

December 13, 2012

By RESS & Courier

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

Dear Mr. McKay:

**Re: Union Gas Limited
Trenton Area Reinforcement Project
Board File # EB-2010-0329**

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

Sincerely,



Mary Jane Patrick
Administrative Analyst, Regulatory Projects
Encl.

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

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1.0 INTRODUCTION

This Final Monitoring Report is provided in compliance with the Ontario Energy Board (“Board”) Order EB-2010-0329 granting Union Gas Limited (“Union”) “Leave to Construct” approximately 11.7 km of Nominal Pipe Size (NPS) 6 inch diameter and 1.2 km of NPS 8 diameter natural gas pipeline in the City of Quinte west, County of Hastings.

The pipeline commenced at Union’s Trenton Border Station on Glenn Miller Road and proceeded northeast across private land for approximately 1.5 km to Stickles Road. The pipeline then turned southeast on the west side of the road for approximately 1.7 km to Johnstown Road where it turned northeast on the north side of the road for approximately 0.2 km to St. Hilaire Road. At St. Hilaire the pipeline proceeds southeast on the east side of the road for approximately 1.1 km to the District Regulating Station. From the station the NPS 8 inch pipeline remains on the east side of St. Hilaire and proceeds southeast for approximately 1.2 km to Meyer’s Creek Road where the pipeline splits into two NPS 6 inch pipelines. The northwest NPS 6 pipeline runs northwest on the south side of Hamilton Road for approximately 1.2 km then turns southeast on R.C.A.F. Road for approximately 1.2 km where it ties into the existing Trenton system. The northeast NPS 6 pipeline runs on the south side of Meyer’s Road for approximately 2.3 km then turns southeast on the west side of White’s Road for approximately 2.5 km where it ties into the Trenton system. 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 February 28, 2011 as listed below. The Conditions of Approval can be found in Appendix B.

Accordingly, the purpose of this Final 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-2010-0329 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.

Condition 2.7

Union shall keep Alderville First Nation apprised of any archaeological findings, burial sites or environmental impacts, should any occur during the construction of the facilities and restoration of the lands as described in this application. If an archaeological or potential archaeological find is made then Union shall cease construction or restoration activities until such time as the finding can be assessed.

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 3.3

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.

4.0 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 Trenton Area Reinforcement Project on February 28, 2011. Construction was initiated on April 28, 2011 with the pipeline placed into service on September 29, 2011 and cleanup for the year completed on November 10, 2011. Construction progressed from the tie in point at Union's Trenton Border Station in an easterly then southerly direction with the following order of operations: tree removal, 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, ensure there is adequate stability and re-vegetation on all watercourse crossings, 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-2010-0329 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

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.

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 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 Final Monitoring Report as well as the previously filed Interim Monitoring Report shall confirm that the work has been performed according to the Board's Order.

3.5 Condition 2.7

Union shall keep Alderville First Nation apprised of any archaeological findings, burial sites or environmental impacts, should any occur during the construction of the facilities and restoration of the lands as described in this application. If an archaeological or potential archaeological find is made then Union shall cease construction or restoration activities until such time as the finding can be assessed.

Azimuth Environmental Consulting Inc. retained the services of Adams Heritage to carry out a Stage 1 archaeological assessment in September 2009 and Stage 2 assessment in April 2010. No evidence of archaeological sites was encountered and no artifacts were recovered.

3.6 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.

3.1.1 Report Circulation

Four (4) copies of this Final 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. To date there has been no complaints entered into the complaint tracking system. Union will continue to monitor the state of the land and environment and will address any additional landowner concerns, if they should arise.

3.7 Condition 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.

The entire right of way and in particular areas in close proximity to the watercourses were checked for stability, subsidence and vegetation re-establishment in spring of 2012 and found to be successfully rehabilitated with no deficiencies in compliance identified.

3.3.1 Monitoring Programs

The previously filed Interim Monitoring Report provides a description of the successfully completed monitoring programs (Water well, Archaeology, Soil Testing, Tree Replacement) undertaken prior to, during and following construction to monitor the effects of 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.

All landowners affected by construction have received the same easement agreement as approved 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:

Cataraqui Region Conservation Authority - Watercourse Crossings

- For Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Ontario Regulation 148/06.
 - Application for Permission Permit No. F-46/09-CC

6.0 SUMMARY

This Final Monitoring Report has been prepared as per conditions in the Board Order EB-2010-0329. 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.

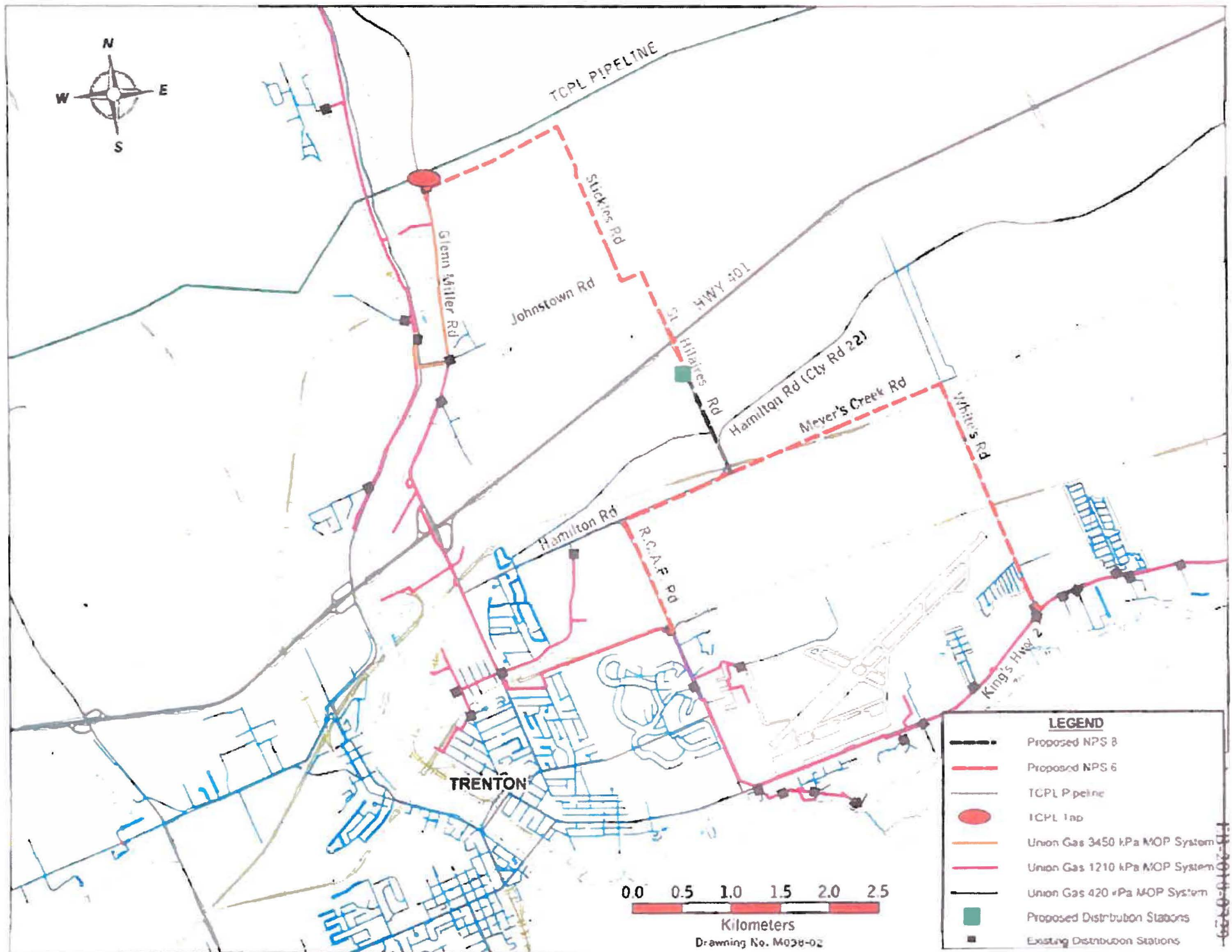


Appendix A

Location Map

GENERAL LOCATION MAP TRENTON REINFORCEMENT PROJECT





Appendix B

Conditions of Approval

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-2010-0329 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, 2011, 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.
 - b) the actual capital costs for the project borne by Union and the actual costs contributed towards construction by the Department of National Defence including the method and the actual cost inputs used to determine the final amount of the contribution by the Department of National Defence.

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.
- 2.7 Union shall keep Alderville First Nation apprised of any archaeological findings, burial sites or any environmental impacts, should any occur during the construction of the facilities and restoration of the lands as described in this application. If an archaeological or potential archaeological find is made then Union shall cease construction or restoration activities until such time as the findings can be assessed.

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.