



March 23, 2011

Via Email: kirsten.walli@oeb.gov.on.ca

**Ontario Energy Board
P.O. Box 2319
2300 Yonge Street
Toronto, Ontario, Canada
M4P 1E4**

Attention: Kirsten Walli - Board Secretary

**Subject: Leave to Construct Application - EB 2011-0040: Letter of Support
for the Red Lake Gas Pipeline Project (RLGPP)**

Dear Chair Cynthia Chaplin and Board Members,

Over the past 10 months, Goldcorp - Red Lake Gold Mines, has worked closely with the Municipality of Red Lake and Union Gas to advance the prospects for natural gas service to the Red Lake region. This project, if approved by the Board, will bring broad benefits to the public and regional business and industry. Key impacts include a significant reduction in energy costs, improvements in energy security and opportunities for economic diversification including job creation.

At this time, the principal sources of energy for Red Lake residents, business and industry are fuel oil, propane and electricity. Energy inputs in Northern Ontario are high due to long cold winters. This "degree day" factor coupled with high energy costs results in homeowner heating bills that are 200% to 300% higher than heating costs for similar homes in Southern Ontario. Natural gas presents an opportunity for our employees, contractors and all of the residents and businesses in Red Lake to benefit from a clean fuel source that is available to most major towns and cities in Ontario.

The impact of high energy costs on the mining industry is also significant. For example, Goldcorp's Red Lake operations consume over 12 million litres of propane each year – primarily for mine ventilation heating. The availability of natural gas at the mine will help reduce heating costs by approximately 50%.

In addition to the energy saving benefits, natural gas has the potential to ease a very tight electricity supply situation in the Red Lake area. Forecast industrial, commercial and residential electricity consumption in the region is expected to soon exceed the capacity of the single circuit radial 115kV circuit that is the sole source of power for Red Lake. Over the next 5 – 10 years natural gas will effectively "liberate" spare power supply as homeowners and businesses convert electric space and water heating to natural gas. This may help bridge the gap in power supply until needed grid system reinforcement is in place.

Additionally, natural gas in Red Lake could also support efficient natural gas power generation to meet growing mine needs and improve power capacity, quality and reliability in the region. Goldcorp, Red Lake Gold Mines strongly supports the Red Lake Gas Pipeline Project and the company is very pleased that the "Leave to Construct" application has been filed by Union Gas and will soon be considered by the Board. Subject to approval by the Board, Union Gas could commence construction in June 2011.

Significant effort preceded this important milestone and much work remains to be done in order to achieve the proposed November 2011 in-service date for Phase 1.

As the Board will appreciate, the construction window in the far north is short. Often ground frost is not out until the end of May and frost typically returns in November. These cold weather constraints can have a negative impact on both project schedules and economics. We hope that the Board will consider this additional challenge during the review process for the "Leave to Construct" application.

You have our assurance of our full cooperation during Board proceedings. Please do not hesitate to contact me if any additional information is required.

Regards,



Mike Lalonde
Mine General Manager
Goldcorp - Red Lake Gold Mines

c.c. Mayor Phil Vinet – Municipality of Red Lake
Sarah Van Der Paelt - Director of Commercial Industrial Sales and Marketing - Union Gas
David Boileau – Goldcorp RLGMP - Lead