

September 26, 2012

BY RESS & Courier

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

Dear Ms. Walli:

**Re: Union Gas Limited (“Union”)
Thunder Bay Pipeline Project
Board File # EB-2012-0226\EB-2012-0227**

Please find attached Union’s Reply submissions in this matter.

Sincerely,

[original signed by]

Mary Jane Patrick
Administrative Analyst, Regulatory Projects
:mjp
Encl.

cc: Neil McKay, Manager Facilities Applications
Zora Crnojacki, Project Advisor
All Intervenors

UNION GAS LIMITED

REPLY SUBMISSIONS

Application for Leave to Construction Natural Gas Pipelines Thunder Bay Project

EB-2012-0226

And

Application for Certificate of Public Convenience and Necessity

EB-2012-2012

The following are Union responses to the submissions submitted by Board Staff, and Thunder Bay Terminal Limited in the above captioned proceeding.

Board Staff Submissions

Union requests one change to the conditions of approval suggested by Board Staff.

1.6 Union shall not commence construction of the proposed pipeline unless a Power Purchase Agreement with the Ontario Power authority has been executed. Union shall file with the Board a document providing verification that the Power Purchase Agreement is within 7 days of the date it is executed.

- Union is willing to file documentation that a Power Purchase Agreement is in place. Union is not a party to these negotiations and does not expect to receive a copy of the agreement. Union may not know when the agreement is executed. Union is willing to file with the Board the necessary documentation within 7 days of being informed that a Power Purchase Agreement has been executed.

Thunder Bay Terminals Limited (“TBTL”) submissions

TBTL submissions identify 5 conditions of approval for the proposed project. The following is Unions position on these proposed conditions

TBTL submits that if the Board approves Unions application, staff proposed conditions of approval as referenced above, should be incorporated

- Union can accept this condition

TBTL further submits that a condition of approval should be added requiring Union to provided any advice/reports required on the Public record, with copies to TBTL as a party to this proceeding

- Union does not agree with the addition of this condition. It is Unions understanding that the Board implemented the RESS system so that parties would be able to access documents from a central location. If a party is interested in this material that party can access the material through the Board's web site. In past projects Union has not been required to provide this information to all of the other parties in a proceeding.

TBTL Requests that Union immediately file a copy of the subject study. TBTL expressly reserves its right in respect of issues that might arise from review of this study.

- Union cannot accept this proposed condition of approval. Before the Red Sky Métis Independent Nation ("RSMIN") was willing to complete a Traditional Study (TS), a confidentiality agreement was signed between Union and RSMIN. A confidentiality agreement is a standard condition for the preparation of a TS. Confidentiality agreements are important to the RSMIN to ensure that any significant features identified in the TS such as burial grounds, area of medicinal plants, and traditional hunting and gathering areas do not become part of the public record and accessible to the general public. Union did not commit in its evidence to file a copy of the TS with the Board, and has not been required to file TS when they have been completed in the past. Union believes that the confidentiality agreement should be respected and that the TS prepared by RSMIN should not be put on the public record. When the TS is completed Union will work with RSMIN to address any findings or recommendations that are made in the report. At the current time the TS is being reviewed by RSMIN and has not yet been finalized.

TBTL supports this recommendation

- Union can accept this condition

TBTL thus recommends that the following condition be adopted in lieu of that proposed by Board Staff: Union shall not commence or continue, as the case may be, construction of the proposed pipeline unless a Power Purchase Agreement with the Ontario Power Authority has been executed and remains in full force and effect, without formal suspension. Union shall file with the Board a document providing verification of the Power Purchase Agreement within 7 days of the date it is executed. Union shall also advise the Board, on

the public record and including notification to the parties to this proceeding, immediately upon cancellation of, or any formal suspension of, the Power Purchase Agreement, and shall, subject to securing the construction site (s), cease construction upon occurrence of either of these events

- Union's position is that Board Staff Condition 1.6 addresses this issue and it is not necessary for Union to provide the additional information requested by TBTL.

In summary, as no party is opposed to the project, and Union would only construct the project when it can be demonstrated that it will be used and useful, Union requests that the Board approve the proposed pipeline.