



5 April 2007

Dear Friends and Colleagues,

I am writing to announce that after over 33 years at the National Energy Board, the past 9 as your Chairman, I will be retiring when my appointment expires on June 2nd, 2007.

It's always hard to say goodbye. My mind knows that this is the right time to pass the leadership of the NEB to new hands, but my heart is having a little trouble letting go. That is not surprising given the wonderful friends I've made over the years and the satisfaction we have shared in working together in the interests of all Canadians. When I joined the NEB in 1973 as a young engineer, I could not have guessed the tremendous opportunities for personal growth and accomplishment that lay ahead. Imagine the richness of learning from four different Chairmen, forty Board members and countless staff experts – and then having the opportunity to apply that wisdom to a pan-Canadian canvas of energy issues.

It has been a special privilege to serve you as Chairman during the past nine years. I want to thank each of you for your support, loyalty and dedication during that time. Recounting our achievements could take many pages, so let me highlight just a few. I will continue to take pride in the work we did together to transform our culture from one that was prescription or rule based, to one that is now goal and results oriented. This transformation began with the onshore pipeline regulations in 1999 and has since permeated all of our work. It is truly a much better way of serving each other and our clients.

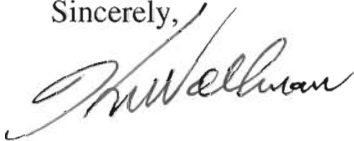
We have also learned that it is important to engage all of our stakeholders, using a variety of tools, as we continue to advance the art of regulating in the public interest. We have maintained our expertise in all disciplines and met the expectations of society by reaching a higher level of capacity in carrying out our environmental responsibilities. We continued to improve our business planning processes and are one of the few agencies that can legitimately claim to have anticipated and prepared for the new paradigm of tight supply and higher energy prices.

We have kept our eye on the adequacy of infrastructure, a prerequisite to enabling energy markets to operate efficiently. Major new projects, such as the Alliance Pipeline and the Sable Offshore Energy Project, along with many smaller projects were completed responsibly. We ensured that infrastructure was safe and operated with minimal environmental impact. There has not been a single rupture of an NEB-regulated oil or gas pipeline during the past four years – an incredible achievement that must be shared with the pipeline companies we regulate who also agree that safety is a top priority.

Our clients have been demanding more transparency and accountability from regulators. We have responded to these demands by establishing performance measures for all of our goals, clarifying our procedures and setting cycle times for the services we provide.

In 1973 I could not have guessed what would lie ahead and I will not try to do so now. I do believe however, that you are up to any challenge and wish everyone the very best in meeting those challenges. I will continue to observe your accomplishments and will remain an enthusiastic fan of the NEB as a premier regulator.

Sincerely,

A handwritten signature in cursive script, appearing to read "K. Vollman".

Kenneth W. Vollman