uniongas
A Spectra Energy Company

January 28, 2008

BY COURIER & RESS

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

Dear Ms. Walli:

Re: Union Gas Limited
Halton Hills Generating Station Project
Board File # EB-2008-0024

Enclosed please find two (2) copies of Union's Application for the above-noted project.

Please note that also included in the Evidence are CD copies of the Environmental and Socio-Economic Impact Assessment for your ease of use.

In the event you have any questions on the above or would like to discuss in more detail, please do not hesitate to contact me at (519) 436-4601.

Sincerely,

Mark A. Murray,
Manager, Regulatory Projects
:mjp
Encl.

cc: Neil McKay, Manager Facilities Applications *(neil.mckay@oeb.gov.on.ca)*
Zora Crnojacki, Project Advisor *(zora.crnojacki@oeb.gov.on.ca)*
Giovanna Dragic, Senior Case Administrator *(giovanna.dragic@oeb.gov.on.ca)*

Index

Halton Hills Generating Station Project

INDEX

Volume I

Application

Schedule A
Schedule B

Prefiled Evidence

Schedules

Volume II - Environmental Report

Application

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order pursuant to Section 90.(1) of the *Ontario Energy Board Act, 1998*, granting leave to construct a natural gas pipeline and ancillary facilities in the Town of Milton and the Town of Halton Hills, in the Regional Municipality of Halton.

UNION GAS LIMITED

1. Union Gas Limited (the "Applicant") hereby applies to the Ontario Energy Board (the "Board"), pursuant to Section 90.(1) of the Ontario Energy Board Act (the "Act"), for an Order granting leave to construct 4.5 kms of NPS 20 natural gas pipeline and ancillary facilities in the Town of Halton Hills and the Town of Milton (the "Proposed Facilities"), to meet the natural gas service requirements of the Halton Hills Generating Station ("Generating Station").

2. Attached hereto as Schedule 'A' is a map showing the general location of the proposed pipeline and the municipalities, highways, railways, utility lines and navigable waters through, under, over, upon or across which the pipeline will pass.

3. A list of parties who, to the best of the Applicant's knowledge, are affected by this Application is found in Schedule 'B', attached hereto.

4. The construction of the pipeline will allow the Applicant to meet the natural gas requirements of the Proposed Facilities.

5. The Applicant therefore applies to the Board for an Order granting leave to construct the Proposed Facilities.

Dated at Municipality of Chatham-Kent this 25th day of January, 2008.

Per: Dan Jones
Assistant General Counsel
for Union Gas Limited

Comments respecting this Application should be directed to:

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Manager, Regulatory Projects
Union Gas Limited
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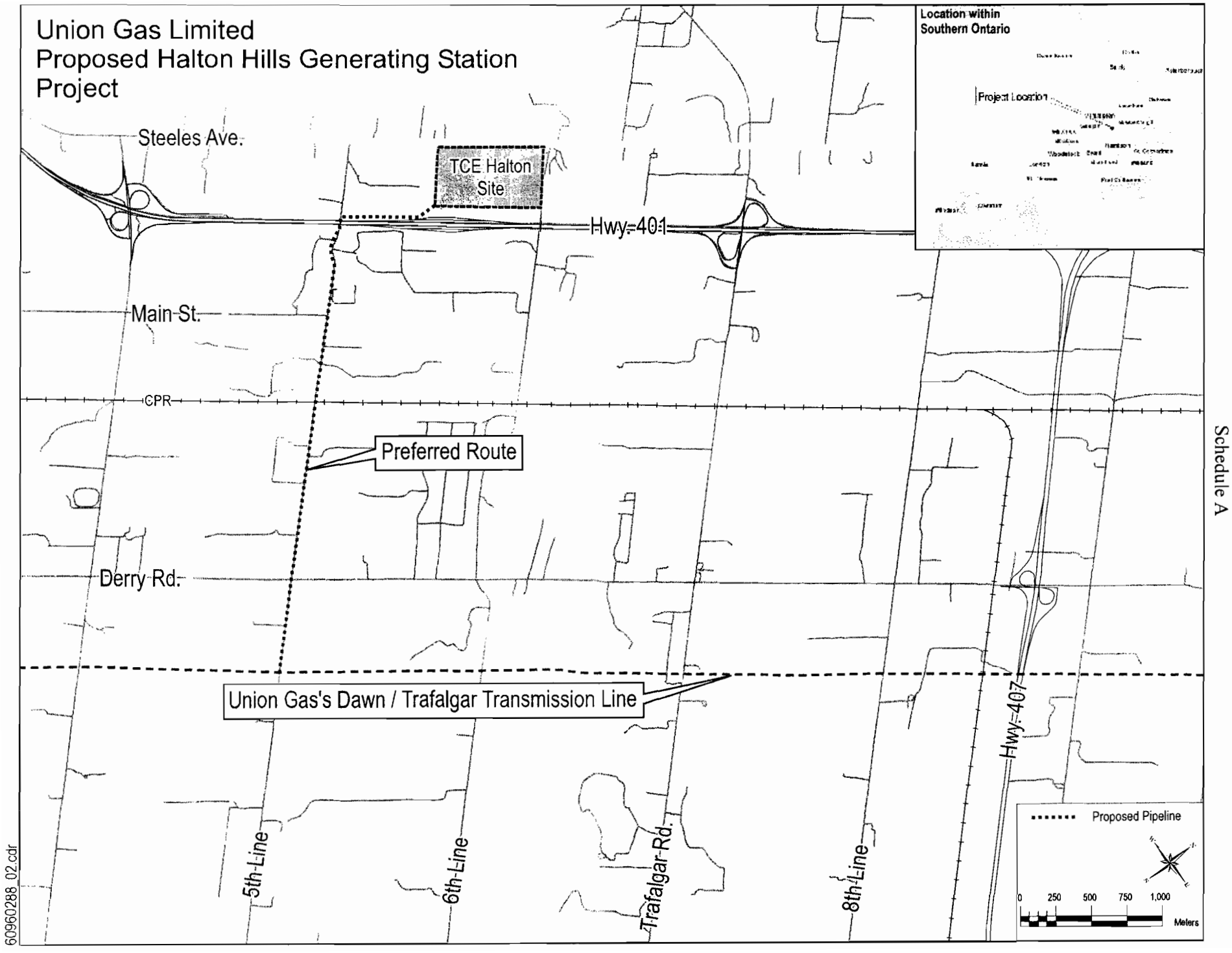
Schedule A


Union Gas Limited
Proposed Halton Hills Generating Station
Project
Location within
Southern Ontario
Project Location
Steeles Ave.
TCE Halton
Site
Hwy 401
Main St.
CPR
Preferred Route
Derry Rd.
Union Gas's Dawn / Trafalgar Transmission Line
5th Line
6th Line
Trafalgar Rd.
8th Line
Hwy 407
Proposed Pipeline
0
250
500
750
1,000
Meters
60960288_02.cdr

Schedule A

Schedule B

Schedule B

Halton Hills Generating Station Project

List of Interested Parties

2060859 Ontario Limited c/o The Remington Group Inc. 7501 Keele St., Suite 100 Concord, Ontario L4K 1Y2 Att'n: Jason Sheldon, VP Land Development	Chesabe Holdings Inc. c/o New Sham Investments 5622 McAdam Rd., 2nd Floor Mississauga, Ontario L4Z 1P1	Triple Whisky Farms Limited 2036026 Ontario Inc. c/o McMillan Binch 181 Bay Street, Suite 4400 BCE Place, Bay Wellington Tower Toronto, Ontario M6J 2T3
Leonardo Piazza Leonarda Piazza 7236 Fifth Line R. R. # 4, Stn Main, Milton, Ontario L9T 2X8	Canadian Pacific Railway (Credit Valley Railway Company) 1290 Central Parkway West, Suite 800 Mississauga, Ontario L5C 1S1 Att'n: Jack Carello, Area Manager, Real Estate Support	Hydro One Networks Inc. P.O. Box 4300 185 Clegg Road Markham, Ontario. L6G 1B7
Luciano Dal Bello 7-85 Steeles Ave. East, Milton, Ontario. L9T 1X9	The Evening Light Tabernacle 1569 Wintergrove Gdns Mississauga, Ontario. L5M 3Z9	Domenic Ditella, Filippo Ionno, Carmela Ionno 6 Ramsbury Road, Toronto, Ontario M8Z 4V3
Onkar Rai 2184 Golden Briar Trail Oakville, Ontario L6H 4T8	Bruhm Developments Limited 707 Arrow Road, Weston, Ontario M9M 2L4	Everlast Paving Ltd., 7622 Fifth Line, R. R. # 4, Stn Main Milton, Ontario L9T 2X3
Horticultural Trades Association Inc. c/o Landscape Ontario 7856 Fifth Line South, R. R. # 4 Milton, Ontario L9T 2X8 Att'n: Robert Ellidge, Property Manager	Ministry of Transportation 1201 Wilson Avenue Downsview, Ontario. M3M 1J8 Att'n: Bernie O'Brien	Lawrence Avenue Group 2000 Inc. 880 Ellexmere Road, Toronto, Ontario. M1P 2W6 Att'n: Isaac Meisels
12144 Steeles Avenue Development Inc. 30 International Blvd., Toronto, Ontario. M9W 5P3 Att'n: Jack Niro	TransCanada 8th Floor, 55 Yonge Street, Toronto, Ontario M5E 1J4 Att'n: Mr. Brian G. Kelly	Town of Milton 43 Brown Street, Milton, Ontario L9T 5H2 Att'n: Troy McHarg, Clerk
Town of Halton Hills 1 Halton Hills Drive Halton Hills, Ontario L7G 5G2 Att'n: Karen Landry, Clerk	Regional Municipality of Halton 1151 Bronte Road, Oakville, Ontario L6M 3L1 Att'n: Monica Wallenfels, Clerk	

PROJECT SUMMARY

1. In November 2006, the Ontario Government announced that TransCanada Energy Ltd. ("TCE") had been selected to develop and construct a 683 megawatts natural gas combined-cycle generation facility in the Town of Halton Hills to provide electricity to the Ontario Power Authority ("OPA").

2. In response to a request for natural gas service from TCE for the Halton Hills Generating Station ("Generating Station"), Union Gas Limited ("Union"), is seeking an Order under Section 90.(1) of the Ontario Energy Board Act for leave to construct approximately 4.6 kilometers ("kms") of NPS 20 (20 inch) of natural gas pipeline in 2009 (the "Proposed Facilities") from Union's Dawn Trafalgar system to the Generating Station to meet the natural gas service requirements of the facility or Generating Station. The location of the Proposed Facilities is shown in Schedule A of the Application.

3. The total capital costs of the Proposed Facilities, including all pipeline and station costs, are estimated to be approximately $23.2 million.

4. An economic analysis has been completed in accordance with the requirements of the Ontario Energy Board's (the "Board") guidelines in the EBO 188 report. This analysis shows that the Proposed Facilities are in the public interest.

5. An Environmental Report ("ER") has been prepared for the Proposed Facilities. The ER concludes that there will be no significant environmental impacts associated with construction of the Proposed Facilities given Union's standard construction procedures and the mitigation measures recommended in the ER.

6. The Generating Station requires natural gas service for commissioning in August 2009. Union plans to construct the Proposed Facilities during the spring and summer of 2009 in order to construct the pipeline during more favourable weather conditions. Therefore, Union respectfully requests the timely approval of this Application by June 30, 2008 so that all land rights and material needed to construct the project will be in place for the start of construction.

7. Union has Franchise Agreements and Certificates of Public Convenience and Necessity with the Town of Milton, Town of Halton Hills and the Regional Municipality of Halton. Union

has met with and discussed the project with these municipalities. At the present time these municipalities have no significant issues with this project.

MARKET REQUIREMENTS

Overview

8. The Generating Station is a natural gas-fired combined cycle facility with a generating capacity of a maximum of 683 megawatts of power. The project is being developed by TCE, a wholly-owned subsidiary of TransCanada Corporation ("TransCanada"), in response to the OPA's planned procurement for new generation in the Greater Toronto Area and west of Toronto (Request for Proposals No.: GTA-West-Trafalgar-RFP-2006). The Generating Station, which is now under construction, will be situated on undeveloped industrial lands in the Highway 401 industrial corridor in the Town of Halton Hills, on a site located between Highway 401 and Steeles Avenue west of Sixth Line, located on Lot 15, Concession 6.

9. The Generating Station will operate as a mid merit facility bidding their input into the Independent Electric System Operator ("IESO") administered market.

Natural Gas Considerations

10. The Ontario Government has announced its intention to replace all coal fired generation in the province. In particular, the government announced that as an integral part of its plan to meet this objective, it proposed a number of natural gas fired generating stations through out the province. A copy of the press release regarding the Proposed Facility can be found at Schedule 1.

Volumes and Service Need

11. The Generating Station will have a firm peak hourly natural gas requirement of approximately 145,000 m^3/hr and a maximum delivery pressure of 3790 kPag and a minimum delivery pressure of 3170 kPag, once the natural gas equipment is installed and fully operational. The Generating Station will require firm transportation service to ensure it's availability at all times and as such the firm transportation contract demand will be set at 3,480,000 m^3/day.

12. TCE has selected to be a T-1 customer utilizing the Board approved Billing Contract Demand ("BCD") option resulting from the NGEIR settlement agreement. The BCD will be set at 1,305,500 m^3/d. The BCD is a billing mechanism that is set such that the annual revenues over the term of the contract will recover the invested capital, return on capital, and operating and maintenance costs associated with the service in accordance with Union's system expansion policy. The firm transportation demand charge will be applied to the BCD. The authorized transportation overrun rate will apply to all volumes in excess of the BCD but less than the daily firm demand requirement.

13. Under these transportation arrangements, the Generating Station will have the ability to respond to the fluctuating demands of the IESO administered electricity market.

14. Union expects to sign a contract with TCE in the first quarter of 2008. The expected expiry date of the contract is December 31, 2029. Union will not construct the Proposed Facilities until it can be ensured that all financial risks can be mitigated through the contract terms with TCE.

PROPOSED FACILITIES

Existing Facilities

15. The natural gas customers in the Town of Milton and the Town of Halton Hills are serviced by an existing network of distribution piping throughout the area. The supply to the area is provided by Union's Dawn Trafalgar System which extends from Union's Dawn Station in Lambton County to the Lisgar Metering Station near the Parkway Compressor Station in Mississauga. In the area surrounding the location of the Generating Station the existing facilities consist of distribution piping with the Maximum Operating Pressure ("MOP") of 420 kPag and 1900 kPag, which serves the existing residential, commercial and industrial customers.

16. A schematic of Union's existing facilities surrounding the Generating Station can be found in Schedule 2.

Proposed Facilities

17. The Generating Station will be located between Steeles Avenue and Highway 401, just west of Sixth Line. The Generating Station will have a natural gas demand of 3,480,000 m^3/day with a maximum delivery pressure of 3790 kPag and a minimum delivery pressure of 3170 kPag. The existing distribution network is not adequate to serve the natural gas demands of the Generating Station. Therefore, additional facilities are required. To meet the Generating Station demands, Union proposes to install approximately 4.6 kilometers of NPS 20 pipeline, from Union's existing Dawn Trafalgar system to the Generating Station site. The MOP of the proposed pipeline will be 6160 kPag.

18. In addition to the pipeline, Union will install a new take off at the Dawn Trafalgar system and construct a new metering and regulating station at the proposed Generating Station. The customer station will deliver the design volume of approximately 145,000 m^3/hr to the Generating Station at a delivery pressure between 3170 kPag and 3790 kPag.

19. These facilities are adequate to meet the Generating Station requirements. A schematic showing the operation of the Proposed Facilities servicing the Generating Station can be found in Schedule 3.

Alternatives Considered

20. To meet the requirements of the Generating Station, an NPS 20 lateral and customer station are proposed to serve the plant, at an estimated capital cost of $23.2 million. Union investigated two other alternatives before selecting the preferred alternative.

21. The two alternatives reviewed were:

    1) Serve the Generation Station from the existing system;

    2) Install a smaller diameter pipeline.

22. Serve the Generating Station from the existing system: An analysis of the existing system determined that the existing facilities did not have the ability to deliver the required minimum pressure or the volume required by the Generating Station. The restriction of the existing

facilities required installation of a new lateral from an existing Dawn Trafalgar take-off. The facilities required included the installation of 7.2 kilometers of NPS 20 from the existing Parkway Greenbelt Station north and westerly to the Generating Station. This alternative was not selected due to the longer length of this pipeline.

23. Install a smaller diameter pipeline: Union reviewed whether a NPS 16 was adequate to serve the demands of the Generating Station. In order to meet the required delivery pressure with an NPS 16 lateral, additional customer station costs would be required. The estimated cost of this alternative was $23,163,000.00 (difference of 0.2%). Due to the similarity in cost, this alternative was not selected as it did not provide any flexibility for increased load requirements.

24. Union chose NPS 20 to meet the requirements of the Generating Station and to allow for future growth at essentially the same capital cost.

PROJECT COSTS & ECONOMICS

Project Costs

25. The total estimated capital cost for all the facilities required for the Proposed Facilities, including pipeline and station, is as follows:

Total Pipeline Cost (including Environmental cost)	$19.1 million
Total Station Cost	$ 4.1 million
Total Project Cost	$23.2 million

26. The estimated total capital cost of the project includes contingencies and interest during construction ("IDC").

27. Estimates of the capital cost for construction of the proposed pipeline facilities are provided in Schedule 4.

28. The estimated material cost of the pipeline of $2.6 million covers the costs of all pipe, valves, fittings, coatings, miscellaneous items and stores overheads. Estimated costs for all materials are based on past experience and recent manufacturer quotes.

29. The estimated costs of construction and labour of $14,498,000.00 covers the installation of the pipeline and valving facilities. The construction and labour cost estimate is based on Union's experience with construction of similar projects. The estimated lands costs for required easements and damages are $6,148,000.00. This estimate is based on the potential for industrial and residential development in the area.

30. The estimated costs associated with environmental measures are included in the total pipeline capital costs shown in Schedule 4 and are detailed separately in Schedule 5. These costs are identified as pre construction-related, construction related, and post-construction related. The estimated total environmental costs are $1.1 million.

31. The estimated total costs for construction of the proposed station is $4.1 million as provided in Schedule 6. These station costs include plant items, contingencies, and interest during construction.

Project Economics

32. Union has employed an economic feasibility test consistent with the principles approved by the Board in the EBO 188 proceeding.

33. The Board has found that new facilities are in the public interest if no undue burden is placed on existing customers.

34. To provide the Board with additional information, a stand alone Discounted Cash Flow ("DCF") analysis has been completed. It can be found at Schedule 7. This schedule indicates that the Proposed Facilities have a NPV of zero and a PI of 1 at a BCD of 1,305,500 m^3/d.

35. As stated in Paragraph 12, TCE has chosen the BCD methodology for this Facility. Using this methodology ensures that the project has a PI of 1.

36. Union, therefore, submits that the distribution of natural gas by Union to the Proposed Facility is economically feasible and in the public interest.

Other Public Interest Considerations

37. There are a number of other public interest factors for consideration as a result of the addition of the Proposed Facilities. These additional public interest considerations include the following:

Utility Taxes - A decision to proceed with this project will result in Union paying taxes directly to various levels of government. Income, capital and municipal taxes paid by Union as a direct result of the project are included as costs in the economic analysis. These taxes are not true economic costs of the project, but rather represent transfer payments within the economy, as they are available for redistribution by the federal, provincial and municipal governments. Since these taxes have been included as a cost in the analysis, they must also be considered as a benefit in order to reflect the appropriate economic benefit on an overall basis. The estimated annual municipal taxes that Union will pay in 2010 as a result of this project are $36,000.00.

Employment - The construction of this project will result in additional direct and indirect employment. There will be additional employment of persons directly involved in the construction of the project and manufacture of pipe. There are also substantial indirect benefits or multiplier effects related to these activities. Therefore, as a result of the construction of the Proposed Facilities, the Ontario economy would receive a positive employment benefit.

CONSTRUCTION

Construction Matters

38. The proposed pipeline will be constructed within public road right of ways and on private easements. Schedule 8 illustrates the location of the pipeline.

39. The Proposed Facilities will be constructed using Union's standard practices and procedures and will be in compliance with the mitigation measures identified in the ER. Schedule 9

describes the general techniques and methods of construction that Union will employ for the construction of the Proposed Facilities. It details such activities as clearing, grading, stringing of pipe, trenching, welding, backfill, tile repair and clean-up.

40. Portions of the pipeline will be installed within road allowances in accordance with the Franchise Agreement with the Town of Milton. The Town of Milton has and will be fully consulted regarding pipe location and construction practices for installation of the pipeline within road allowances.

41. Where the pipeline is to be constructed on road allowance, Union will obtain temporary easements from the landowners adjacent to the road allowance. The majority of equipment movement and construction activity will take place on these temporary easements. Working on these temporary easements will minimize traffic impacts to Fifth Line. The temporary easements will have a term of up to two years to provide Union with the right to access the temporary easement lands in the year after construction and to repair any damage to the temporary easement lands and return them to their current condition after construction.

42. Union is proposing to directional drill or bore all road and rail crossings. The drills or bores will be extended back from the road and rail crossings to minimize impacts to landowners adjacent to these facilities and traffic using Fifth Line, Derry Road and Main Street.

43. Material is readily available for the project and Union foresees no problem in obtaining contractors to complete the proposed construction. Construction contract documents will be prepared at a later date. The ER will be included as part of the contract documents.

44. Permits, approvals and authorizations will be obtained from the Towns of Milton and Halton Hills, the Region of Halton, CNR, MTO, Hydro One and any other utility crossed by the proposed pipeline. Union will obtain all required permits, approvals and authorizations prior to construction.

45. Portions of the pipeline located in private easements will be installed in accordance with the terms and conditions of the easement agreement found at Schedule 14.

Construction Schedule

46. Schedule 10 provides the proposed construction schedule for the project. Construction of the Proposed Facilities is expected to begin in April 2009 in order to meet the requested in-service date for commissioning in August 2009 and to avoid more costly construction in winter due to adverse weather conditions.

Design and Pipe Specifications

47. All design, installation and testing of the natural gas pipeline will be in accordance with the requirements of Ontario Regulation 210/01 for gas pipeline systems. This regulation governs the installation of pipelines in the Province of Ontario. The minimum design and pipe specifications for the proposed NPS 20 pipeline are outlined in Schedule 11.

48. The Ontario regulations include a classification system on land use and population density to determine the appropriate design factors.

49. A Class 1 location contains ten or fewer dwellings intended for human occupancy within a 200 m wide strip of land on either side of the centerline of any continuous 1.6 km length of pipeline.

50. A Class 2 location contains more than ten but fewer than 46 dwellings intended for human occupancy within a 200 meter wide strip of land on either side of the centerline of any continuous 1.6 kilometer length of pipeline. Further, a Class 2 location is designated to contain the following:

    a. A building that is occupied by 20 or more persons during normal use;

    b. A small, well-defined outside area that is occupied by 20 or more persons during normal use such as a playground, recreation area, outdoor theatre, or other place of public assembly; or

    c. An industrial installation such as a chemical plant or hazardous substance storage area, where release of products from a pipeline could cause the industrial installation to produce a dangerous or environmentally hazardous condition.

51. A Class 3 location contains more than 46 dwellings intended for human occupancy within a 200 meter wide strip of land on either side of the centerline of any continuous 1.6 kilometer length of pipeline.

52. A majority of the proposed pipeline is currently located within a Class One location. The pipeline will be constructed to Class Three specifications in consideration of significant current and planned development in the area.

53. The MOP for the proposed NPS 20 pipeline is 6,160 kPag.

ENVIRONMENTAL MATTERS

54. Stantec Consulting Ltd. prepared an ER for the proposed pipeline. The results of the ER indicate that the location of the proposed pipeline is environmentally acceptable. Union believes that by following its standard construction practices and adhering to the mitigation measures identified in the ER, construction of this project will have negligible impacts on the environment. No significant cumulative effects are anticipated from development of the proposed pipeline. A copy of the ER can be found in Volume II.

55. The ER was prepared in accordance with the Board's document "Environmental Guidelines for Locating, Constructing and Operating Hydrocarbon Pipelines in Ontario" [May 2003].

56. The objectives of the ER were to:

    a. Define a study boundary in the area of the proposed pipeline and review environmental conditions within this area;
    b. Identify pipeline route alternatives;
    c. Evaluate route alternatives and document the route selection process;
    d. Undertake detailed environmental studies of the proposed route and assess the potential environmental effects of construction and operating a pipeline along this route;
    e. Record the concerns of Provincial ministries, municipalities, conservation authorities and landowners along the proposed route;
    f. Recommend mitigation measures which minimize any adverse environmental impacts of pipeline construction; and

g. Provide pipeline contractors and the environmental inspector involved in the construction of the pipeline with general and site-specific guidelines for environmental protection that supplement Union's construction specifications.

57. A letter was sent on July 9 and July 16, 2007 to landowners along the alternative routes, interested stakeholders, agencies, municipalities and First Nations to inform interested parties of the project commencement and of the first open house.

58. To solicit input from the general public with respect to the project, a project notice was published in three local papers and a Public Open House was held. The Open House, which identified a preliminary preferred route and several alternative routes along with potential mitigation measures, was held on August 1, 2007 at the Milton Sports Centre. This open house was attended by 18 interested parties. Issues raised at this time dealt with the approval process, construction and safety related questions. Please see the ER for additional information on these concerns.

59. A second open house was held on October 17, 2007 which identified a preliminary preferred route for the pipeline based on feedback gathered at the Public Open House held in August and analysis of environmental and social-economic data. Landowners directly affected by the preliminary route and those landowners adjacent to the route were notified in writing about the Open House which was again held at the Milton Sports Centre. The Open House was attended by 8 interested parties. Notices were also placed in local newspapers to inform the general public about the Open House, Issues raised at this meeting included concerns surrounding traffic control/movement, access to property, lost revenue, natural gas service and construction related questions. Please see ER for additional information on mitigation measures to address these concerns.

60. A copy of the ER was submitted to the Ontario Pipeline Coordination Committee ("OPCC") on December 19, 2007. Copies of the ER were also submitted to local municipalities and all interested parties who requested a copy.

61. Local First Nations were informed about the project through written correspondence dated July 9, September 17 and November 2, 2007 and were forwarded a copy of the ER on December 19, 2007.

62. A summary of the comments and Union's response to concerns from agencies and interested parties will be filed, when received, as Schedule 12.

63. The total estimated environmental mitigation costs associated with the construction of the Proposed Facilities are identified in Schedule 5. These costs are identified as pre-construction related, construction-related and post-construction related. The estimated total environmental costs are $1,128,000.00.

64. There are 10 watercourse crossings associated with the construction of this project. Union will obtain all required permits associated with these crossings prior to construction.

65. There are no woodlots along the route of the Proposed Pipeline. Individual tree clearing will be required along Fifth Line. Union will work with the municipalities and landowners to determine vegetation replacement requirements for trees and vegetation removed as part of the project.

66. When the project is constructed, the most up-to-date construction specifications will be followed.

67. Union will ensure that the recommendations in the ER, commitments and the conditions of approval are followed. An environmental inspector will monitor construction activities and ensure that all activities comply with all conditions of approval.

68. The results of the ER indicate that the environmental and socio-economic effects associated with construction of the project are generally short-term in nature and minimal. There are no significant cumulative effects as a result of this pipeline construction.

LAND MATTERS

Land Requirements

69. Union will require permanent and temporary easements for the proposed pipeline. Schedule 13 lists the names and addresses of all the landowners that Union may require land rights from.

70. Permanent easements will be obtained for the purposes of installing and maintaining the proposed pipeline within the specific boundaries of the landowners' property as outlined in the easement.

71. Temporary easements are required for the purposes of construction activity regarding the proposed pipeline. These temporary easements will be located either adjacent to the permanent easement or roadway where the proposed pipeline is to be installed. Temporary easements are required for a period of up to two years. This allows Union an opportunity to return in the year following construction to perform further clean-up work as required.

72. Union's Transfer of Easement form which is attached as Schedule 14 will be employed for the project. The form will not be signed by landowners until after the Leave to Construct is obtained. This Agreement covers the installation, operation and maintenance of one, and only one, pipeline. The major restrictions imposed on the landowner by the Agreement are that the landowner cannot erect buildings or privacy fencing in the easement. In addition, the landowner cannot excavate on the easement or install structures which would impede access to Union's pipeline. The landowner can, however, install service pipe or utility lines or develop the easement into a laneway or driveway entrance. Union will also employ a form of Temporary Land use Agreement form previously approved by the Board and used by Union in the past on similar pipeline projects

73. At the conclusion of construction, Union will seek a Full and Final Release from each of the directly affected landowners. This Release covers any compensation for damages from the pipeline construction.

74. The majority of the pipeline is proposed to be constructed on municipal road allowances. Union's existing Franchise Agreement with these municipalities allows for the construction of pipeline within road allowances and as such no easement will be obtained from these municipalities.

Landowner Issues

75. Union has implemented a comprehensive program to provide landowners, tenants, adjacent landowners, and other interested persons with information regarding the proposed pipeline. Project information was distributed through correspondence and meetings with the public.

Negotiation of Land Rights

76. Union will attempt to negotiate on an individual basis, a mutually satisfactory Agreement with all directly affected landowners for identified easements or temporary land use arrangements. The Agreements will incorporate matters of compensation for rights required, as well as damage mitigation and clean-up and restoration practices to be implemented for the project. Union has obtained reports by a qualified real estate appraisal firm which contains baseline values for varying types of land along the route of the pipeline.

77. During individual negotiations with directly affected landowners, property-specific matters of compensation for land rights and anticipated damages, as well as site-specific measures will be finalized.

78. The appraisal report will provide a benchmark for individual negotiations for land rights. If necessary, updates or site-specific reports, prepared by mutually acceptable appraisal firms, will be paid for by Union to resolve questions of land values.

79. For over a decade Union has had in place a comprehensive Landowner Relations program which has proven successful on other projects. The key elements of this program are a Complaint Tracking system, and the assignment of a Landowner Relations Agent to projects such as these to ensure that commitments made to landowners and other effected parties are fulfilled, to address questions and concerns of the parties, and to act as a liaison between the parties and the contractor and company engineering personnel. Union's Complaint Resolution System will be used in this project to record, monitor, and ensure follow-up on any complaint or issue received by Union related to the construction. This process assists in resolving complaints and tracking the fulfillment of commitments. A process chart and explanatory notes that describe the Complaint Resolution System are found in Schedule 15. In addition to the Landowner Relations Agent's duties during construction, the person assigned to this position will conduct pre-construction and post-construction interviews to capture any concerns (so that they can be resolved, if at all possible) and comments (so that they can be considered in the planning of future projects).

80. After construction, negotiations with impacted parties will continue, where necessary, to settle any damages that were not foreseen or compensated for, prior to construction.

Schedule 1

Ontario Power Authority

NEWS RELEASE

For Immediate Release

New Generating Plant Supports Local Western GTA Electricity Reliability

OPA signs contract with TransCanada for 683MW Gas-fired Generating Station

Toronto, November 16, 2006—The Ontario Power Authority announced today it has signed a long-term contract with TransCanada Corporation for a 683 megawatt (MW) gas-fired generating station to respond to the urgent local demand growth and system reliability requirements of the western part of the Greater Toronto Area.

The need for new generation to serve customers located primarily in Halton Region and the City of Mississauga, has been identified for some time. For example, demand in the Milton and Halton Hills areas is expected to increase an average of 6-10% a year, well above the provincial average. To relieve overloading at the Hydro One Trafalgar Transformer Station in southeastern Milton, the OPA launched a competitive procurement process for a new gas-fired generating station.

The 20-year contract is the culmination of a yearlong competitive procurement process that evaluated the proposed projects for their economic and technical strengths.

The winning project, TransCanada's Halton Hills Generating Station, represents a capital investment of approximately $670 million and will be located along the north side of Highway 401 just west of the 6th line in the Region of Halton. It is expected to be completed by summer 2010.

In the past eight months, the Ontario Power Authority has signed contracts with three projects in the Greater Toronto Area, totaling more than 2,100 MW of new gas-fired generating capacity. In addition to the TransCanada project, agreements have been signed with Portlands Energy Centre (550MW) in downtown Toronto and Sithe Goreway (880MW) in Brampton.

Ontario Power Authority
In pursuit of its mandate of ensuring an adequate, long-term supply of electricity for Ontario, the OPA creates and implements conservation and demand management programs, ensures adequate

investment in new supply infrastructure, performs long-term electricity system planning, and facilitates the development of a more sustainable and competitive electricity system.

(See BACKGROUNDER GTA West--Trafalgar)

For further information, contact:

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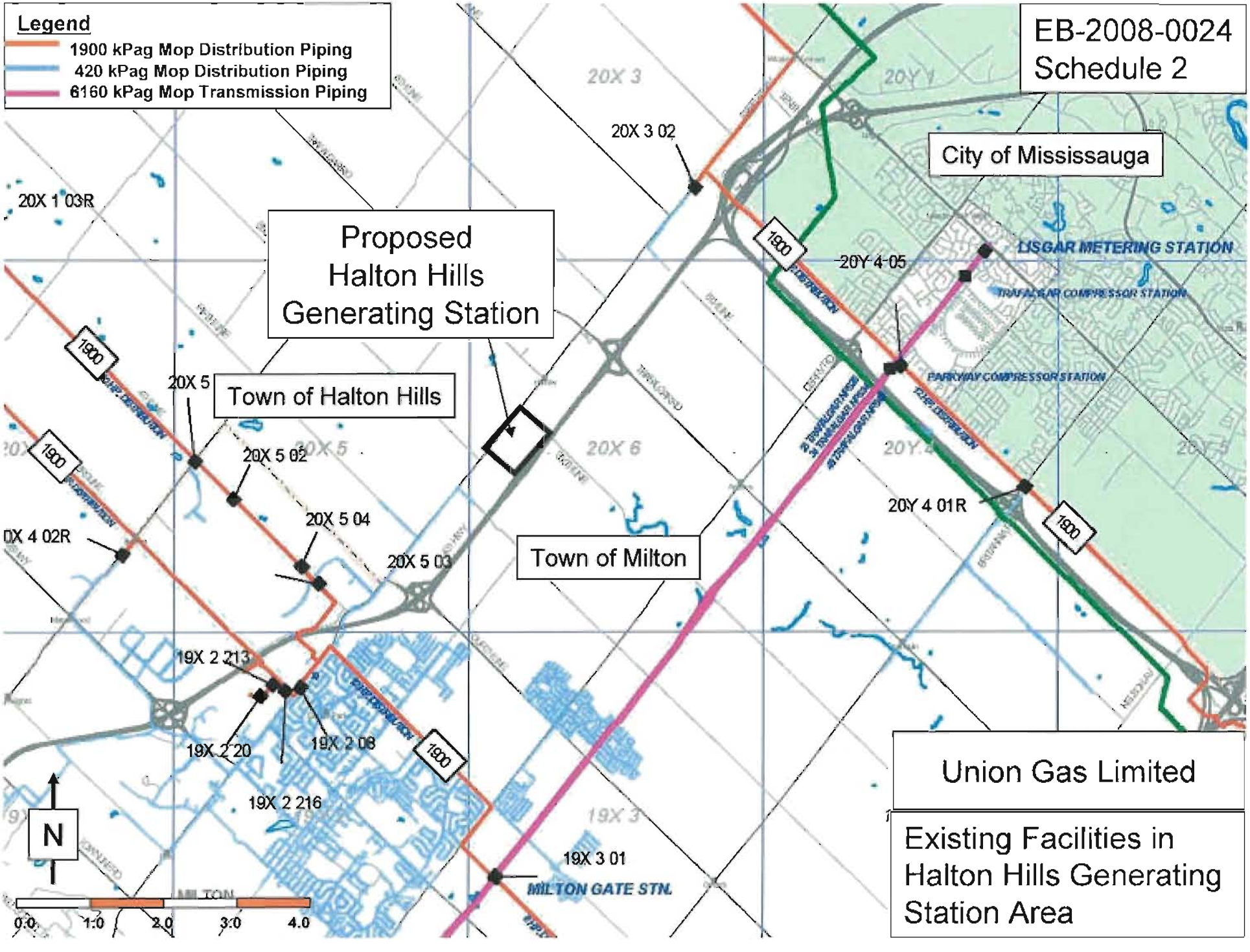
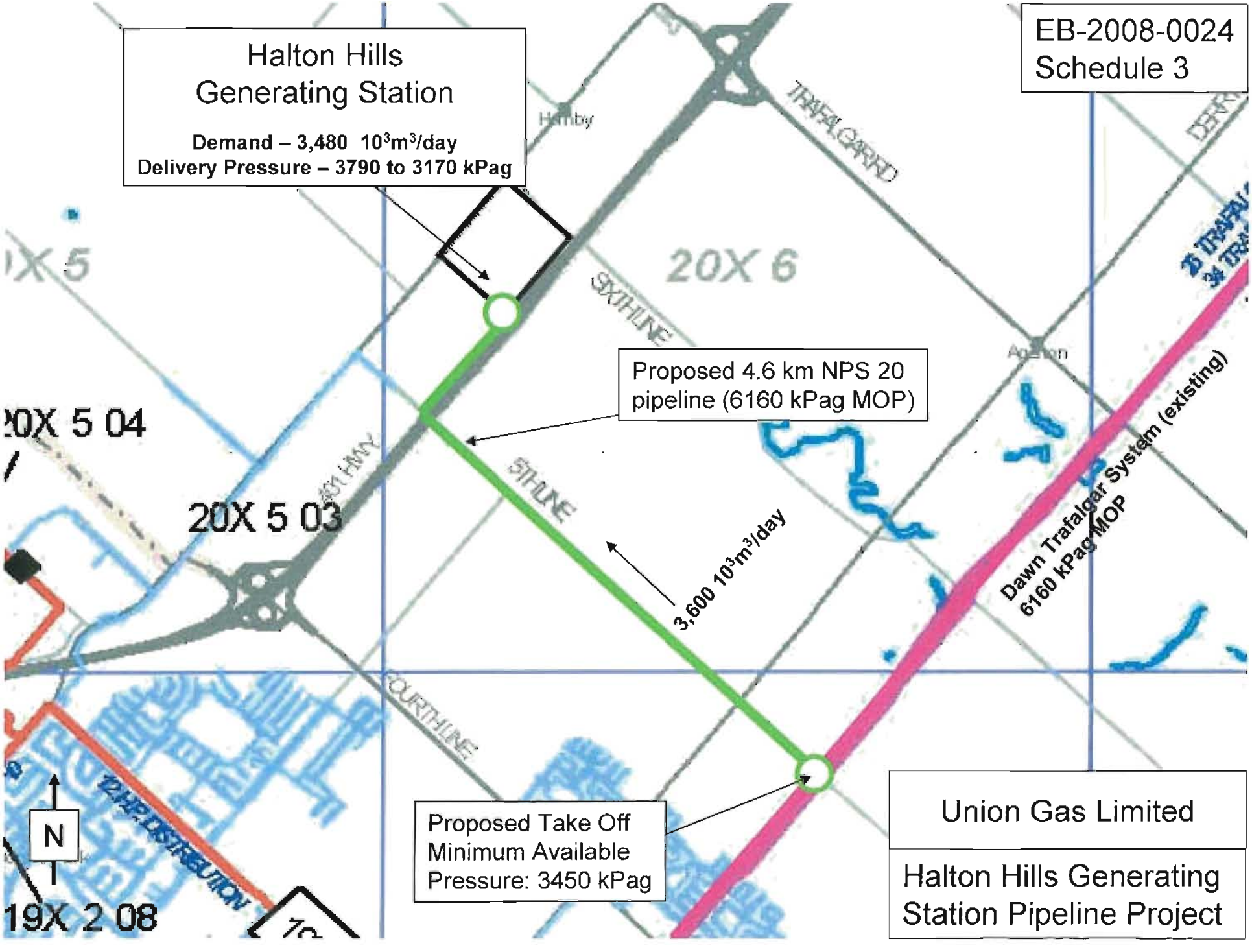
www.powerauthority.on.ca

Schedule 2


Legend
1900 kPag Mop Distribution Piping
420 kPag Mop Distribution Piping
6160 kPag Mop Transmission Piping
EB-2008-0024
Schedule 2
Proposed
Halton Hills
Generating Station
City of Mississauga
Town of Halton Hills
Town of Milton
20X 3 02
20X 1 03R
20X 5
20X 5 02
20X 5 04
20X 5 03
20X 4 02R
20Y 4-05
20Y 4 01R
19X 2 213
19X 2 20
19X 2 08
19X 2 216
19X 3 01
MILTON GATE STN.
LISGAR METERING STATION
TRAFALGAR COMPRESSOR STATION
PARKWAY COMPRESSOR STATION
1900
N
0.0
1.0
2.0
3.0
4.0
Union Gas Limited
Existing Facilities in
Halton Hills Generating
Station Area

Schedule 3


Halton Hills
Generating Station
Demand – 3,480 10³m³/day
Delivery Pressure – 3790 to 3170 kPag
EB-2008-0024
Schedule 3
20X 6
20X 5 04
20X 5 03
SIXTHLINE
FIFTHLINE
FOURTHLINE
Proposed 4.6 km NPS 20
pipeline (6160 kPag MOP)
3,600 10³m³/day
Dawn Trafalgar System (existing)
6160 kPag MOP
Proposed Take Off
Minimum Available
Pressure: 3450 kPag
N
19X 2 08
Union Gas Limited
Halton Hills Generating
Station Pipeline Project

Schedule 4

TOTAL ESTIMATED PIPELINE CAPITAL COSTS

HALTON HILLS

2009 CONSTRUCTION

Pipeline and Equipment		
508 mm O.D. Pipe, Coated 4,600 metres	$ 1,545,000	
Valves, Fittings, Casing, Swamp Weights, Miscellaneous Material	1,048,000	
Sub-Total	$2,593,000	
Total Pipeline and Equipment		$2,593,000
Construction and Labour		
To lay 4600 metres of 508 mm O.D. Pipe	$3,910,000	
Boring Weights, Testing, Valving, Casing, Miscellaneous Contract Labour	2,143,000	
Company Labour, X-Ray, Construction Survey, Legal, Mill Inspection and Consultants	2,297,000	
Easements, Lands & Damages	6,148,000	
Total Construction and Labour		14,498,000
Total Pipeline and Equipment and Construction and Labour		$17,091,000
Contingencies		1,709,000
Interest During Construction		304,000
Total Estimated Pipeline Capital Costs – 2009 Construction		$19,104,000

Includes the Estimated Environmental Costs Identified in Schedule 5.

TOTAL ESTIMATED ENVIRONMENTAL COSTS

HALTON HILLS GENERATING STATION
PIPELINE PROJECT

Pre-Construction			
Environmental Assessment	$	100,000	
Archaeology		80,000	
Soil Sampling		5,000	
Watercourse Survey		10,000	
Vegetation Survey		10,000	
Hearing Costs (Environmental Consultant)		15,000	
Permits		35,000	
Environmental Planning		15,000	
Total Pre-Construction			**$ 270,000**
Construction			
Environmental Inspection	$	10,000	
Stream Crossings		14,000	
Wet Soil Shutdown		366,000	
Site Restoration		244,000	
Topsoil Stripping and Replacement		118,000	
Water Well Sampling		20,000	
Total Construction			**$ 772,000**
Post Construction			
Site Restoration	$	61,000	
Reforestation		25,000	
Total Post Construction			**$ 86,000**
Total Estimated Environmental Costs			**$ 1,128,000**

Schedule 6

EB-2008-0024
Schedule 6

TOTAL ESTIMATED STATION CAPITAL COSTS

HALTON HILLS CUSTOMER STATION

2009 CONSTRUCTION

Station Equipment	$ 1,740,000	
Construction and Labour	$ 1,943,000	
Total Station Equipment and Construction and Labour		$3,683,000
Contingencies		368,000
Interest During Construction		60,000
Total Estimated Station Capital Costs – 2009 Construction		$4,111,000

Schedule 7

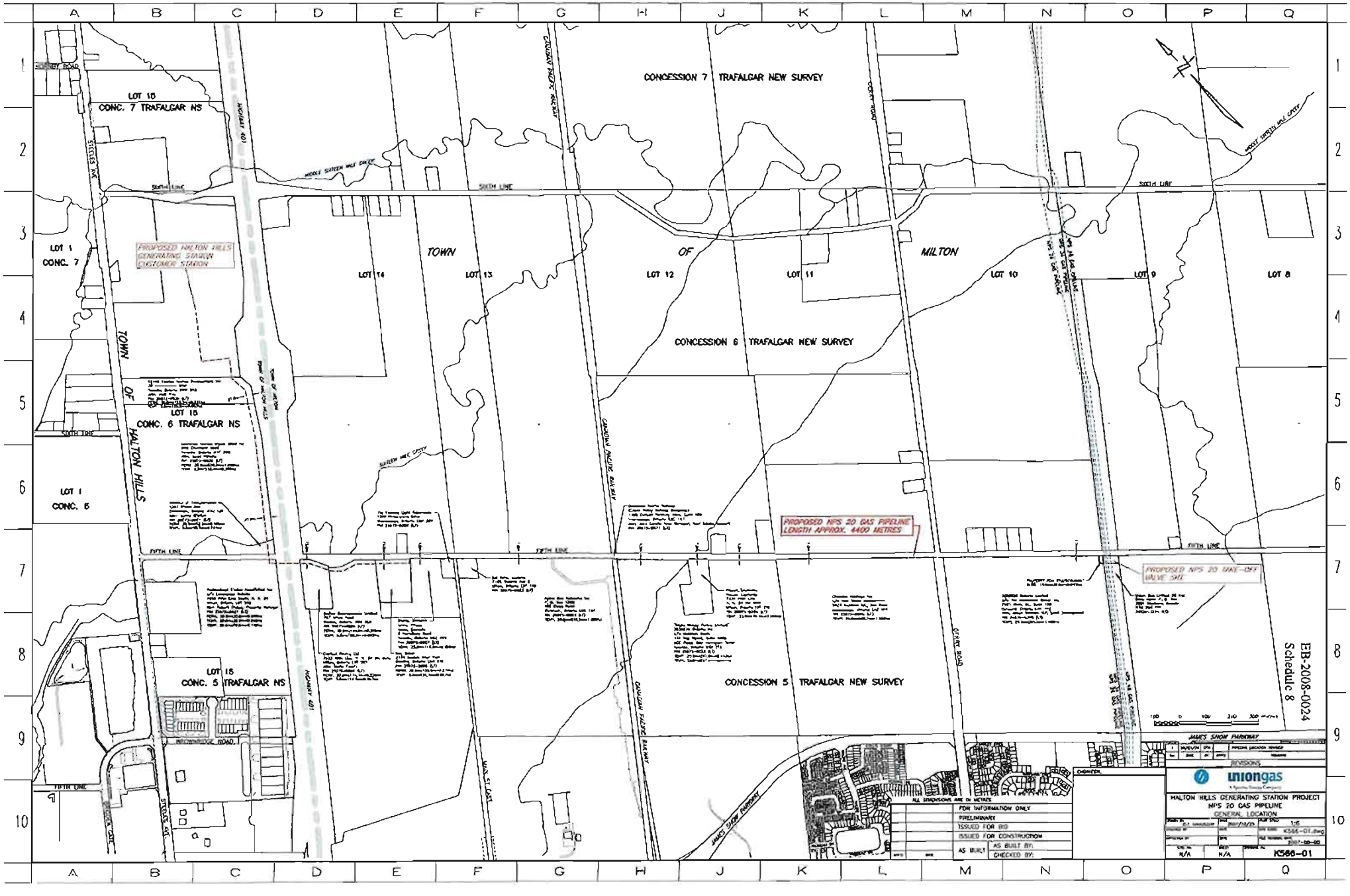
UNION GAS LIMITED
HALTON HILLS GENERATING STATION PROJECT
DCF Analysis

Project Year ($000's)	1	2	3	4	5	6	7	8	9	10
Cash Inflow										
Revenue	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456
Expenses:										
O & M Expense	(11)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)
Municipal Tax	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)
Capital Tax	(61)	(57)	(53)	(49)	(45)	(42)	(39)	(37)	(34)	(32)
Income Tax	(407)	(291)	(334)	(374)	(410)	(444)	(475)	(504)	(531)	(555)
Large Corporation Tax	-	-	-	-	-	-	-	-	-	-
Net Cash Inflow	1,941	2,046	2,007	1,971	1,937	1,907	1,879	1,852	1,828	1,806
Cash Outflow										
Incremental Capital	23,214	-	-	-	-	-	-	-	-	-
Change in Working Capital	0	1	-	-	-	-	-	-	-	-
Cash Outflow	23,215	1	-	-	-	-	-	-	-	-
Cumulative Net Present Value										
Cash Inflow	1,891	3,782	5,543	7,185	8,717	10,147	11,485	12,738	13,911	15,010
Cash Outflow	23,215	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216
NPV By Year	(21,324)	(19,433)	(17,672)	(16,031)	(14,499)	(13,068)	(11,730)	(10,478)	(9,305)	(8,205)
Project NPV	0									
Profitability Index										
By Year PI	0.08	0.16	0.24	0.31	0.38	0.44	0.49	0.55	0.60	0.65
Project PI	1.00									

UNION GAS LIMITED
HALTON HILLS GENERATING STATION PROJECT
DCF Analysis

Project Year ($000's)	11	12	13	14	15	16	17	18	19	20	21
Cash Inflow											
Revenue	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	2,456	1,024
Expenses:											
O & M Expense	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)
Municipal Tax	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)	(36)
Capital Tax	(30)	(28)	(26)	(24)	(22)	(21)	(19)	(18)	(17)	(16)	(15)
Income Tax	(578)	(599)	(618)	(636)	(653)	(668)	(682)	(695)	(708)	(719)	(212)
Large Corporation Tax	-	-	-	-	-	-	-	-	-	-	-
Net Cash Inflow	1,786	1,767	1,749	1,733	1,718	1,704	1,691	1,680	1,669	1,659	734
Cash Outflow											
Incremental Capital	-	-	-	-	-	-	-	-	-	-	-
Change in Working Capital	-	-	-	-	-	-	-	-	-	-	-
Cash Outflow	-	-	-	-	-	-	-	-	-	-	-
Cumulative Net Present Value											
Cash Inflow	16,042	17,012	17,922	18,779	19,584	20,343	21,058	21,731	22,366	22,966	23,219
Cash Outflow	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,216	23,219
NPV By Year	(7,173)	(6,204)	(5,293)	(4,437)	(3,631)	(2,873)	(2,158)	(1,484)	(849)	(250)	0
Project NPV											
Profitability Index											
By Year PI	0.69	0.73	0.77	0.81	0.84	0.88	0.91	0.94	0.96	0.99	1.00
Project PI											

Schedule 8


CONCESSION 7 TRAFALGAR NEW SURVEY
LOT 15
CONC. 7 TRAFALGAR NS
SIXTH LINE
LOT 1
CONC. 7
PROPOSED HALTON HILLS GENERATING STATION CUSTOMER STATION
LOT 14
LOT 13
LOT 12
LOT 11
LOT 10
LOT 9
LOT 8
TOWN OF HALTON HILLS
TOWN OF MILTON
CONCESSION 6 TRAFALGAR NEW SURVEY
LOT 15
CONC. 6 TRAFALGAR NS
LOT 1
CONC. 6
FIFTH LINE
PROPOSED NPS 20 GAS PIPELINE LENGTH APPROX. 4400 METRES
PROPOSED NPS 20 TAKE-OFF VALVE SITE
LOT 15
CONC. 5 TRAFALGAR NS
CONCESSION 5 TRAFALGAR NEW SURVEY
FIFTH LINE
HIGHWAY 401
CANADIAN PACIFIC RAILWAY
SIXTH LINE
SIXTH LINE
JAMES SNOW PARKWAY
JAMES SNOW PARKWAY
REGIONAL ROAD 25
REGIONAL ROAD 25
ALL DIMENSIONS ARE IN METRES
FOR INFORMATION ONLY
PRELIMINARY
ISSUED FOR BID
ISSUED FOR CONSTRUCTION
AS BUILT
AS BUILT BY:
CHECKED BY:
REVISIONS
uniongas
HALTON HILLS GENERATING STATION PROJECT
NPS 20 GAS PIPELINE
GENERAL LOCATION
K586-01
EB-2008-0024
Schedule 8

Schedule 9

CONSTRUCTION PROCEDURES

1. Pipeline construction is divided into several crews that create a mobile assembly line. Each crew performs a different function, with a finished product left behind when the last crew has completed its work.

2. Union Gas will provide its own inspection staff to ensure the contractor meets its contractual obligations.

3. Union establishes the location where the pipeline is to be installed ("the running line"). For pipelines within road allowances, the adjacent property lines are identified and the running line is set at a specified distance from the property line. For pipelines located on private easement, the easement is surveyed and the running line is set at the specified distance from the edge of the easement.

4. Trees are cleared and removed from the site on both the easement, and road allowance. This work occurs in the winter before construction to avoid avian nesting concerns. If the land cannot be accessed in the winter, an ornithologist will inspect the site and direct any avian mitigation needed.

5. The grading crew constructs approaches through road, highway, and railway ditches to allow equipment access to the construction area The grading crew strips topsoil with bulldozers and graders so that it will not be mixed with the subsoil later removed from the trench if requested by the landowner. In hilly terrain, the grade is levelled to provide a stable working surface.

6. Union's contract specifications require the contractor to erect safety barricades, fences, signs or flashers, around any excavation across or along a road. Flagmen and signs are used for traffic control. The construction area is fenced nightly at all access points.

7. The stringing crew then lays pipe on wooden skids, adjacent to the proposed trench areas.

8. The contractor, by use of a trenching machine or hoe excavator, will excavate a trench approximately 1.0 metre in width for the pipeline, depending on ground conditions at the time. Accesses across the construction area, including laneways, are left unexcavated where requested by the landowner.

9. All tile cut during trench excavation is flagged at the trench, easement limits and along the road allowance to signify to the tile repair crew that a repair is required. All tile is measured and recorded as to size, location, depth, type and quality. This information is kept on file with the Company. If a repair is necessary in the future, Union has an accurate method of locating the tile. All utilities that will be crossed or paralleled closely by the pipeline will be located prior to trenching.

10. Bedrock will be removed by mechanical means such as a "hoe ram" where practical. Where rock is encountered that is too hard to mechanically excavate, blasting will be conducted in accordance with Union's construction procedures and the *Canadian Explosives Act*. The contractor will obtain all necessary permits and comply with all legal requirements in connection with the use, storage and transportation of explosives. All blasts will be matted and vibrations will be monitored to ensure there is no damage to adjacent pipelines, utilities and dwellings.

11. Trenchless methods are alternate methods to an open cut, used to install pipelines under railways, roads, trees and lawns. There are two trenchless methods that could be used for the proposed pipeline, depending on the soil conditions, and the length and size of the installation. These methods are boring (auguring) and directional drilling. The boring operation involves a large excavation on both sides of the proposed crossing to allow room for the boring equipment to be operated and the pipe to be installed at the proper elevation. Augers placed in a bore pipe are used to bore beneath the proposed crossing thereby not disrupting the surface features at the crossing site. When the bore pipe exits on the far side of the crossing, the augers are removed, the carrier pipe or casing pipe is attached to the bore pipe, and the bore pipe is pulled back, drawing the carrier pipe or casing pipe into place. The directional drilling operation involves the use of a drill rig at the entry point. This rig begins by drilling a small diameter pilot hole, using technology that allows the drill head to be steered and tracked from the surface. A bore path of gradual curvature is followed and transitions to horizontal to eliminate any damage to the pipe. A path of gradual curvature is continued to the exit point. This pilot hole is enlarged by pulling back increasingly larger reaming heads. On the final back ream, the carrier pipe is attached using a swivel which isolates the pipe from the rotation of the drill and reamer. The carrier pipe is pulled through

the bore path and exits adjacent to the rig. Roads, railways, driveways, lawns, etc are all able to be crossed with very little disruption to surface activities. The directional drilling technology requires less working space than auguring.

12. In areas where open trenching will be used the pipe is welded into one continuous length. All welds are radiographically inspected and then coated and lowered into the trench. After sections of pipe are lowered into the trench, subsoil is backfilled by a bulldozer or backhoe. If the excavated material contains too much rock for direct backfilling, it may be sifted to separate the fine parts from the rock. If such separation is not possible due to the consistency of the material or if a large quantity of rock remains, the unsuitable materials will be hauled away and sand brought in for backfilling.

13. The tie-in crew is responsible for the installation of pipe across accesses and laneways to minimize the length of time that these accesses are out of service to the landowner. The tie-in crew is also responsible for the pipeline installation at most river and stream crossings.

14. The pipe is filled with water and hydrostatically tested to prove its integrity. After the test water is removed and the line dried, an electronic sizing tool may be run through the pipeline to check for ovality and dents. Cathodic protection is applied to the completed pipeline.

15. After the trench is backfilled, tile is repaired. Unless otherwise specified by the landowner or municipality, tile repairs are made by excavating back into the bank along the tile run a minimum distance of 1.2 metres and placing clear stone as a foundation for a high density or perforated steel drainage pipe. The new drainage pipe is cut to the appropriate length and installed between the two exposed tile ends. Prior to actual setting of the support pipe, the existing tile run is checked to ensure that it is clear and undamaged within the limits of the construction area. If it is not, further tile is excavated and the damaged tile is replaced to the edge of the construction area. The area is then backfilled to the degree necessary to hold the tile and secure the support pipe. The landowner or municipal representative is asked to inspect each tile repair prior to backfill completion. Union undertakes that it is responsible for the tile repair resulting from construction and will stand good for the tile repairs at any further date after construction of the pipeline. Union retains the services of a tile consultant to determine if it is better to repair individual tiles crossing the easement or install a header

system. Where a header system is used, additional tiles running parallel to the pipeline are installed during final clean-up activities.

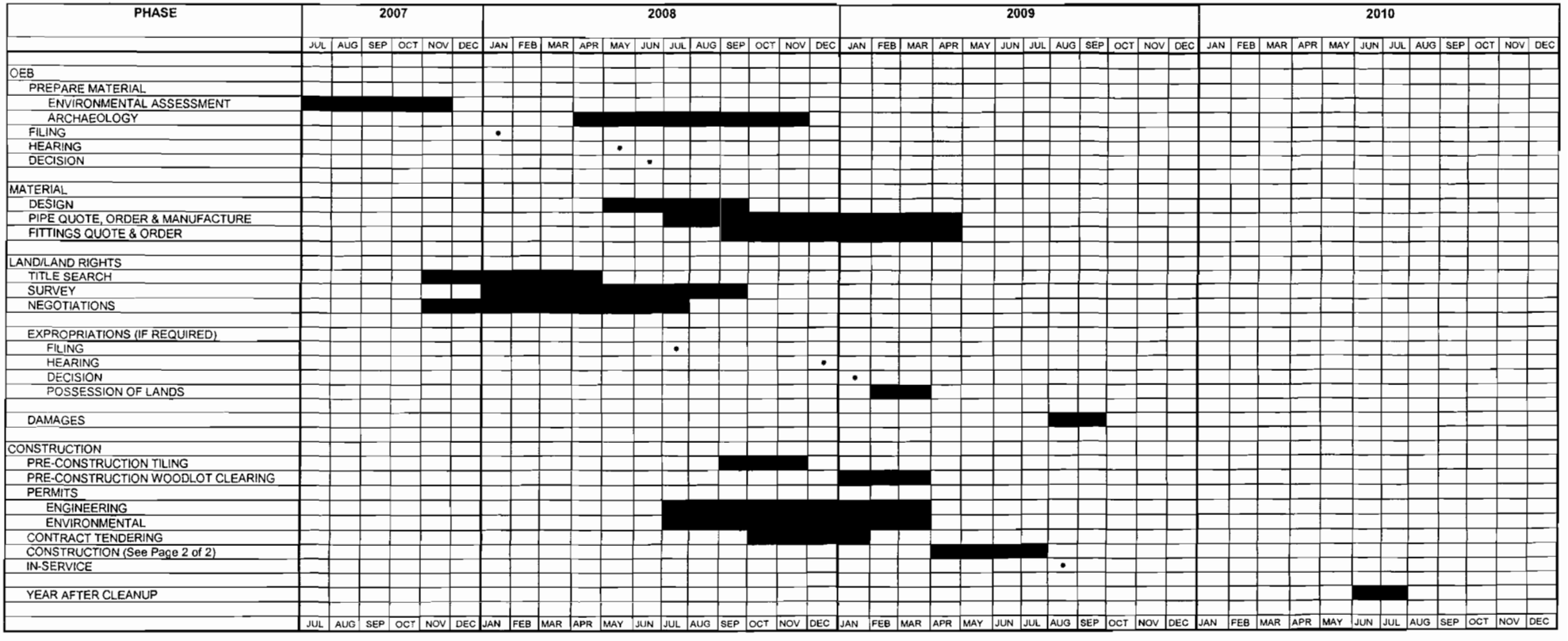
16. The clean-up crew is the last crew on the project. The clean-up crew will repair fences, pick up debris, replace sod in landscaped areas and reseed the road allowance restore ditch banks and restore areas adjacent to stream crossings. On farmland, it prepares the subsoil on the stripped portion of the construction area by subsoiling or deep chisel ploughing to break up compaction and picking all stones down to 100 millimetres in diameter. The trench line is crowned with enough subsoil to allow for trench settlement. Excess subsoil is removed to an acceptable location on the landowner's property or hauled to a disposal site. Topsoil is then replaced using a backhoe and small bulldozers to minimize compaction. The construction area is then chisel ploughed and stone picked. The construction area may be cultivated and stone picked again if requested by the landowner. .

17. When the clean-up is completed, the landowner is asked by a Company representative to sign a clean-up acknowledgement form if satisfied with the clean-up. This form in no way releases the Company from its obligation for tile repairs, compensation for damages and/or further clean-up as required due to erosion or subsidence directly related to pipeline construction.

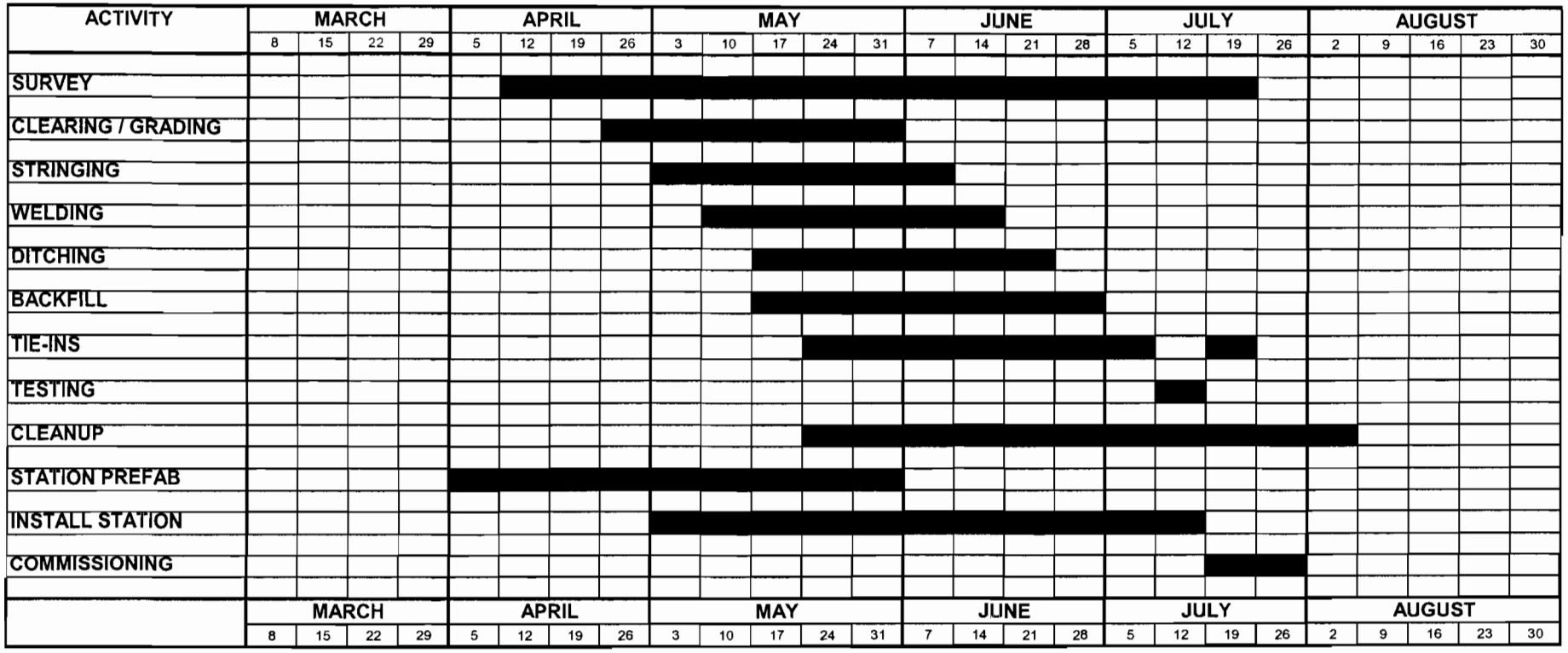
Schedule 10

2009 HALTON HILLS GENERATING STATION PIPELINE
PROJECT SCHEDULE

Schedule 1



2009 HALTON HILLS GENERATING STATION PIPELINE
PROPOSED CONSTRUCTION SCHEDULE



Schedule 11

DESIGN AND PIPE SPECIFICATIONS

Design Specifications

Class Location	-	Class 3
Design Factor	-	0.800
Location Factor (General)	-	0.625
Location Factor (Roads)	-	0.625
Maximum Operating Pressure	-	6160 kPa
Test Medium	-	Water
Test Pressure	-	8624 kPa
Valves/ Fittings	-	PN100
Minimum Depth of Cover	-	1.0 m

Pipe Specifications

Mainline

Size	-	508 mm
Wall thickness	-	9.5 mm
Type	-	ERW
Description	-	CSA Z245.1
Grade	-	414 MPa
Category	-	II
Coating	-	FBE

Schedule 12

Summary of Comments

TO BE FILED WHEN RECEIVED

Schedule 13

NAME AND ADDRESS	LEGAL DESCRIPTION	PERMANENT EASEMENT Estimated Dimenstions (Metres) Length	Width	Area (Hectares)	TEMPORARY EASEMENT Estimated Dimenstions (Metres) Length	Width	Area (Hectares)
Union Gas Limited 50 Keil Drive North P. O. Box 2001 Chatham, Ontario N7M 5M1	Part Lot 9, Concession 5 Trafalgar New Survey Part 1 on 20R-10357 S/T 69976, 70069, 295590, PE128, PE129 Town of Milton, Regional Municipality of Halton F23-020	**Union Owned**					
2060859 Ontario Limited c/o The Remington Group Inc. 7501 Keele St., Suite 100 Concord, Ontario L4K 1Y2 Attn: Jason Sheldon V.P. Land Development	Part Lot 10, Concession 5 Trafalgar New Survey as in 526173; S &E Parts 4 & 5 on 20R-14519 & Part 2 on 20R-16615 Town of Milton, Regional Municipality of Halton				25	596	1.488 ha
Chesabe Holdings Inc c/o New Sham Investments 5622 McAdam Rd., 2nd Floor Mississauga, Ontario L4Z 1P1	Part Lot 11, Concession 5 Trafalgar New Survey Part 1 on 20R-5501; S & E Parts 1 & 2 on 20R-14519 & Part 1 on 20R-16615 Town of Milton, Regional Municipality of Halton				25	603	1.506 ha
"Triple Whisky Farms Limited" 2036026 Ontario Inc c/o McMillan Binch 181 Bay Street, Suite 4400 BCE Place, Bay Wellington Tower Toronto, Ontario M6J 2T3	Part Lot 12, Concession 5 Trafalgar New Survey Part 1 on 20R-5943; T/W 265800 Town of Milton, Regional Municipality of Halton				25 25	268 261	0.669 ha 0.652 ha

NAME AND ADDRESS	LEGAL DESCRIPTION	PERMANENT EASEMENT Estimated Dimenstions (Metres) Length	Width	Area (Hectares)	TEMPORARY EASEMENT Estimated Dimenstions (Metres) Length	Width	Area (Hectares)
Piazza, Leonardo Piazza, Leonarda 7236 Fifth Line R. R. #4 Stn Main Milton, Ontario L9T 2X8	Part Lot 12, Concession 5, Trafalgar New Survey as in 834228 Town of Milton, Regional Municipality of Halton				25 x 79		0.196 ha
Canadian Pacific Railway (Credit Valley Railway Company) 1290 Central Parkway West, Suite 800 Mississauga, Ontario L5C 1S1 Attn: Jack Carello Area Manager, Real Estate Support	Canadian Pacific Railroad lying btwn Fourth Line & Fifth Line; Part Lots 12 & 13 , Concession 5 Trafalgar New Survey as in TW1476 & TW1557 Town of Milton (Trafalgar), Regional Municipality of Halton	Permit					
Hydro One Networks Inc P. O. Box 4300 185 Clegg Road Markham, Ontario L6G 1B7	Part Lot 13, Concession 5 Trafalgar New Survey Parts 2 & 3 on 20R-523 S & E Part 1 on 20R-15848 & Parts 1 & 4 on 20R-16489 T/W 408370; S/T Ease HR484167 over Parts 2 & 3 on 20R-16489 in Fav of Parts 1 & 4 on 20R-16489 T/W HR484167 over Part 4 on 20R-16489 Town of Milton, Regional Municipality of Halton				25 x 519		1.296 ha
Dal Bello, Luciano 7-85 Steeles Ave E Milton, Ontario L9T 1X9	Part Lot 13, Concession 5, Trafalgar New Survey as in 841114 Town of Milton (Trafalgar), Regional Municipality of Halton	0	0		0	0	

NAME AND ADDRESS	LEGAL DESCRIPTION	PERMANENT EASEMENT Estimated Dimensions (Metres) Area Length	Width	(Hectares)	TEMPORARY EASEMENT Estimated Dimensions (Metres) Area Length	Width	(Hectares)
The Evening Light Tabernacle 1569 Wintergrove Gdns Mississauga, Ontario L5M 3Z9	Part Lot 14, Concession 5 Trafalgar New Survey as in 642150 Town of Milton (Trafalgar), Regional Municipality of Halton	0	0		0	0	
Ditella, Domenic Ionno, Filippo Ionno, Carmela 6 Ramsbury Road Toronto, Ontario M8Z 4V3	Part Lot 14, Concession 5 Trafalgar New Survey as in 726754 Town of Milton (Trafalgar), Regional Municipality of Halton				25 x 116		0.290 ha
Rai, Onkar 2184 Golden Briar Trail Oakville, Ontario L6H 4T8	Part Lot 14, Concession 5 Trafalgar New Survey as in 822892; T/W 362450 Town of Milton, Regional Municipality of Halton	20 x 136		0.271 ha	5 x 136		0.067 ha
Bruhm Developments Limited 707 Arrow Road Weston, Ontario M9M 2L4	Part Lot 14, Concession 5 Trafalgar New Survey Part 3 on 20R-5298, T/W 290484 & 418866 S/T the interest if any in 832366; S/T 84151, TW17158 Town of Milton (Trafalgar), Regional Municipality of Halton	20 x 184		0.368 ha	5 x 185		0.092 ha
Everlast Paving Ltd 7622 Fifth Line, R. R. #4 Stn Main Milton, Ontario L9T 2X3 Attn: Mario Fasulo	Part Lot 14, Concession 5 Trafalgar New Survey as in 832366 (secondly described) T/W 290455 S/T 84151 Town of Milton (Trafalgar), Regional Municipality of Halton	20 x 114		0.228 ha	5 x 115		0.057

NAME AND ADDRESS	LEGAL DESCRIPTION	PERMANENT EASEMENT Estimated Dimenstions (Metres) Length	Width	Area (Hectares)	TEMPORARY EASEMENT Estimated Dimenstions (Metres) Length	Width	Area (Hectares)
Horticultural Trades Association Inc c/o Landscape Ontario 7856 Fifth Line South, R. R. #4 Milton, Ontario L9T 2X8 Attn: Robert Ellidge, Property Manager	Part Lot 15, Concession 5 Trafalgar New Survey as in 824847; S/T TW17309 Town of Halton Hills, Regional Municipality of Halton	20 x 30		0.060 ha	20.0 x 30.0 20.0 x 70.0		0.060 ha 0.140 ha
Ministry of Transportation 1201 Wilson Ave Downsview, Ontario M3M 1J8 Attn: Bernie O'Brien	The Kings Hwy #401 (a.k.a MacDonald Cartier Frwy) lying btwn the original Rd Allow btwn former Twp of Trafalgar and Esquesing (a.k.a Steeles Av) and the unopened Road Allow btwn Concession 6 & 7 Trafalgar New Survey; Pt Lot 15, Concession 4 Trafalgar New Survey Pt Lots 14 & 15 Concession 5 Trafalgar NS Pt Lots 14 & 15 Concession 5 Trafalgar NS Pt Lots 14 & 15 Concession 6 Trafalgar NS Town of Milton, Regional Municipality of Halton *(See PIN Schedule for complete legal)*	20 x 52.2		0.105 ha	5 x 48.7		0.024 ha
Lawrence Avenue Group 2000 Inc 880 Ellexmere Road Toronto, Ontario M1P 2W6 Attn: Isaac Meisels	Part Lot 15, Concession 6 Trafalgar New Survey Part 1 on 20R-13724 Town of Halton Hills Regional Municipality of Halton	20 x 528.9		1.058 ha	5 x 532.4		0.266 ha
12144 Steeles Avenue Development Inc 30 International Blvd Toronto, Ontario M9W 5P3 Attn: Jack Niro	Part Lot 15, Concession 6 Trafalgar New Survey as in H760415 Town of Halton Hills Regional Municipality of Halton	20 x 125.3		0.251 ha	5 x 125.8		0.063 ha

Schedule 14

"This Easement is an easement in Gross"
PIPELINE EASEMENT

WHEREAS the Transferor is the owner in fee simple of those lands and premises more particularly described as: *"insert full legal description here"* (hereinafter called the "Transferor's lands").

The Transferor does hereby GRANT, CONVEY, TRANSFER AND CONFIRM unto the Transferee, its successors and assigns, to be used and enjoyed as appurtenant to all or any part of the lands of the Transferee's lands the right, liberty, privilege and easement on, over, in, under and/or through a strip of the Transferor's lands more particularly described as being *"insert legal description here"* (hereinafter referred to as the "Lands") to survey, lay, construct, maintain, inspect, patrol, alter, remove, replace, reconstruct, repair, move, keep, use and/or operate one pipe line for the transmission of pipeline quality natural gas as defined in The Ontario Energy Board Act S.O. 1998 (hereinafter referred to as the "Pipeline") including therewith all such buried attachments, equipment and appliances for cathodic protection which the Transferee may deem necessary or convenient thereto, together with the right of ingress and egress at any and all times over and upon the Lands for its servants, agents, employees, those engaged in its business, contractors and subcontractors on foot and/or with vehicles, supplies, machinery and equipment for all purposes necessary or incidental to the exercise and enjoyment of the rights, privileges and easement hereby granted. The Parties hereto mutually covenant and agree each with the other as follows:

1. In consideration of the sum of *"insert amount here"* DOLLARS ($) of lawful money of Canada (hereinafter called the "Consideration"), which sum is payment in full for the rights and interest hereby granted and for the rights and interest, if any, acquired by the Transferee by expropriation, including in either or both cases payment in full for all such matters as injurious affection to remaining lands and the effect, if any, of registration on title of this document and where applicable, of the expropriation documents, subject to Clause 12 hereof to be paid by the Transferee to the Transferor within 90 days from the date of these presents or prior to the exercise by the Transferee of any of its rights hereunder other than the right to survey (whichever may be the earlier date), the rights, privileges and easement hereby granted shall continue in perpetuity or until the Transferee, with the express written consent of the Transferor, shall execute and deliver a surrender thereof . Prior to such surrender Transferee shall remove all debris as may have resulted from the Transferee's use of the Lands from the Lands and in all respects restore the Lands to it's previous productivity and fertility so far as is reasonably possible , save and except for items in respect of which compensation is due under Clause 2. hereof. Transferor and Transferee hereby agree that nothing herein shall oblige Transferee to remove the Pipeline from the Lands as part of Transferee's obligation to restore the Lands.

2. The Transferee shall make to the Transferor (or the person or persons entitled thereto) due compensation for any damages to the Lands resulting from the exercise of any of the rights herein granted, and if the compensation is not agreed upon by the

Transferee and the Transferor, it shall be determined by arbitration in the manner prescribed by the Expropriations Act, R.S.O. 1990, Chapter E-26 or any Act passed in amendment thereof or substitution therefore. Any gates, fences and tile drains interfered with by the Transferee shall be restored by the Transferee at its expense as closely as reasonably possible to the condition and function in which they existed immediately prior to such interference by the Transferee and in the case of tile drains, such restoration shall be performed in accordance with good drainage practice.

3. The Pipeline (including attachments, equipment and appliances for cathodic protection but excluding valves, take-offs and fencing installed under Clause 9 hereof) shall be laid to such a depth that upon completion of installation it will not obstruct the natural surface run-off from the Lands nor ordinary cultivation of the Lands nor any tile drainage system existing in the Lands at the time of installation of the Pipeline nor any planned tile drainage system to be laid in the Lands in accordance with standard drainage practice, if the Transferee is given at least thirty (30) days notice of such planned system prior to the installation of the pipeline; provided that the Transferee may leave the Pipeline exposed in crossing a ditch, stream, gorge or similar object where approval has been obtained from the Ontario Energy Board or other Provincial Board or authority having jurisdiction in the premises. The Transferee agrees to make reasonable efforts to accommodate the planning and installation of future tile drainage systems following installation of the pipeline so as not to obstruct or interfere with such tile installation.

4. As soon as reasonably possible after the construction of the Pipeline, the Transferee shall level the Lands and unless otherwise agreed to by the Transferor, shall remove all debris as may have resulted from the Transferee's use of the Lands therefrom and in all respects restore the Lands to its previous productivity and fertility so far as is reasonably possible, save and except for items in respect of which compensation is due under Clause 2 hereof.

5. The Transferee shall indemnify the Transferor for any and all liabilities, damages, costs, claims, suits and actions which are directly attributable to the exercise of the rights hereby granted, except to the extent of those resulting from the gross negligence or willful misconduct of the Transferor.

6. In the event that the Transferee fails to comply with any of the requirements set out in Clause 2, 3, or 4 hereof within a reasonable time of the receipt of notice in writing from the Transferor setting forth the failure complained of, the Transferee shall compensate the Transferor (or the person or persons entitled thereto) for any damage, if any, necessarily resulting from such failure and the reasonable costs if any, incurred in the recovery of those damages.

7. Except in case of emergency, the Transferee shall not enter upon any lands of the Transferor, other than the Lands, without the consent of the Transferor. In case of emergency the right of entry upon the Transferor's lands for ingress and egress to and from the Lands is hereby granted. The determination of what circumstances constitute an emergency, for purposes of this paragraph is within the absolute discretion of the

Transferee, but is a situation in which the Transferee has a need to access the pipeline in the public interest without notice to the Transferor, subject to the provisions of paragraph 2 herein. The Transferee will, within 72 hours of entry upon such lands, advise the Transferor of the said emergency circumstances and thereafter provide a written report to Transferor with respect to the resolution of the emergency situation.

8. The Transferor shall have the right to fully use and enjoy the Lands except for planting trees over a six (6) metre strip centered over the Pipeline, and except as may be necessary for any of the purposes hereby granted to the Transferee, provided that without the prior written consent of the Transferee, the Transferor shall not excavate, drill, install, erect or permit to be excavated, drilled, installed or erected in, on, over or through the Lands any pit, well, foundation, pavement, building, mobile homes or other structure or installation. Notwithstanding the foregoing the Transferee upon request shall consent to the Transferor erecting or repairing farm fences, constructing or repairing his tile drains and domestic sewer pipes, water pipes, and utility pipes and constructing or repairing his lanes, roads, driveways, pathways, and walks across, on and in the Lands or any portion or portions thereof, provided that before commencing any of the work referred to in this sentence the Transferor shall (a) give the Transferee at least five (5) clear days notice in writing pointing out the work desired so as to enable the Transferee to evaluate and comment on the work proposed and to have a representative inspect the site and/or be present at any time or times during the performance of the work, (b) shall follow the instructions of such representative as to the performance of such work without damage to the Pipeline, (c) shall exercise a high degree of care in carrying out any such work and, (d) shall perform any such work in such a manner as not to endanger or damage the Pipeline as may be required by the Transferee.

9. The rights, privileges and easement herein granted shall include the right to install, keep, use, operate, service, maintain, repair, remove and/or replace in, on and above the Lands any valves and/or take-offs subject to additional agreements and to fence in such valves and/or take-offs and to keep same fenced in, but for this right the Transferee shall pay to the Transferor (or the person or persons entitled thereto) such additional compensation as may be agreed upon and in default of agreement as may be settled by arbitration under the provisions of The Ontario Energy Board Act, S.O. 1998, or any Act passed in amendment thereof or substitution therefore. The Transferee shall keep down weeds on any lands removed from cultivation by reason of locating any valves and/or take-offs in the Lands.

10. Notwithstanding any rule of law or equity and even though the Pipeline and its appurtenances may become annexed or affixed to the realty, title thereto shall nevertheless remain in the Transferee.

11. Neither this Agreement nor anything herein contained nor anything done hereunder shall affect or prejudice the Transferee's rights to acquire the Lands or any other portion or portions of the Transferor's lands under the provisions of The Ontario Energy Board Act, S.O. 1998, or any other laws, which rights the Transferee may exercise at its discretion in the event of the Transferor being unable or unwilling for any reason to

perform this Agreement or give to the Transferee a clear and unencumbered title to the easement herein granted.

12. The Transferor covenants that he has the right to convey this easement notwithstanding any act on his part, that he will execute such further assurances of this easement as may be requisite and which the Transferee may at its expense prepare and that the Transferee, performing and observing the covenants and conditions on its part to be performed, shall have quiet possession and enjoyment of the rights, privileges and easement hereby granted. If it shall appear that at the date hereof the Transferor is not the sole owner of the Lands, this Indenture shall nevertheless bind the Transferor to the full extent of his interest therein and shall also extend to any after-acquired interest, but all moneys payable hereunder shall be paid to the Transferor only in the proportion that his interest in the Lands bears to the entire interest therein.

13. In the event that the Transferee fails to pay the consideration as hereinbefore provided, the Transferor shall have the right to declare this easement canceled after the expiration of 15 days from personal service upon the Secretary, Assistant Secretary or Manager, Lands Department of the Transferee at its Executive Head Office in Chatham, Ontario, (or at such other point in Ontario as the Transferee may from time to time specify by notice in writing to the Transferor) of notice in writing of such default, unless during such 15 day period the Transferee shall pay the said consideration; upon failing to pay as aforesaid, the Transferee shall forthwith after the expiration of 15 days from the service of such notice execute and deliver to the Transferor at the expense of the Transferee, a valid and registerable release and discharge of this easement.

14. All payments under these presents may be made either in cash or by cheque of the Transferee and may be made to the Transferor (or person or persons entitled thereto) either personally or by mail. All notices and mail sent pursuant to these presents shall be addressed to the Transferor at *"insert mailing address here"* and to the Transferee at Union Gas Limited, P.O.Box 2001,50 Keil Drive North, Chatham, Ontario N7M 5M1. Attention: Manager, Lands or to such other address in either case as the Transferor or the Transferee respectively may from time to time appoint in writing.

15. The rights, privileges and easement hereby granted are and shall be of the same force and effect as a covenant running with the land and this Indenture, including all the covenants and conditions herein contained, shall extend to, be binding upon and enure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties hereto respectively; and, wherever the singular or masculine is used it shall, where necessary, be construed as if the plural, or feminine or neuter had been used, as the case may be.

Municipality of Chatham-Kent

Province of Ontario

DECLARATION REQUIRED UNDER
SECTION 50 OF THE PLANNING
ACT, R.S.O. 1990, as amended

I, Mervyn Raymond Weishar, of the Municipality of Chatham-Kent, in the Province of Ontario.

DO SOLEMNLY DECLARE THAT

1. I am a Senior Lands Agent, Lands Department of Union Gas Limited, the Transferee in the attached Grant of Easement and as such have knowledge of the matters herein deposed to.

2. The use of or right in the land described in the said Grant of Easement is being acquired by Union Gas Limited for the purpose of a hydrocarbon transmission line within the meaning of part VI of the Ontario Energy Board Act , 1998.

AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath, and by virtue of The Canada Evidence Act.

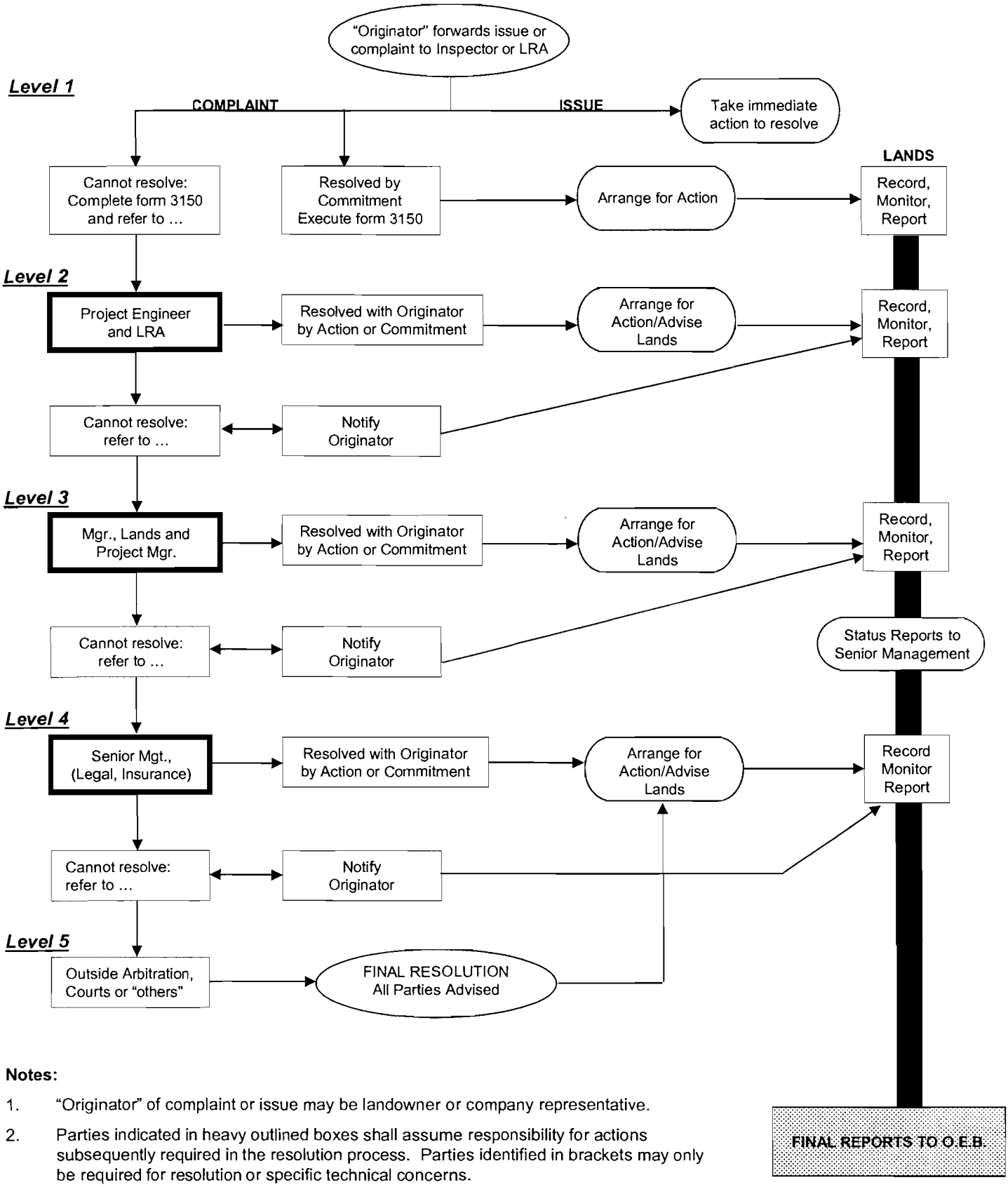
DECLARED before me at the
Municipality of Chatham-Kent,
in the Province of Ontario

this _____day of _____ ,200

Mervyn R. Weishar, SR/WA
Senior Lands Agent

A Commissioner, etc.

Process Chart: Landowner Complaint Resolution System



Notes:

1. "Originator" of complaint or issue may be landowner or company representative.
2. Parties indicated in heavy outlined boxes shall assume responsibility for actions subsequently required in the resolution process. Parties identified in brackets may only be required for resolution or specific technical concerns.
3. "L.R.A." refers to Landowner Relations Agent.
4. "Outside Arbitration" includes the Board of Negotiation, O.M.B. and O.E.B. "Others" refers to other regulatory bodies and tribunals.

LANDOWNER COMPLAINT RESOLUTION SYSTEM
EXPLANATION OF PROCESS CHART

Key Definitions

Originator – The originator of a complaint or issue is the landowner or Union Gas personnel who initiates a complaint or issue by making it known to the Landowner Relations Agent or a company inspector.

Landowner Relations Agent (LRA) – A person assigned on a full time or part time basis to record, monitor, and ensure follow-up on any complaint or issue received by Union related to construction, to address questions and concerns of the landowners, and to act as a liaison between landowners and the contractor and engineering personnel.

Issue – A concern of a landowner which can be resolved within three (3) working days. Immediate action is taken to resolve such matters.

Complaint – A concern of a landowner which cannot be resolved within three (3) working days.

Commitment – If an issue or complaint is resolved at any level of the Complaint Resolution system through the efforts and liaison activities of the Landowner Relations Agent or other personnel, the resolution is recorded to ensure proper future follow-up.

Outside Arbitration – includes the Board of Negotiation, O.M.B., and O.E.B.

Others – refers to other regulatory bodies and tribunals

Levels of the Complaint Resolution System

Level 1: The LRA or company inspector receives issues or complaints, and the following can happen:

a) Immediate action could be arranged by the LRA or inspector to resolve the issue or complaint; or
b) A complaint can be resolved by a commitment in which case the LRA is responsible for arranging for the committed action and having the commitment recorded in the Complaint Resolution system; or
c) If a complaint cannot be resolved through the efforts of the LRA or inspector, the applicable form (Form 3150) is completed and then recorded, and the complaint is referred to **Level 2**.

Level 2: The LRA and the Construction Supervisor work together to develop a resolution for the complaint, and the following can happen:

a) the complaint may be resolved with the originator by action or commitment and the action or commitment is recorded in the Complaint Resolution System; or
b) if the complaint cannot be resolved, the originator is notified, the non-resolution is recorded, and the complaint is referred to **Level 3**.

Level 3: The Manager, Lands and the Project Manager work together to develop a resolution for the complaint, and the following can happen:

a) complaint may be resolved with the originator by action or commitment and the action or commitment is recorded in the Complaint Resolution System; or
b) if the complaint cannot be resolved, the originator is notified, the non-resolution is recorded, and the complaint is referred to **Level 4**;

When complaints reach this level, status reports are generated through the Complaint Resolution System and are forwarded to Senior Management.

Level 4: Senior Management (with possible input from the Legal and Risk and Claims Departments) attempts to develop a resolution to the complaint, and the following can happen:

a) the complaint may be resolved with the originator by action or commitment and the action or commitment is recorded in the Complaint Resolution System; or
b) if the complaint cannot be resolved, the originator is notified, the non-resolution is recorded, and the complaint is referred to **Level 5**;

Level 5: Involves the resolution of a complaint by outside arbitration or others, and the following will happen:

A final resolution will occur, all parties will be advised, and any action required will be arranged by the LRA or other Lands Department personnel.

Note: the Complaint Resolution System is used to generate final reports to the Ontario Energy Board