

November 1, 2010

By RESS & Courier

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

Dear Mr. McKay:

**Re: Union Gas Limited ("Union")
Halton Hills Generating Station
Board File # EB-2008-0024**

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

Sincerely,



Mary Jane Patrick
Administrative Analyst, Regulatory Projects
Encl.

cc: Z. Crnojacki (Chair, OPCC)
Gerry Mallette
Gail Marvel

POST-CONSTRUCTION FINANCIAL REPORT
Halton Hills Generating Station

In compliance with the Ontario Energy Board Order EB-2008-0024 condition 3.4, the following is a report on the capital pipeline costs for the Halton Hills Generating Station project.

The total project was \$1.4M or 6% lower than the estimated costs. The following explains the significant variances:

1. Pipe costs were \$205K or 13% higher due to the steel market conditions. Costs for valves, fittings and miscellaneous construction material were lower due to change in both quantities and costs and therefore offset the higher pipe costs.
2. Construction labour was approximately \$4.5M or 77% higher than estimated due to contractor market conditions and significant scope changes in crossings. These higher costs were partially offset by both other labour and lands. Other labour was lower primarily due to less legal and engineering design costs. Lower lands costs were due to the reduced need for easements (a large portion of the pipeline was located on road allowance).
3. Contingency of \$2.1M was estimated as required for unforeseen expenditures and approximately \$713K was distributed throughout the various actual costs.

Description	As Filed in EB-2008-0024 Sch 4 & 6	Actual Costs	\$ Variance	% Variance
Pipe	1,545,000	1,749,938	204,938	13%
Valves, Fittings, Casing, Swamp Weights, Misc Material	2,788,000	2,577,477	(210,523)	(8%)
Total Material	4,333,000	4,327,415	(5,585)	(0%)
Construction Labour	5,853,000	10,370,469	4,517,469	77%
Labour, X-Ray, Survey, Legal, Inspection & Consultants	4,440,000	3,139,946	(1,300,054)	(29%)
Easements, Lands & Damages	6,148,000	3,647,248	(2,500,752)	(41%)
Total Construction and Labour	16,441,000	17,157,663	716,663	4%
Contingency	2,077,000	-	(2,077,000)	(100%)
IDC	364,000	366,627	2,627	1%
Total Project	23,215,000	21,851,705	(1,363,295)	(6%)