

By RESS & Courier

June 4th, 2012

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

Dear Mr. McKay:

**Re: Union Gas Limited
London Reinforcement Project
Board File # EB-2010-0381**

Pursuant to Condition 3.1 of the Board's Conditions of Approval for the above-noted project, please find enclosed four copies of Union's Interim Monitoring Report.

Sincerely,

[original signed by]

Mary Jane Patrick
Administrative Analyst, Regulatory Projects
Encl.

cc: Z. Crnojacki (Chair, OPCC)
Anna Meyer

LONDON NORTH REINFORCEMENT PROJECT

INTERIM MONITORING REPORT

Prepared by: Union Gas Limited
Environmental Planning
May 2012

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1.0 INTRODUCTION

This Interim Monitoring Report is provided in compliance with the Ontario Energy Board (“Board”) Order EB-2010-0381 granting Union Gas Limited (“Union”) “Leave to Construct” approximately 6.6 km of Nominal Pipe Size (NPS) 8 inch and 0.6 kilometres of NPS 12 inch diameter natural gas pipeline in the City of London, and the Municipality of Middlesex Centre, County of Middlesex.

The pipeline commenced at Union’s existing NPS 8 inch pipeline located at the corner of Tenth Line road and Wonderland Road North. The pipeline traveled southward on the east side of Wonderland Rd. and tied into a new regulating station on the west side of Wonderland Road approximately 600 metres north of Fanshawe Park Road. The NPS 12 inch commences at the station and travels south on the west side of Wonderland Road to an existing NPS 10 inch steel pipeline at Fanshawe Park Road. A map of the pipeline route is included in Appendix A.

The requirements for and details of this report are outlined in the specific conditions issued by the Board in its Order dated July 13, 2011 as listed below. The Conditions of Approval can be found in Appendix B.

Accordingly, the purpose of this Interim Monitoring Report is to fulfill these conditions.

1.0 Condition 1.1

Union Gas Limited (“Union”) shall construct the facilities and restore the land in accordance with its application and evidence filed in EB-2010-0381 except as modified by this Order and these Conditions of Approval.

Condition 1.3

Union Gas shall implement all the recommendations of the Environmental Report filed in the pre-filed evidence, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee (“OPCC”) review.

Condition 1.4

Union Gas shall advise the Board's designated representative of any proposed material change in construction or restoration procedures and, except in an emergency, Union shall not make such change without prior approval of the Board or its designated representative. In the event of an emergency, the Board shall be informed immediately after the fact.

2.0 Condition 2.4

Union Gas shall furnish the Board's designated representative with all reasonable assistance for ascertaining whether the work is being or has been performed in accordance with the Board's Order.

3.0 Condition 3.1

Both during and after construction, Union Gas shall monitor the impacts of construction, and shall file four copies of both an interim and final monitoring report with the Board. The interim monitoring report shall be filed within six months of the in-service date and the final monitoring report shall be filed within fifteen months of the in-service date. Union Gas shall attach a log of all complaints that have been received to the interim and final monitoring reports. The log shall record the times of all complaints received, the substance of each complaint, the actions taken in response, and the reasons underlying such actions.

Condition 3.2

The interim monitoring report shall confirm Union Gas's adherence to Condition 1.1 and shall include a description of the impacts noted during construction and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction. This report shall describe any outstanding concerns identified during construction.

4.0 Condition 4.1

Union Gas shall offer the form of easement agreement approved by the Board to each landowner, as may be required, along the route of the proposed work.

5.0 Condition 5.1

Union Gas shall obtain all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project, shall provide a list thereof, and shall provide copies of all such written approval, permit, licences, and certificates upon the Board's request.

2.0 BACKGROUND

Union was granted approval to construct the London North Reinforcement Project on July 13, 2011. Construction was initiated on August 8, 2011 with the pipeline placed into service on December 8, 2011 and cleanup for the year completed on December 6, 2011. Construction progressed from the existing facilities at Fanshawe Road in a northerly direction with the following order of operations: stringing, welding, joint coating, directional drilling, trenching, lowering-in, tie-ins, backfilling, testing and clean-up.

Union returned to the right-of-way in spring 2012 to complete the following activities: repair any subsidence on the right-of-way, perform a general overview of the right-of-way and complete any additional clean-up that may be required.

3.0 POTENTIAL IMPACTS AND MITIGATION

3.1 Condition 1.1

Union Gas Limited ("Union") shall construct the facilities and restore the land in accordance with its application and evidence filed in EB-2010-0381 except as modified by this Order and these Conditions of Approval.

Union has complied with all conditions imposed by the Board during construction of the pipeline and has restored the land according to the evidence in support of its application.

3.2 Condition 1.3

Except as modified by this Order, Union Gas shall implement all the recommendations of The Environmental Study Report filed in the pre filed evidence, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee (“OPCC”) review.

Union has implemented all recommendations and mitigation measures outlined in the Environmental Study Report (ER) along with all directives identified by the OPCC.

3.3 Condition 1.4

Union Gas shall advise the Board’s designated representative of any proposed material change in construction or restoration procedures and, except in an emergency, Union Gas shall not make such change without prior approval of the Board or its designated representative. In the event of an emergency, the Board shall be informed immediately after the fact.

There were no changes to construction or restoration procedures during this project.

3.4 Condition 2.4

Union Gas shall furnish the Board’s designated representative with all reasonable assistance for ascertaining whether the work is being or has been performed in accordance with the Board’s Order.

This Interim Monitoring report shall confirm that the work has been performed according to the Board’s Order.

3.5 Condition 3.1

Both during and after construction, Union Gas shall monitor the impacts of construction, and shall file four copies of both an interim and final monitoring report with the Board. The interim monitoring report shall be filed within six months of the in-service date and the final monitoring report shall be filed within eighteen months of the in-service date. Union Gas shall attach a log of all complaints that have been received to the interim and final monitoring reports. The log shall record the times of all complaints received, the substance of each complaint, the actions taken in response, and the reasons underlying such actions.

3.1.1 Report Circulation

Four (4) copies of this Interim Monitoring Report are provided to the Board.

3.1.2 Landowner Concerns

Union's complaint tracking system, which identifies the current status of landowner complaints received as a result of pipeline construction, was/is in effect.

A complaint is identified as a concern raised by a landowner, which has not been resolved to the landowner's satisfaction within three (3) working days. There were no complaints entered into the complaint tracking system.

During construction, issues that were minor in nature were raised to Union and their contractor. These were dealt with by Union or the Contractor in an expeditious manner.

The final monitoring report will address any outstanding issues if they should arise. Union will continue to monitor the state of the land and environment and will address any additional landowner concerns, if they should arise.

3.5 Condition 3.2

The interim monitoring report shall confirm Union Gas's adherence to Condition 1.1 and shall include a description of the impacts noted during construction and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction. This report shall describe any outstanding concerns identified during construction.

In fulfilment of Condition 3.2, Table 1 summarizes the construction effects and general mitigation measures carried out during construction. All mitigation techniques used throughout construction will also be implemented during cleanup activities as required.

3.2.1 Monitoring Programs

3.2.1.1 Archaeological Assessment

Union retained the services of Timmins Martelle Heritage Consultants Inc. to carry out a Stage 1 archaeological background study along the route. The study indicated that the majority of the undeveloped lands within the general study area had the potential for either First Peoples archaeological sites, historical era sites or both. The Stage 1 assessment also indicated that the majority of lands within the right-of-way of Wonderland Road were extensively disturbed and serviced.

However, a few sections of land within the northern part of the right-of-way did not appear to be significantly disturbed and were subject to Stage 2 assessment. The Stage 2 assessment involved a combined pedestrian and test pit survey at 5 metre intervals. This did not result in the discovery of archaeological material. As such, it was recommended that the identified impact areas be considered free of archaeological concern.

3.2.1.2 Water Well Monitoring

As indicated in the Environmental Report, Section 7.2.2, based on the site characteristics and following a review of the preferred route by the Ministry of the Environment, a water well monitoring program was not recommended.

3.2.1.3 Watercourse Monitoring

Union implemented a monitoring program for the 2 (two) watercourse crossings along the pipeline route. The horizontal directional drill method which prevents the disturbance of the watercourse banks was used. During the crossing operation the watercourse was monitored to ensure drilling fluids did not enter the watercourse. Both watercourses were crossed using methods approved by the Upper Thames River Conservation Authority.

Watercourses were protected prior to, during and following construction by installing sediment fencing, straw bales and erosion control matting if necessary. Disturbed areas adjacent to the watercourses were seeded immediately following the installation of the pipeline. The watercourses will be reviewed for stability in the spring of 2012 and any necessary mitigation will be undertaken at this time.

4.0 **Condition 4.1**

Union Gas shall offer the form of easement agreement approved by the Board to each landowner, as may be required, along the route of the proposed work.

All landowners affected by construction have received the same easement agreement as approve by the Board.

5.0 Condition 5.1

Union Gas shall obtain all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project, shall provide a list thereof, and shall provide copies of all such written approval, permit, licences, and certificates upon the Board's request.

Union Gas obtained the following environmental permits for construction:

Upper Thames River Conservation Authority - Watercourse Crossings

- For Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Ontario Regulation 148/06.
- Application for Permission Permit No. 47/11

6.0 SUMMARY

This Interim Monitoring Report has been prepared as per conditions in the Board Order EB-2010-0381. The report provides an outline of Unions' compliance with the commitments of its witnesses, the measures implemented during construction to minimize disturbance to the environment and a description of Unions' monitoring programs. It is anticipated that these measures will effectively eliminate any long-term impacts to the environment.

A review of the pipeline route will be undertaken in the spring of 2012 to determine if any additional clean-up will be required. Should additional clean-up be required, it will be completed as soon as conditions allow in spring 2012.

A Final Monitoring Report will be prepared to evaluate the success of the measures and if necessary outline areas in need of additional restoration.

“Table 1”

Potential Impacts and Mitigation Measures

TABLE 1: MITIGATION SUMMARY

Issue	Potential Impact	Proposed Mitigation
a) Archaeology	Disturbance to cultural heritage resources.	<ul style="list-style-type: none"> • Prior to any activities associated with the project, an archaeological survey was completed and concluded that the pipeline corridor was free from archaeological concern. No artifacts were found during construction.
b) Water Wells	Disruption to water supply	<ul style="list-style-type: none"> • Following a review by the Ministry of the Environment a monitoring program was not necessary.
c) Landowner Concerns	Disruption to landowners and tenants	<ul style="list-style-type: none"> • Union provided the landowners/tenants with the telephone numbers of Company personnel. • A Landowner Relations Program was established to track complaints during construction. • To date there have been no complaints entered into the complaint tracking system.
d) Paved Driveways and Roadways	Disruption to local traffic, landowners and tenants	<ul style="list-style-type: none"> • All paved roadways and driveways were bored if practical. • If it was not possible to bore driveways and roads, steel plates were on site to provide access to landowners and tenants. • Union maintained one lane of traffic open if possible. • Traffic controls were implemented as required. • Driveways were repaired as soon as possible.
e) Front Yards	Disruption to landowners and tenants	<ul style="list-style-type: none"> • Landowners and tenants were notified before construction. • Will restore lawns to original condition.
f) Public Safety	Public safety concerns	<ul style="list-style-type: none"> • Company inspectors ensured public safety on construction site. • Ensured proper signage and flag persons if required.
g) Commercial/Retail Businesses	Disruption to businesses	<ul style="list-style-type: none"> • Ensured access at all times. • Restored area as soon as possible after construction. • Scheduled construction with owners or managers.
h) Construction Noise	Disturbance to landowners and tenants	<ul style="list-style-type: none"> • Construction was carried out during daylight hours whenever possible. • Ensured equipment was properly muffled.
i) Construction Equipment	Disruption to landowners and tenants	<ul style="list-style-type: none"> • Equipment was stored well off road shoulders or in a nearby yard when not in use.
j) Traffic	Disruption to local citizens	<ul style="list-style-type: none"> • At least one lane of traffic was maintained at all times. • Flag persons and warning devices were used to notify traffic of the construction zone in accordance with Ministry of Transportation standards.

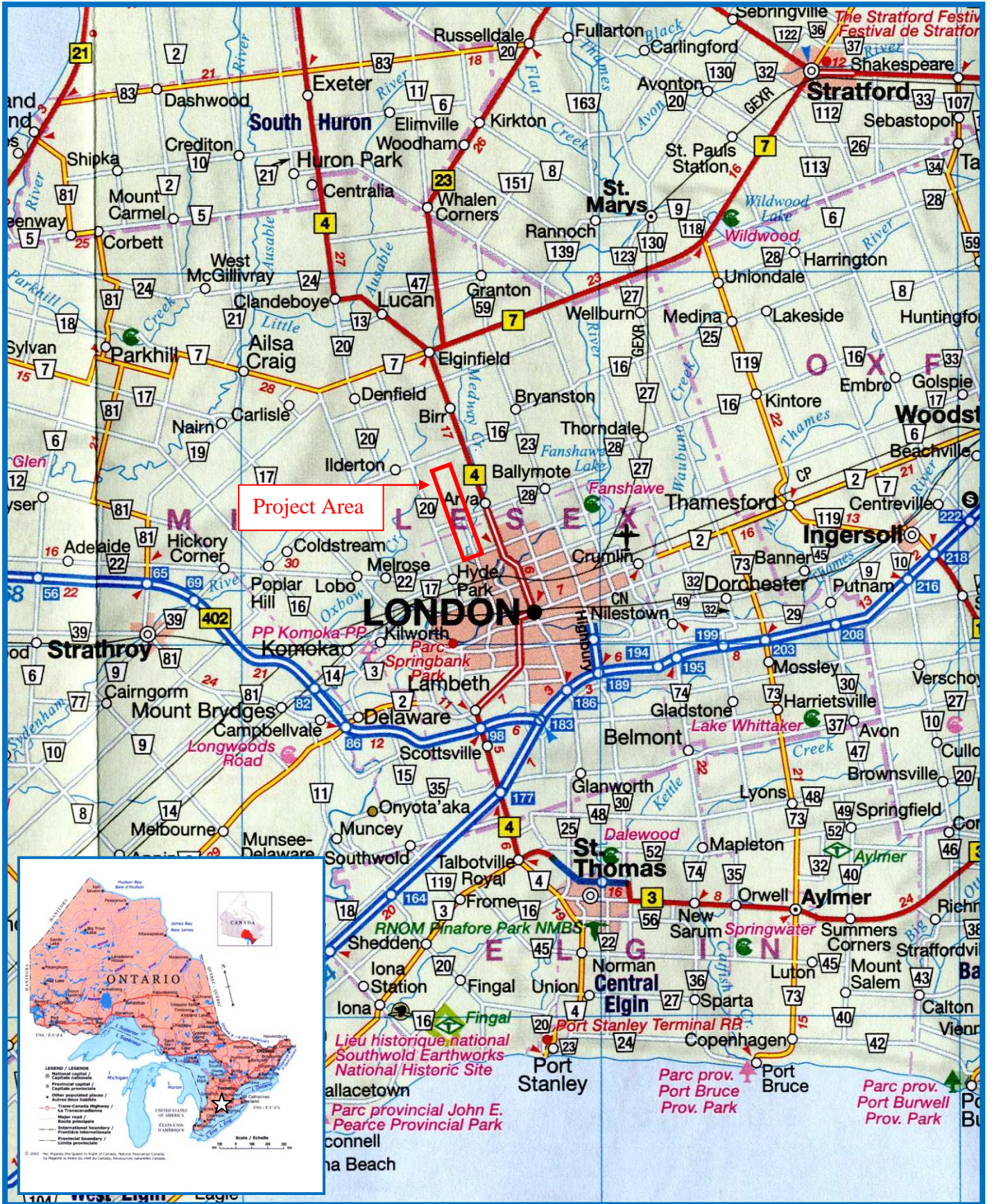
Issue	Potential Impact	Proposed Mitigation
k) Fuel Storage and Handling	Improper fuel storage and handling may cause spillage and possible contamination of soil.	<ul style="list-style-type: none"> • Fuel was not stored near watercourses (i.e. Within 100 metres) • Spill clean-up materials were stored on site and available in the event of a spill. Spills or leakage were to be reported to the appropriate authority immediately (Ministry of the Environment Spills Action Centre at 1-800-268-6060) • No reportable spills were recorded during construction.

Appendix A

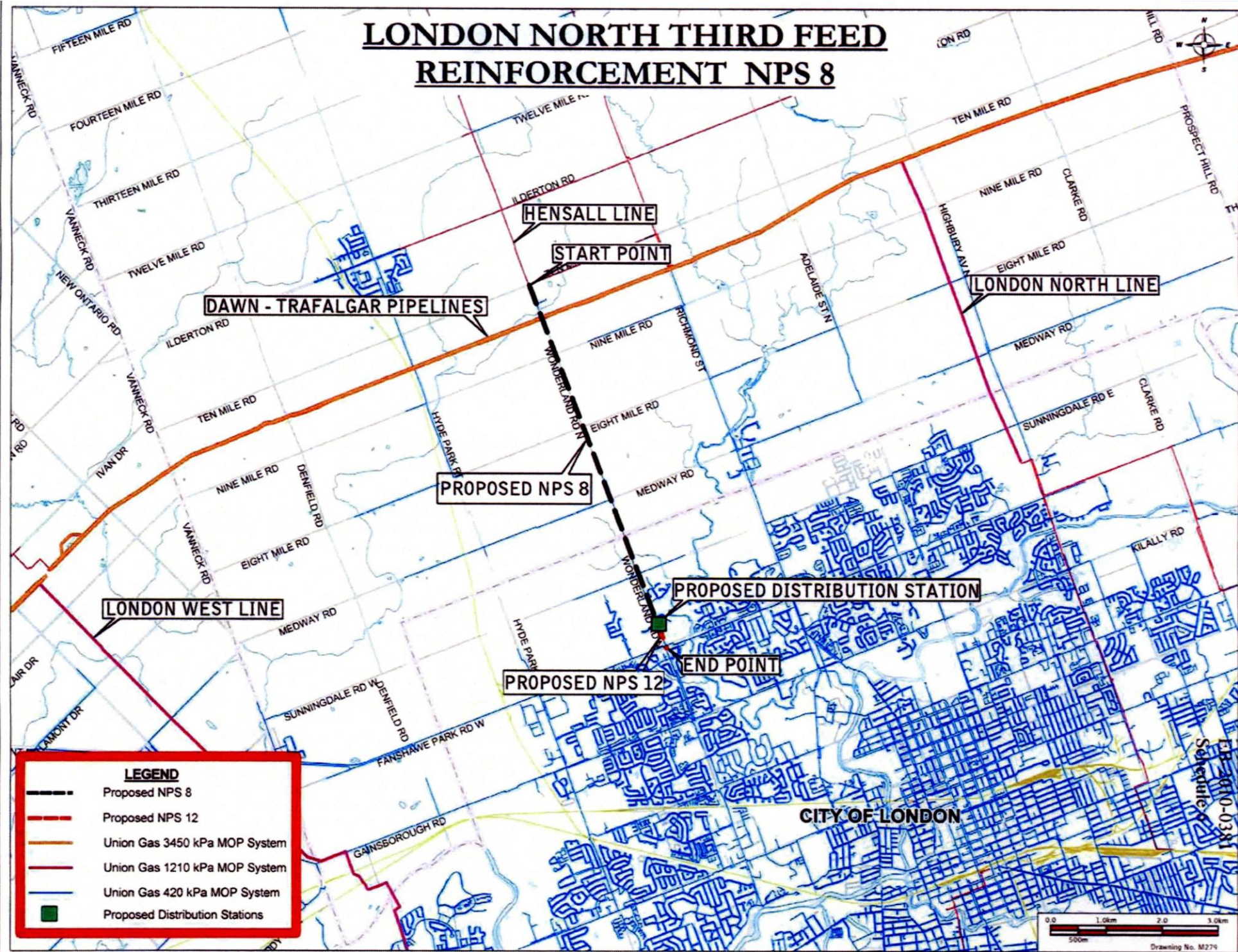
Location Map

GENERAL LOCATION MAP

TRENTON AREA REINFORCEMENT PROJECT



LONDON NORTH THIRD FEED
REINFORCEMENT NPS 8



Appendix B

Conditions of Approval

EB-2010-0381

UNION GAS LIMITED LEAVE TO CONSTRUCT APPLICATION

CONDITIONS OF APPROVAL

1 General Requirements

- 1.1 Union Gas Limited ("Union") shall construct the facilities and restore the land in accordance with its application and the evidence filed in EB-2010-0381 except as modified by this Order and these Conditions of Approval.
- 1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct shall terminate by December 31, 2012, unless construction has commenced prior to that date.
- 1.3 Union shall implement all the recommendations of the Environmental Report filed in the pre-filed evidence, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee ("OPCC") review.
- 1.4 Union shall advise the Board's designated representative of any proposed material change in construction or restoration procedures and, except in an emergency, Union shall not make such change without prior approval of the Board or its designated representative. In the event of an emergency, the Board shall be informed immediately after the fact.
- 1.5 Within 15 months of the final in-service date, Union shall file with the Board secretary a Post Construction Financial Report. The Report shall indicate:
 - a) the actual capital costs of the project and an explanation for any significant variances from the estimates filed in this proceeding.

2 Project and Communications Requirements

- 2.1 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Natural Gas Applications.
- 2.2 Union shall designate a person as project engineer and shall provide the name of the individual to the Board's designated representative. The project engineer will

be responsible for the fulfillment of the Conditions of Approval on the construction site. Union shall provide a copy of the Order and Conditions of Approval to the project engineer, within seven days of the Board's Order being issued.

- 2.3 Union shall give the Board's designated representative and the Chair of the OPCC ten days written notice in advance of the commencement of the construction.
- 2.4 Union shall furnish the Board's designated representative with all reasonable assistance for ascertaining whether the work is being or has been performed in accordance with the Board's Order.
- 2.5 Union shall file with the Board's designated representative notice of the date on which the installed pipelines were tested, within one month after the final test date.
- 2.6 Union shall file with the Board's designated representative notice of the date on written confirmation of the completion of construction. A copy of the confirmation shall be provided to the Chair of the OPCC.

3 Monitoring and Reporting Requirements

- 3.1 Both during and after construction, Union shall monitor the impacts of construction, and shall file four copies of both an interim and a final monitoring report with the Board. The interim monitoring report shall be filed within six months of the in-service date, and the final monitoring report shall be filed within fifteen months of the in-service date. Union shall attach a log of all complaints that have been received to the interim and final monitoring reports. The log shall record the times of all complaints received, the substance of each complaint, the actions taken in response, and the reasons underlying such actions.
- 3.2 The interim monitoring report shall confirm Union's adherence to Condition 1.1 and shall include a description of the impacts noted during construction and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction. This report shall describe any outstanding concerns identified during construction.

- 3.3 The final monitoring report shall describe the condition of any rehabilitated land and the effectiveness of any mitigation measures undertaken. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with any of the Conditions of Approval shall be explained.

4 Easement Agreements

- 4.1 Union shall offer the form of agreement approved by the Board to each landowner, as may be required, along the route of the proposed work.

5 Other Approvals and Agreements

- 5.1 Union shall obtain all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project, shall provide a list thereof, and shall provide copies of all such written approvals, permits, licences, and certificates upon the Board's request.

Appendix C

Photograph Inventory



Prior to trenching operations the pipe was placed as far off the travelled portion of the road as possible and welded together.



Along the pipeline right-of-way a vacuum truck was used to located other utilities prior to trenching or directional drilling.



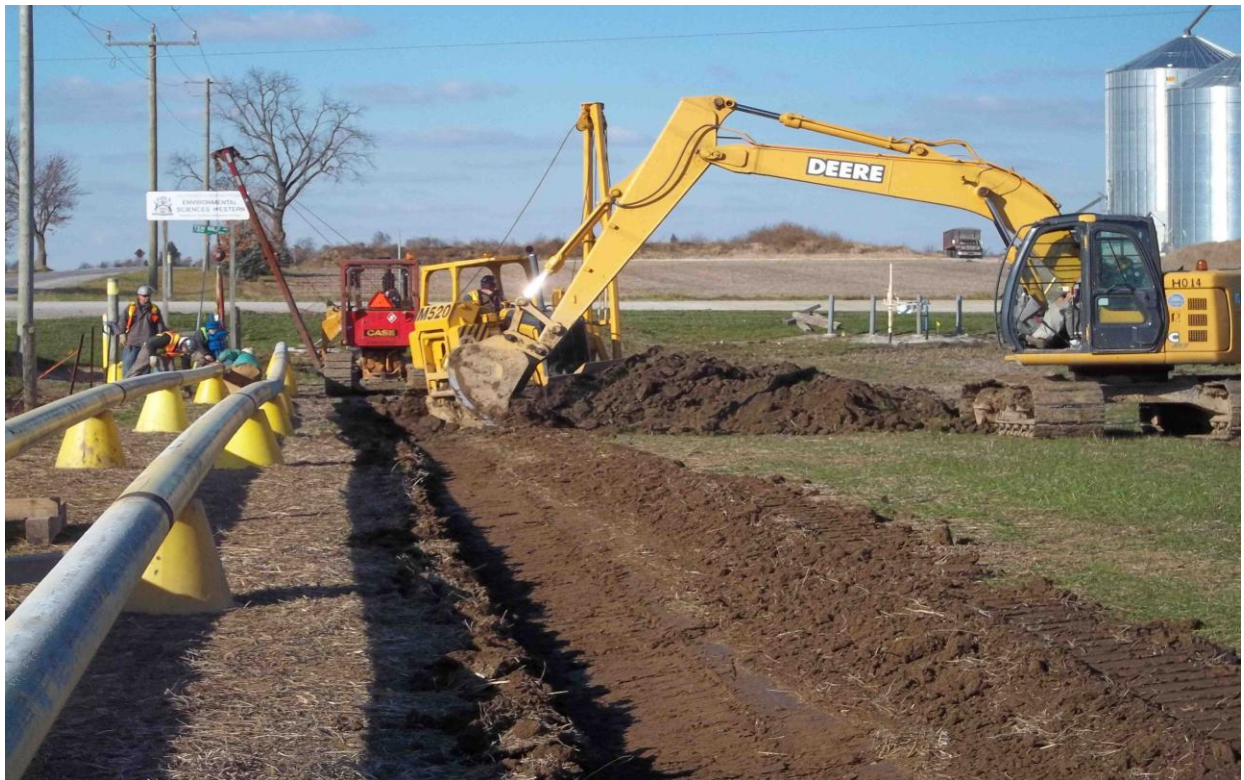
The majority of the pipeline was installed using the directional drill method thus avoiding interruptions with access for residents and businesses and the need for vegetation removal.



As illustrated above once the directional drill is completed, only a small area of the road allowance was affected. These areas were seeded in the spring of 2012 and allowed to re-vegetate.



Once the depth of separation between the topsoil and sub-soil has been determined, a bull dozer was used to make the initial cuts.



The remainder of the topsoil was removed using both a bulldozer and excavator equipped with a flat bucket.



Following topsoil removal the pipeline running line is marked, trenched and the pipeline is installed.



The property above, was one of two easements established in agricultural fields used during construction. This picture taken on May 22, 2012, will be chisel ploughed to relieve compaction from the construction activities and returned to active agricultural land.