

June 11, 2013

BY RESS and 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”)
Red Lake Pipeline Project
Board File # EB-2011-0040/0041/0042**

Further to the Conditions of Approval in the Ontario Energy Board’s Decision and Order and in particular Condition 3.1, we now enclose Union’s Interim Monitoring Report. Four copies of same will follow by courier.

Sincerely,

[original signed by]

Mary Jane Patrick
Administrative Analyst, Regulatory Projects
:mjp

cc: Neil McKay, Manager Facilities Applications
Zora Crnojacki, Ontario Energy Board
Anna Meyer

RED LAKE PIPELINE PROJECT

INTERIM MONITORING REPORT

Prepared by: Union Gas Limited
Environmental Planning
April 2013

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Red Lake Pipeline Project Interim Monitoring Report

1.0 INTRODUCTION

This Interim Monitoring Report is provided in compliance with the Ontario Energy Board (“Board”) Order EB-2011-0040 granting Union Gas Limited (“Union”) “Leave to Construct” the Red Lake Pipeline Project (the “Project”).

The Project is located in the District of Kenora and included two phases: the first phase ran from an existing gas pipeline north of Ear Falls to the intersection of Hwy 105/125, known as Harry’s Corner, where it has served various existing mine sites (collectively known as the Red Lake Gold Mines) operated by Goldcorp Inc. (“Goldcorp”).

Phase I is approximately 58 km in length consisting of 8 and 4 inch diameter pipelines. Phase II involved the extension of the pipeline constructed in Phase I and provided natural gas service to the residents and businesses of several nearby communities including Red Lake, Balmertown and Cochenour. Phase II is approximately 46 km in length consisting of 4 and 2 inch diameter pipelines.

A map of the pipeline route, Phase I is included in Appendix A and mapping of Phase II is included in Appendix B.

The requirements for and details of this report are outlined in the specific conditions issued by the Board in its Order dated July 25, 2011. The Conditions of Approval for both Phase I and II can be found in Appendix C. Accordingly, the purpose of this Interim Monitoring Report is to fulfill these conditions. The Conditions of Approval addressed in this report are as follows:

Phase I, Conditions of Approval 1.1, 1.3, 1.4, 1.5, 2.4, 3.1, 3.2, 4.1 and 5.1.

Phase II, Conditions of Approval 1.1, 1.3, 1.4, 1.5, 1.6, 2.4, 3.1, 3.2, 4.1 and 5.1.

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2.0 BACKGROUND

Union was granted approval to construct the Red Lake Pipeline Project on July 25, 2011 and saw Phase I placed into service on October 23, 2012 and Phase II placed into service on December 14 2012.

Due to a later than anticipated approval date, approximately 30.4 km of the proposed 58 km for Phase I construction was installed in 2011. The remaining 27.6 km was installed the following year in 2012.

Phase II, construction was always contingent upon securing necessary funding with construction to occur some point in the future. Necessary funding was secured and construction began and was completed in 2012.

Prior to receiving approval and with permission from the Board, clearing of trees on Phase I began on April 18, 2011 and grading of the right-of-way began along Hwy 105 on May 9, 2011. Crews were then demobilized on July 4, 2011 until approval from the Board was received.

Following approval, construction progressed in a northerly direction with the following order of operations: stringing, welding, joint coating, directional drilling, trenching, lowering-in, tie-ins and backfilling. Construction for 2011 saw approximately 30.4 km of pipeline installed with cleanup activities for 2011 completed by the end of October.

Union returned to the Project and started construction on May 28, 2012 and completed the remainder of Phase I construction and completed all of Phase II. Construction for 2012 was completed in December. Photos of construction are provided in Appendix D.

Union will return to the area in spring 2013 to complete the following activities: repair any subsidence on the right-of-way, ensure there is adequate stability and re-vegetation at all watercourse crossings, tree/shrub replacement, perform a general overview of the right-of-way and complete any additional clean-up or work that may be required.

3.0 **POTENTIAL IMPACTS AND MITIGATION**

3.1 **Condition 1.1 (Phase I and II Condition of Approval)**

“Union Gas Limited (“Union”) shall construct the facilities and restore the land in accordance with its application and the evidence filed in EB-2011-0040 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, Phase I and II and has restored the land according to the evidence in support of its application.

3.2 **Condition 1.3 (Phase I and II Condition of Approval)**

“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.”

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 (Phase I and II Condition of Approval)**

“During construction, Union will apply its “Specification for Rock Removal” in Schedule 12 of the pre-filed evidence and any other applicable municipal, provincial and national regulations or standards applicable to blasting and mechanical rock removal.”

Union’s “Specification for Rock Removal” was applied during the Project.

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3.4 Condition 1.5 (Phase II Condition of Approval)

“Prior to Phase II construction start, Union shall file with the Board a report on the environmental screening conducted pursuant to “Environmental Screening principles for Distribution System Expansion Projects by Ontario Natural Gas Utilities” as outlined in the Ontario Energy Board’s E.B.O. 188 Report.”

Union filed with the Board an Environmental Screening on May 24, 2012.

3.5 Condition 1.5 (Phase I) and Condition 1.6 (Phase II Condition of Approval)

“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.”

Red Lake Route Alignment

The pipeline alignment running into Red Lake along Hwy 105 was realigned through the Municipalities business park. The pipeline followed a water and sewer easement into the Community of Red Lake. By following the new alignment construction was simplified as it avoided several hydro poles and guy wires, a contaminated site/hazard area along Hwy 105 and allowed for easier servicing of the business park. The relocation of the pipeline was a cooperative effort between the municipality and Union Gas, a win win for both parties.

In Town Distribution Piping

During construction, a number of changes took place with Phase II distribution piping (in town piping). Those changes include moving the pipeline from one side of the road to the other in order to simplify construction and installation, obtaining a small easement in the Community of Red lake to avoid a watercourse crossing and rock outcrop, extending the pipeline further down Forestry Road (Red Lake) in order to serve the Ministry of Natural Resources fire base, extending the pipeline in Balmertown off of Nungessor Road to service a small industrial park and not piping the Chukuni Subdivisions. Mapping identifying the final

Red Lake Pipeline Project Interim Monitoring Report

location of the distribution pipeline system can be found in Appendix B.

3.6 Condition 2.4 (Phase I and II Condition of Approval)

“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.”

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

3.7 Condition 3.1 (Phase I and II Condition of Approval)

“Both during and after construction, Union 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 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.”

3.7.1 Report Circulation

Four (4) copies of this interim monitoring report have been provided to the Board.

3.7.2 Landowner Concerns

Union’s complaint tracking system, which identifies the current status of landowner complaints received as a result of pipeline construction, was 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.

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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 Wabauskang First Nation retained the services of Montane Environmental Services (Montane) to conduct a field inspection and over view of Union's construction practices on the Red Lake project in the fall of 2011. Wabauskang and their consultant identified a number of concerns which Union addressed following the meeting and before construction in 2012 began.

During Phase II construction within the community of Red Lake, Union received a water well interference complaint from 61 and 65 Howey Bay Road. The complaints were received from Mr. Dale Kosie for both wells, who indicated that recent blasting by Union in the area may have impacted the wells. Shortly after that complaint, the occupant at 65 Howey Bay Road complained that the same blasting activities also may have damage and cracked their fireplace.

Union investigated the complaints and responded to the landowners involved who agreed with Union's findings which was construction activities carried out by Union's Contractor did not impact the wells and fireplace.

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.

3.8 Condition 3.2 (Phase I and II Condition of Approval)

"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."

Red Lake Pipeline Project Interim Monitoring Report

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.

3.8.1 Monitoring Programs

3.8.1.1 Archaeology

Union retained the services of Ross Archaeological Research Associates to carry out a Stage 1 archaeological background study. The study determined that the key feature that indicates archaeological potential is where the pipeline crosses within 150 metres of a primary water source. This occurs where the pipeline crosses the Chukuni Rivers, Trout River and the rivers and streams that drain into Gullrock Lake. The study recommended that a Stage 2 survey be conducted in these areas.

Upon examination by the archaeological consultant, the sites did not warrant further assessment as they had at least one of the following characteristics that negated archaeological potential. They included: swamps or permanently wet areas, steep grades and existing disturbance.

The Stage II Report recommended no further archaeological assessment was required. The Report was submitted to the Ministry of Tourism, Culture and Sport and was Reviewed and Accepted into the Provincial Register of Reports.

During construction no archaeological artifacts were found.

3.8.1.2 Tree Removal/Replacement

Tree removal within the Ministry of Transportation (MTO) road allowance was initiated in March 2011 and was completed in April 2011 thus avoiding nesting avian concerns. As identified in the Red Lake Environmental Construction Plan (EPP), Union did not implement a tree replacement plan as MTO was in the process of removing trees within

Red Lake Pipeline Project Interim Monitoring Report

the road allowance. Union will replace trees and shrubs around certain watercourses crossings in the Spring of 2013 as identified in the EPP.

There were two areas along Hwy 105 that were identified as having a special forest component. The first was a stand of elm trees significant in that it is beyond the normal range for this species and the second was a plantation that was established in 1967 as a centennial project. Both these features were avoided during construction. The elm trees were avoided by installing the pipe by horizontal directional drill and the centennial plantation was outside the limits of construction.

3.8.1.3 Moose Habitat Assessment of Potential Anode Bed Sites

First Nations in the area of the Red Lake Pipeline Project raised concerns with Union regarding the proposed location of an anode bed installation and the potential disturbance to moose habitat.

Due to this concern, Union retained the services of KBM Resources Group, and specifically a qualified moose biologist, to review an existing Union anode bed site, Union's preferred location and contingency location to determine the impact of these sites on moose and moose habitat.

The assessment confirmed the following:

- The existing anode bed installation was found to have no negative impact on moose or moose habitat.
- From the perspective of providing moose habitat, there is no significant difference between Union's preferred location and the contingency location. Construction of an anode bed on either of these sites would not have a significant impact on moose and moose habitat.

These findings were accepted by First Nations.

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3.8.1.4 Water Well Monitoring

Prior to construction, Stantec Consulting Limited completed a baseline private well monitoring program along the entire pipeline route for Phase I and for an area in Red Lake as part of Phase II. The well monitoring program was completed prior to construction activity to establish baseline groundwater conditions for comparative purposes should groundwater interference complaints arise as a result of the construction or operation of the proposed works.

There were no complaints raised as part of Phase I construction however two water well interference concerns were made by one party as Part of Phase II construction. Details regarding this are identified in Section 3.7.2.

3.8.1.5 Watercourses

Forty-three watercourses were crossed as part of Phase I and II construction. Many watercourses including Trout River, Caribou Creek, Chukuni River, Stone River, Bug River and a second crossings of the Chukuni River where completed by Horizontal Directional Drill. Smaller intermittent creeks, many dry at the time of installation where completed using an isolated dry crossing technique (dam and pump). All watercourses were crossed using methods approved by the Ministry of Natural Resources and the Department of Fisheries and Oceans.

Watercourses were protected prior to, during and following construction by installing either sediment fencing or straw bales or a combination of each and by installing erosion control matting. Disturbed areas adjacent to the watercourses were seeded following the installation of the pipeline.

3.8.1.6 Eagle Nest

Prior to construction, the Ministry of Natural Resources and Union confirmed that there was an active eagle's nest in close proximity to the right-of-way. Union worked with the MNR to establish an appropriate setback from the nest for certain times during construction. The setback was adhered to by Union.

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3.8.1.7 Snake Hibernaculum

Stantec Consulting Limited was retained by Union to design, obtain approval and oversee the reconstruction of a snake hibernaculum adjacent Hwy 105 just outside of Red Lake. The reconstruction of the snake hibernaculum was required as compensation for potential damage to an existing hibernaculum due to miscommunication between the Ministry of Natural Resources and Union's Inspector.

MNR was pleased with Union's immediate response to correct the situation. Following the completion of the hibernaculum, snakes were noted using the area. A complete letter report is attached as Appendix E which provides further details regarding the reconstruction of the hibernaculum.

4.0 Condition 4.1 (Phase I and II Condition of Approval)

"Union 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 (Phase I and II Condition of Approval)

"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 approval, permit, licences, and certificates upon the Board's request."

Union Gas obtained the following environmental permits for construction:

Ministry of Tourism Culture and Sport

- Archaeological Clearance - Review and Accepted into the Provincial Register of Reports.

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Ministry of Natural Resources

- Work Permit

6.0 SUMMARY

This Interim Monitoring Report has been prepared as per conditions in the Board Order EB-2011-0040. 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 2013 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 2013.

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 PIPELINE CONSTRUCTION		
Issue	Potential Impact	Mitigation
Paved Driveways and Roadways	Disruption to local traffic, landowners and tenants	<ul style="list-style-type: none"> • All paved roadways and driveways were bored when practical. • Steel plates were available and on site to provide access to landowners and tenants when needed. • One lane of traffic was left open and traffic controls were implemented as required. • Driveways were either repaired or temporarily repaired. Final repairs to occur in 2013.
Gravel Driveways and Roadways	Disruption to landowners and tenants	<ul style="list-style-type: none"> • Roadways and driveways were open cut. • One lane of traffic was maintained and traffic controls were implemented. • Steel plates were on site to provide access to landowners and tenants. • Driveways were repaired.
Traffic	Disruption to local citizens	<ul style="list-style-type: none"> • One lane of traffic was maintained. • Flag persons and warning devices were used to notify traffic of the construction zone in accordance with Ministry of Transportation standards.
Public Safety	Public safety concerns	<ul style="list-style-type: none"> • Company inspectors were on site to ensure public safety during construction. • Proper signage and flag persons were utilized.
Commercial/Retail Businesses and Recreational Areas	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, where necessary.
Construction Noise	Disturbance to landowners and tenants	<ul style="list-style-type: none"> • Construction was carried out during daylight hours. • Equipment was properly muffled.
Nuisance Dust	Disruption to landowners and tenants.	<ul style="list-style-type: none"> • Dust was controlled as required. • Roadways were kept clean to keep dust at a minimum.
Construction Equipment	Disruption to landowners and tenants	<ul style="list-style-type: none"> • Equipment was stored off road shoulders when not in use and parked in areas as to not interfere with landowners.
Landowner Concerns	Disruption to landowners and tenants	<ul style="list-style-type: none"> • Company inspectors were available to take and address landowner concerns. Concerns were addressed as soon as practical.
Fences	Disruption to landowners and tenants. Loss of control of animals inside fenced areas.	<ul style="list-style-type: none"> • Fence removal was not required as part of the project.
Front Yards	Disruption to landowners and tenants.	<ul style="list-style-type: none"> • Landowners and tenants were notified prior to construction. • Some clean-up required in 2013.

TABLE 1: MITIGATION SUMMARY (Continued)

Issue	Potential Impact	Mitigation
Mailboxes	Disruption to Landowners	<ul style="list-style-type: none"> • Mail delivery was not disrupted.
Underground Utilities	Disruption of services	<ul style="list-style-type: none"> • Obtained "locates" from all utilities and worked closely with the Municipality of Red Lake.
Archaeology	Disturbance of heritage resources	<ul style="list-style-type: none"> • Archaeological Assessment was completed prior to construction. • No artifacts were discovered during the survey or during construction.
Water Wells	Disruption to water supply	<ul style="list-style-type: none"> • Union implemented a water monitoring program. • Two water quantity complaints were received by the Company by one individual within the Community of Red Lake. Union investigated the complaints, the construction activities and vibration monitoring data available. • Landowner involved agreed with findings, further details are provided in Section 3.7.2.
Trees	Damage to Trees Disturbance to wildlife	<ul style="list-style-type: none"> • Trees were removed outside of the bird nesting window. • Trees on private property were not impacted. • Trees/shrubs will be replaced around certain watercourses and on and around the snake hibernaculum.
Watercourse Crossings	Water quality concerns	<ul style="list-style-type: none"> • Union complied with all permit conditions. • Union adhered to all Company specifications and Department of Fisheries and Oceans endorsed Generic Sediment Control plans for watercourse crossings.
Natural Areas	Sedimentation run-off	<ul style="list-style-type: none"> • Sediment barriers such as straw bales and sediment fencing were used to control run-off. • The right-of-way and other disturbed areas were either seeded or hydro-seeded.
Vegetative Cover	Loss of vegetative cover leading to soil erosion	<ul style="list-style-type: none"> • Restored cover by means of seeding or hydro-seeding.
Soils: Erosion	Introduction of sediment/ silt to adjacent lands	<ul style="list-style-type: none"> • Restored disturbed soils as soon as possible after construction following Company specifications.
Road Side Ditches	Water quality concerns	<ul style="list-style-type: none"> • Ensured ditches were returned to pre-construction conditions. • Install rock rip rap and straw bale check dams along ditches as required.
Spills	Public safety issue	<ul style="list-style-type: none"> • All spills were minor in nature and did not require MOE notification. • Spills were cleaned up immediately by the Contractor.
Contaminated Soils	Dealing with contaminated materials Public safety issue	<ul style="list-style-type: none"> • Contaminated sites or hazard areas were avoided.
Cemeteries	Disturbance to unmarked grave sites and disruptive to services.	<ul style="list-style-type: none"> • Reviewed route with Cemetery Board. • The cemetery entrance was installed by HDD. • Construction was suspended by Union in the area of the cemetery due to a funeral service.
Landfills	Potential for contaminated material.	<ul style="list-style-type: none"> • There were no landfills impacted by construction. • Suspect material was not encountered.
Site Restoration	Disturbance to public and private properties	<ul style="list-style-type: none"> • Disturbed areas were restored as soon as possible, some restoration will be required in 2013.

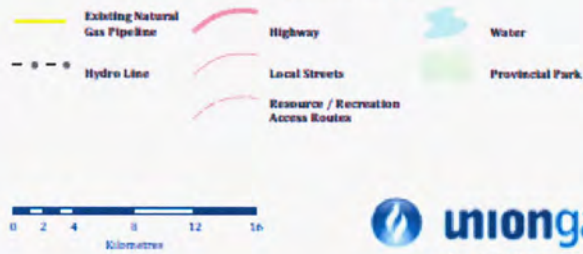
Appendix “A”

Location Map

GENERAL LOCATION MAP RED LAKE PIPELINE PROJECT

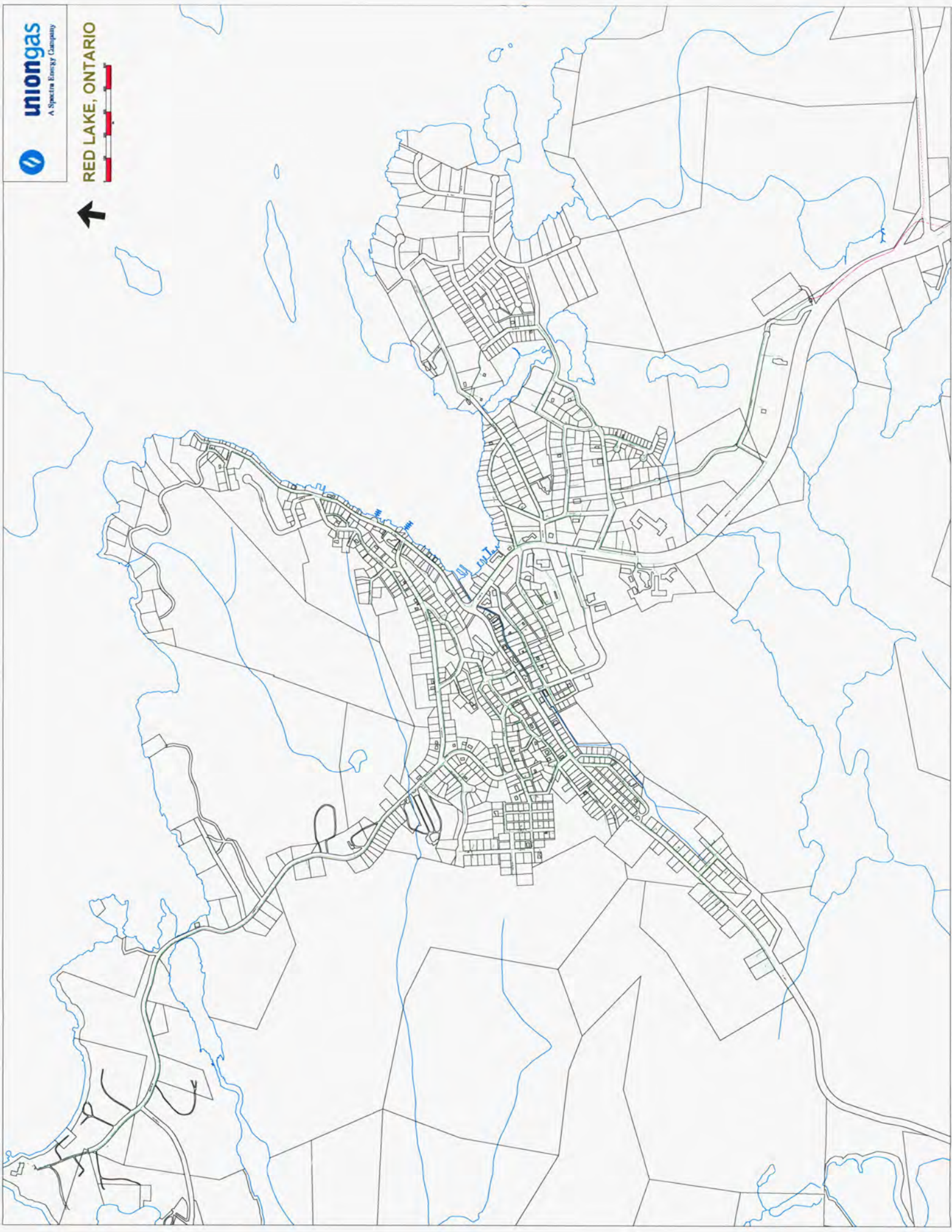


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Appendix “B”

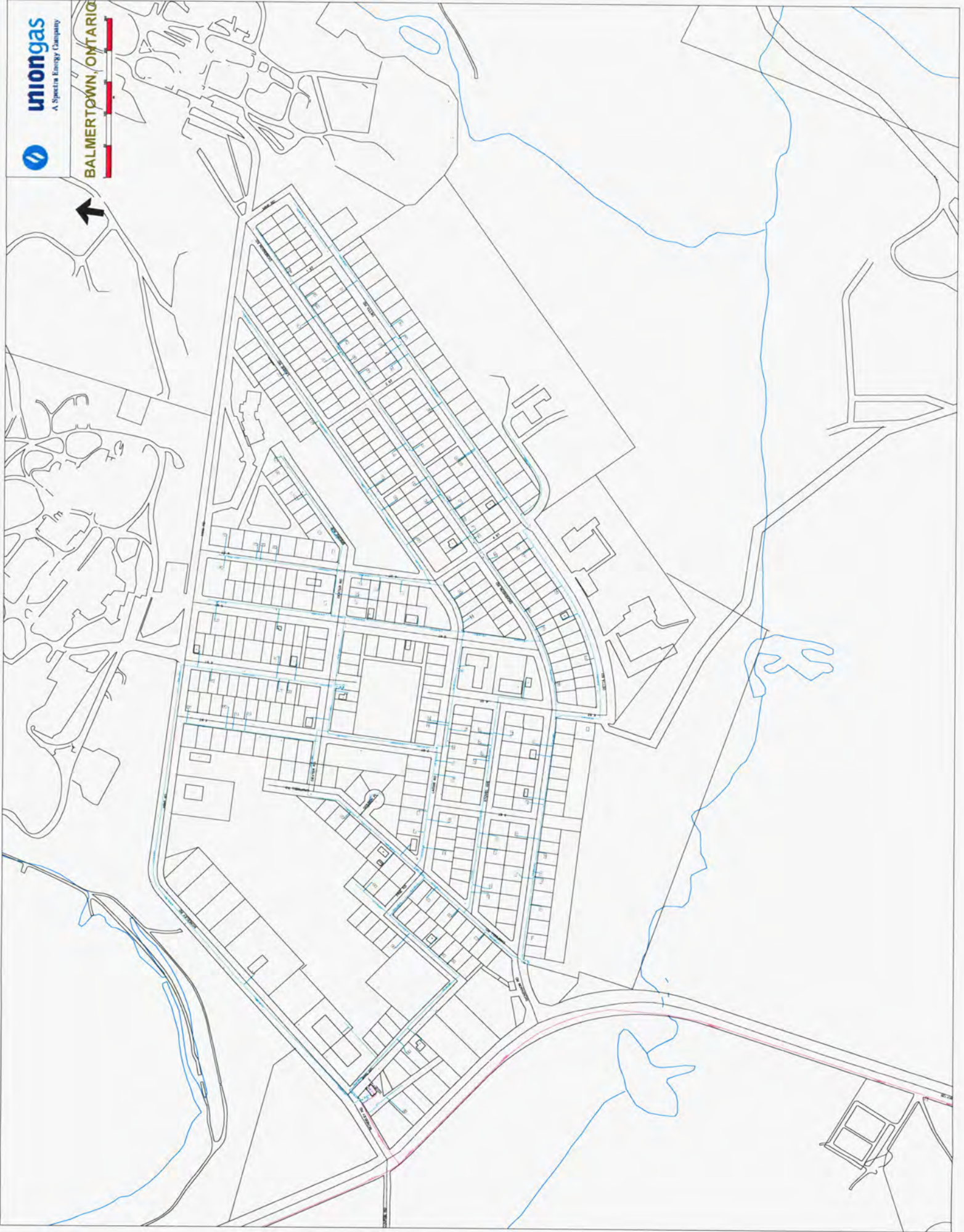
Mapping – In Town Distribution Piping

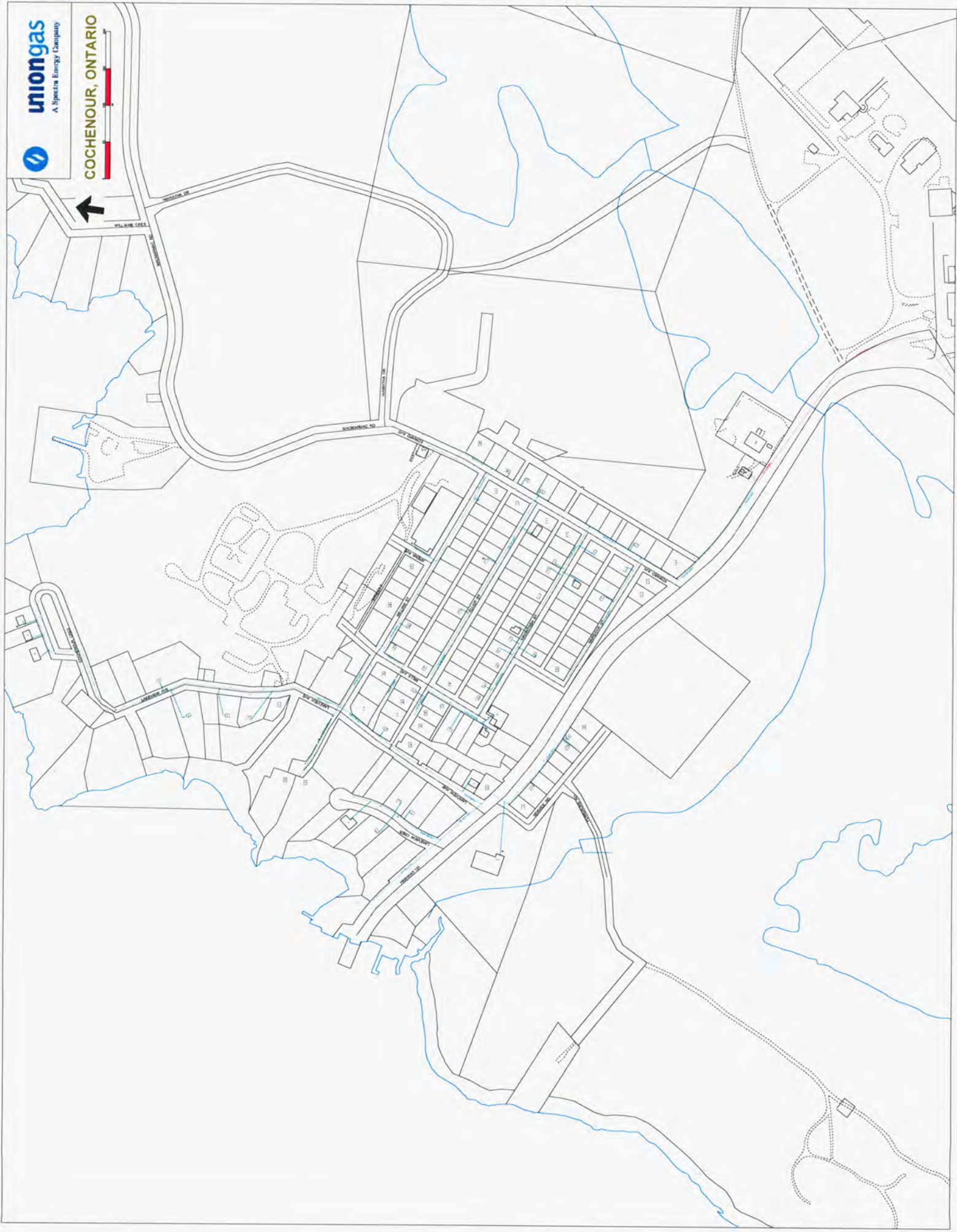




A Spectra Energy Company

BALMERTOWN, ONTARIO





Appendix “C”

Conditions of Approval

Schedule 1- Conditions of Approval Phase I

Union Gas Limited Leave to Construct Application EB-2011-0040

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-2011-0040 except as modified by this Order and these Conditions of Approval.
- 1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct Phase I shall terminate on 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 During construction, Union will apply its "Specification for Rock Removal" in Schedule 12 of the pre-filed evidence and any other applicable municipal, provincial, and national regulations or standards applicable to blasting and mechanical rock removal.
- 1.5 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.
- 1.6 Within 18 months of the final Phase I 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 Phase I 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 Goldcorp including the method and the actual cost inputs used to determine the final amount of the contribution by the Goldcorp.

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 furnish the Board's designated representative with five copies of 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.

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

- 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.

Schedule 2-Conditions of Approval Phase II
Union Gas Limited
Leave to Construct Application
EB-2011-0040

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-2011-0040 except as modified by this Order and these Conditions of Approval.
- 1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct Phase II shall terminate on December 31, 2014, 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 During construction, Union will apply its "Specification for Rock Removal" in Schedule 12 of the pre-filed evidence and any other applicable municipal, provincial, and national regulations or standards applicable to blasting and mechanical rock removal.
- 1.5 Prior to Phase II construction start, Union shall file with the Board a report on the environmental screening conducted pursuant to "Environmental Screening Principles for Distribution System Expansion Projects by Ontario Natural Gas Utilities" as outlined in the Ontario Energy Board's E.B.O. 188 Report.
- 1.6 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.
- 1.7 Prior to construction of gas facilities for Phase II and the operation of such facilities, Union shall file with the Board documentation, including a full disclosure of any financial arrangements, including those related to contributions in aid of construction from the Red Lake or any other party. Union shall file these documents with the Board at the same time as they are executed.
- 1.8 Prior to construction commencement, with respect to Phase II, Union shall file with the Board, as soon as the inputs are available, the Discounted Cash Flow analysis, on stand-alone basis, with Net Present Value and Profitability Index,

completed in accordance with the requirements and methodology set in the Board's Report EBO 188.

- 1.9 Within 15 months of the final Phase II 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 Phase II 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 including the method and the actual cost inputs used to determine the final amount of the contributions.

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 furnish the Board's designated representative with five copies of 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.

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

- 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 “D”

Photograph Inventory



Wet areas along the right-of-way were either horizontally directional drilled or corduroy roads like the one pictured in the photo above were used. Following construction the roads were removed.



The pipeline at all large watercourses including the Trout River, Caribou Creek, Chukuni River at Hwy 105 (pictured above), Stone River, Bug River and the Chukuni River at Hwy 125 were installed by horizontal directional drill.



The horizontal directional drill unit, pictured to the left and the drilling mud reclaimer, pictured to the right, successfully installed 338 metres of pipe across the Chukuni River along Hwy 105. The same unit successfully installed 263 metres of pipe through solid rock at the Chukuni River located along Hwy 125.



Many wet areas along the right-of-way were installed by drilling under the wetland.



Blasting was necessary along several sections of the right-of-way. Holes are drilled into the rock, charges are set inside the holes and the area is covered with blasting mats as shown above. The blasting mats help control the spread of fly rock. Traffic was stopped in both directions and kept well back during this operation.



This section of pipeline along the former MTO road allowance has been strung, welded and is ready for all welds to be coated and x-rayed prior to installation.



During construction it was necessary at times to close one lane of traffic in order to prepare the pipeline for installation. One lane of traffic was maintained at all times. In the foreground the worker jeeps the pipe looking for any damage to the pipe coating before it is lowered into the trench.



The pipeline is lowered into the trench along Hwy 105 just outside of Red Lake.



In areas of rock where it was necessary to blast, the pipe is first lowered in and placed on sandbag supports. The trench is then backfilled with sand to ensure that there are no open pockets around the pipe and that the pipe is properly padded before backfilling the rock material.



Flag persons were used throughout construction to control traffic along Hwy 105, Hwy 125 and in the communities of Red Lake, Balmertown and Cochenour.



Following the installation of the pipeline and re-establishing the grade, areas prone to erosion were hydro seeded (combination of water, mulch and grass seed) to encourage revegetation.



Sediment control fencing was installed at each watercourse crossing to protect them from potential erosion along the right-of-way. Unfortunately, winter grooming machines and all terrain vehicles caused damage to the fencing and was a constant concern throughout the project to maintain their integrity. The right-of-way will be re-visited in the spring and assessed for stability.



Approximately half the Red Lake lateral pipeline was installed in 2011 with the remainder being installed in 2012. The above photo is of an area installed in 2011 and was taken in late spring 2012.



Natural gas pipelines were installed in 2012 throughout the communities of Red Lake, Balmertown and Cochenour.



Pipelines were installed by excavation (trench backfilled and pavement patched in foreground) and by trenchless technology (horizontal directional drill in background).



A service line is being installed to a home in the community of Balmertown.

Appendix “E”

Snake Hibernaculum Construction



Stantec

Stantec Consulting Ltd.
1 - 70 Southgate Drive
Guelph ON N1G 4P5
Tel: (519) 836-6050
Fax: (519) 836-2493

December 4, 2012
File: 160960781

Attention: Doug Schmidt

50 Keil Drive North
PO Box 2001
Chatham, Ontario
N7M 5M1

Reference: Red Lake Snake Hibernaculum Construction

Dear Mr. Schmidt,

Stantec Consulting Ltd. was retained by Union Gas Limited to design, retain approvals and oversee the construction of a snake hibernaculum in the Municipality of Red Lake, Ontario. The construction of the snake hibernaculum was required as compensation for potential damage to an existing hibernaculum. Construction designs for the hibernaculum were created in conjunction with and approved by the Red Lake District MNR.

The major design components of the constructed snake hibernaculum and enhancement features include:

- Hibernaculum creation
- Debris removal and cleaning
- Basking area construction
- Boulder placements
- Migration corridor installation
- Seeding and plantings

Hibernaculum Creation

The hibernaculum was installed between the two bedrock outcrops that contain the existing hibernacula. Generally hibernacula are constructed below the ground surface and extend past the frost-line; due to shallow bed rock this was not possible at this location. As a suitable alternative the hibernaculum was constructed at ground level and was covered with enough soil, approximately 1.2 m, to prevent freezing through the winter. The created hibernaculum was constructed from blast-rock, unused sections of plastic gas line, geotextile fabric, soil, topsoil, boulders and woody debris. The attached photo log provides a breakdown of the construction process.

Debris removal and Cleaning

To ensure access to the existing hibernaculum was not impeded, debris and soil were removed from the existing rock fractures located along the top the rock outcroppings. This work was completed by hand using shovels and brooms to ensure access to the original hibernacula located at the site.

Stantec

December 4, 2012
Doug Schmidt
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Reference: Red Lake Snake Hibernaculum Construction

Basking Area Construction

A small basking area was created on the south facing slope of the south rock outcropping. The basking area was constructed by spreading some blast-rock over the south facing slope of the outcropping. The material will readily absorb heat for basking as well as providing cover to basking snakes within the void space of the rubble.

Boulder Placements

In an effort to replicate the preexisting conditions of the site, several large boulders were placed along the brow of the outcroppings. The boulders were placed at location that do not interfere or damage the access points for the existing and created hibernacula. The boulder placements provide additional basking opportunities, a small amount of cover and create a positive visual impact from the public's perspective.

Migration Corridor Installation

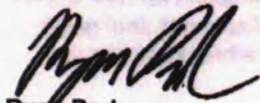
A migration corridor was installed to between the access points of the existing / created hibernacula and the nearby wetland to the east. The migration corridor was constructed using blast-rock and woody debris (branches and logs) obtained from the site clearing along nearby sections of the Red Lake gas line installation. The migration corridor will provide cover for snakes crossing the currently un-vegetated work area. The corridor will become less essential, but still function, as the work area become re-vegetated.

Seeding and Plantings

Following the implementation of the enhancement measures described above, seed and planting will occur on and behind the rock outcroppings. The seeding mix used will be the same seed mix that is being applied at other seeding sites along the Union Gas corridor in the area; the plantings will consist of a scattered placement of native shrubs (see attached plant list). The seeding and plantings will speed the recovery of the site and provide cover for snakes as they move to and from the area. The seed should be complete in the fall in an effort to stabilize the soils during the spring melt. The shrub plants may occur during the fall or spring, the timing of the plantings may depend on sourcing adequate numbers of the native plants.

Regards,

Stantec Consulting Ltd.



Ryan Park
Ecologist/Project Manager
Tel: (519) 836-6050
Fax: (519) 836-2493
ryan.park@stantec.com

Attachment: Plant List, Photo log, Snake Hibernaculum Sketch and Rehab Plan Overview.



Photo 1: Hibernaculum Construction – base layer of blast rock installed with 8' – 10' sections of crush resistant piping with random holes drilled in it placed on top. The blast rock will form the void spaces of the hibernaculum with the piping providing access points to the hibernaculum.



Photo 2: Hibernaculum Construction – Crush resistant piping arranged for placement of the top layer of crush rock, which will finish the interior construction of the hibernaculum.



Photo 3: Hibernaculum Construction – Access piping completely encased with blast rock and covered with geotextile ready for the placement of soil. The geotextile will prevent the void spaces from infilling with soil.



Photo 4: Hibernaculum Construction – Initial placement of soil over the hibernaculum. The soil placement is required to provide insulation to the hibernaculum to prevent complete freezing though the winter. A layer of soil approximately 1.3 m (4') is required.



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Photo 5: Hibernaculum Construction – Another photo of the soil layering process.



Photo 6: Hibernaculum Construction – Placement of top soil over the hibernaculum to add to the insulating layer and provide a suitable base for plant growth of the future seeding and plantings.



Photo 7: Migration Corridor - Installation of the blast rock which forms the structure of the migration corridor for snakes moving to and from the hibernaculum. The corridor will provide cover for snake movement prior to the re-vegetation of the gas line corridor.



Photo 8: Migration Corridor - Woody debris was placed on the migration corridor to provide added cover. The corridor could have been constructed using any natural material, blast rock and woody debris was chosen for its availability.



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Photo 9: Migration Corridor - A view of the completed migration corridor.



Photo 10: Basking Area - Placement of blast rock on south facing slope will provide a basking area and cover for basking snakes after emergence in the spring



Photo 11: Hibernaculum Construction - The completed hibernaculum with boulder placements on top for add basking area, cover and visual improvement. Entrance pipes can be covered by blast rock to improve visual aspects but must remain clear of smaller debris which could block access to the hibernaculum.



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