

February 1, 2017

BY EMAIL & RESS

Ms. Zora Crnojacki
Ontario Energy Board
Suite 2700, 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Crnojacki:

**RE: Union Gas Limited (“Union”)
Panhandle Reinforcement Project
EB-2016-0186
Construction Monitor Plans**

This letter is to update you on Union’s plans for the Panhandle Reinforcement Project.

Construction Monitor

In Union’s settlement agreement with CAEPLA it was agreed to retain an Independent Construction Monitor (“ICM”) for the Project. Union has been in contact with CAEPLA and they support retaining SRG (SRG is the ICM for the construction of the Hamilton-Milton pipeline EB-2014-0261) to be the ICM for the tree clearing portion of the Panhandle Project. SRG has informed Union that they are available to act as the ICM for tree clearing.

Union and CAEPLA have agreed that the preferred method to determine who will be the ICM for the main construction of the Panhandle Project is to go through a request for proposal process similar to what was followed for the Strathroy-Lobo Project.

George Adams, Union’s Manager of Pipeline Construction, will contact you in the near future to initiate the request for proposal process to retain the ICM for the Panhandle Project.

Please contact me if you have any questions or concerns regarding the above update.

Yours truly,

W.T. (Bill) Wachsmuth, RPF
Senior Administrator, Regulatory Projects

cc: David Core
John Goudy