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January 28, 2010

VIA COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

Re: Enbridge Gas Distribution Inc. ("Enbridge")
EB-2007-0745 Alfred and Plantagenet Leave to Construct Application
Final Monitoring Report - Post Construction Financial Report

As per the Conditions of Approval, in the Board's Decision and Order issued on July 11, 2008, enclosed please find two copies of the Post Construction Financial Report for the above mentioned proceeding.

If you require further information, please contact the undersigned.

Yours truly,

A handwritten signature in blue ink that reads 'Bonnie Jean Adams'.

Bonnie Jean Adams
Regulatory Coordinator

cc: Mr. Neil McKay, Ontario Energy Board, Manager, Facilities (via courier/email)
Mr. Scott Stoll, Aird & Berlis (via email)

EB-2007-0745 Alfred and Plantagenet Expansion Project
Post-Construction Financial Report on Costs and Variances
January 29, 2010

Introduction

Enbridge Gas Distribution Inc. (“Enbridge”) applied to the Ontario Energy Board (the “Board”) on April 10, 2008 for an Order granting Leave to Construct for 32 kilometers (“km”) of Nominal Pipe Size (“NPS”) 6 and 4 diameter steel and polyethylene main, and a district regulating station. This application covered planned work in the Township of Alfred and Plantagenet, and in the Township of Champlain, both located in the United Counties of Prescott and Russell.

The Board assigned the file number EB-2007-0745 to this application, and issued a favorable decision on July 11, 2008 subject to the Conditions of Approval set forth in Appendix B of the decision.

Condition of Approval, Item 3, Monitoring and Reporting Requirements, in EB-2007-0745 directed Enbridge to file with the Board, a Final Monitoring Report. As the in-service date was October 30, 2008, the Final Monitoring Report is required by January 2010. This submission covers the financial reporting requirements of the monitoring report. Enbridge requested an extension to May 2010 for the restoration portion of the monitoring report. This request was made on November 3, 2009 by Enbridge and was approved by the Board on November 4, 2009.

The Post Construction Financial Report summarizes the actual capital costs of the project, and provides an explanation of significant variances from the original estimates submitted as part of the Leave to Construct application.

Project Summary

Pipeline construction activities commenced July 2008. The installation of all NPS 6 and 4 diameter steel and polyethylene main was completed in November 2008. Restoration work activities have taken place throughout the project. Construction was monitored during the project to ensure appropriate measures were implemented to mitigate any environmental concerns. The Final Restoration Report will be submitted on or before the granted extension date of May 30, 2010.

Cost and Variance Reporting

The actual project cost was \$2,313,444. This amount is \$320,838 less than the original total estimate of \$2,634,282, reported in the filing EB-2007-0745, Exhibit C, Tab 1, Schedule 1.

A comparison by category, of actual versus estimated cost for the project, is provided in Table 1 below.

Table 1 – Alfred-Plantagenet NPS 4 & 6 Steel and Polyethylene Project Costs

Item	Financial Breakdown	Budgeted Project Cost	Actual Project Costs	Percentage Variance
1.0	Material Costs (pipe, valves, fittings, etc.)	\$879,742	\$844,177	4.0%
2.0	Labour Costs (pipe & station installation, testing)	\$1,251,354	\$1,367,705	-9.3%
3.0	External Costs (environmental, survey, OEB filing)	\$75,000	\$53,537	28.6%
4.0	Overheads (EGD internal, interest during construction)	\$107,047	\$48,025	55.1%
5.0	Contingency	\$321,139		N/A
6.0	Total Project Cost	\$2,634,282	\$2,313,444	12.2%

Unfavourable labour variance is the result of:

- Additional overtime hours incurred to meet municipal road requirements and road right-of-way restrictions, as well as to replace days lost to inclement weather.
- Bedrock was encountered in Plantagenet and on County Rd 17 outside Alfred. This resulted in increased excavation costs.
- The bridge crossings on County Road 17 in Plantagenet required a re-design due to conditions discovered in the field. The new design necessitated additional labour hours and sub-contractor costs to complete the installation of the pipe.

Favourable variances result from

- Effective use of the plowing method of construction coupled with using NPS 4 and 6 PE pipe on large reels.
- Lower project management costs.

Only \$301 of the \$321,139 contingency funds were used.

Conclusion

Several factors resulted in unfavourable labour costs which were offset by favourable material and overhead costs.

Overall, the Project EB-2007-0745 came in under budget by \$320,838 or 12.2 %.