



uniongas

A Spectra Energy Company

March 24th, 2009

By Courier, RESS & email

Mr. Neil McKay
Manager, Facilities Applications
Ontario Energy Board
Suite 2700, 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Mr. McKay:

Re: Union Gas Limited
St. Clair Energy Centre Project
Board File # EB-2006-0237

Pursuant to Condition 3.4 of the Board's Conditions for Approval for the above noted project, please find enclosed Union's Post-Construction Financial Report.

Yours truly,

Mary Jane Patrick
Administrative Analyst, Regulatory Projects
Encl.

cc: Z. Crnojacki (Chair, OPCC)
G. Marvell

POST-CONSTRUCTION FINANCIAL REPORT
St. Clair Energy Centre Pipeline Project

In compliance with the Ontario Energy Board Order EB-2006-0237 condition 3.4, the following is a report on the capital costs for the St. Clair Energy Centre Pipeline project.

Overall, the actual costs for the pipeline and station work were within the estimated costs. The following explains some of the variances within the various categories:

1. Material costs were approximately \$450K or 16% higher than estimated due to a requirement for incremental materials following further detailed design work.
2. Construction and labour costs were approximately \$815K or 10% higher than estimated due to the wet weather, equipment standby costs and increased locates required for other operating companies (hydrovac).
3. Contingency of approximately \$1.1M was estimated as required for unforeseen expenditures and was used to offset the higher material and construction and labour costs.
4. Interest during construction was \$191K or 65% lower than estimated. The decrease reflects timing of actual incurred costs.

Description	As Filed in EB-2006-0237 Sch 6 & 7	Actual Costs	\$ Variance	% Variance
Pipe	1,250,909	1,297,851	46,942	4%
Valves, Fittings, Casing, Swamp Weights, Misc Material	1,496,129	1,898,283	402,154	27%
Total Material	2,747,038	3,196,134	449,096	16%
Contract Lay	5,733,807	6,326,276	592,469	10%
Labour, X-Ray, Survey, Legal, Inspection & Consultants	1,742,156	2,005,420	263,265	15%
Easements, Lands & Damages	479,739	438,777	(40,962)	(9%)
Total Construction and Labour	7,955,701	8,770,473	814,772	10%
Contingency	1,070,274	-	(1,070,274)	(100%)
IDC	296,000	104,824	(191,176)	(65%)
Total Project	12,069,014	12,071,431	2,418	0%