

LETTER OF UNDERSTANDING

- between -

TERASEN GAS INC.
(the "Company")

- and -

**LOCAL 213 OF THE
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS**
(the "Union")

**Re: Victoria Dependent Backhoe Contractors - Addendum to Letter of Understanding signed
May 25, 2009**

The Parties hereby agree that:

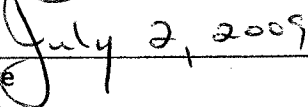
1. Any former VDBC who failed the General Aptitude Battery Test (part of the Company's standard Distribution Apprentice pre-employment testing) and who proves incapable of completing the mandatory DA training will remain an Equipment Operator 1 (EO1).
2. Any former VDBC who failed the General Aptitude Battery Test (part of the Company's standard Distribution Apprentice per-employment testing) and who completes the DA training will have to obtain his Gas Utility Certificate of Qualification if he wants to leave his Equipment Operator Distribution Mechanic (EODM) classification for another classification.
3. This arrangement is without prejudice and without precedent to the Company's current or future pre-employment testing practices, requirements and standards.

On behalf of Terasen Gas Inc.:



Jeff Marwick

Date



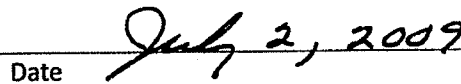
July 2, 2009

On behalf of IBEW 213:



Gord Van Dyck

Date



July 2, 2009