement Agreement.

As part of the ADR Settlement Agreement, Union's identified that the F24-T service could only be developed if there was 250,000 GJ/day or greater of customer demand. Union also identified that it would require 12 months to develop the new IT systems required to implement F24-T, F24-S, UPBS and DPBS following a Board Decision and sufficient customer interest to develop the services.

On June 30, 2006 the Board issued an Order to implement its June 27, 2006 Decision pertaining to the procedure for determining access to the F24-T service. Item 4 of the Order specified that:

“Union shall, within 30 days of the date of this Order, hold an open season for F24-T service and once Union has ascertained the volumes of F24-T capacity that is required to provide priority access to Generators as described herein, Union shall allocate any additional remaining volumes of F24-T capacity to all of Union's M12 shippers on a non-discriminatory basis.”

From July 11, 2006 to July 24, 2006, Union held the Open Season for the F24-T service in accordance with the Board Order as noted above. The Open Season capacity was

made available to all existing and new expansion customers. Union received one bid for 140,000 GJ/day with a condition that the start date be delayed until June 1, 2008. Since this Open Season bid did not meet the minimum threshold requirement of 250,000 GJ/day, this service will not be implemented in 2007. Union will award the capacity to the bidder noted above and agree to delay the implementation of the F24-T service to June 1, 2008 conditional upon Union receiving sufficient bids during the next Open Season to meet the 250,000 GJ/day hurdle.

Union will hold the next Open Season for the F24-T service in conjunction with the 2008 Expansion Open Season for Dawn to Parkway or Kirkwall transportation. Union will continue to offer F24-T capacity to generators as a priority in this new Open Season in accordance with the June 30, 2006 Board Order noted above. Union remains optimistic that there will be sufficient market interest in this Open Season to allow Union to implement this service.

I would ask that you bring this letter to the attention of the Board Panel hearing this case. If you have any questions concerning this filing please call me at (519) 436-5382.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Connie Burns', with a stylized flourish at the end.

Connie Burns, CMA, PMP  
Manager, Regulatory Initiatives

cc: Glenn Leslie, Blakes  
All EB-2005-0551 Intervenors