



uniongas

A Spectra Energy Company

May 21st, 2008

By RESS & Courier & email

Ms. Kirsten Walli, Board Secretary
Ontario Energy Board
27th Floor, 2300 Yonge Street,
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Union Gas Limited – Leave to Construct Application
Halton Hills Generating Station
Board File No. EB-2008-0024**

Pursuant to Procedural Order 1, as amended by the Board's letter dated April 25, 2008, these are the submissions of the Applicant, Union Gas Limited ("Union"), in reply to the submissions of the Regional Municipality of Halton (the "Region"), Bruhm Developments Ltd. ("Bruhm"), and James Deep on Behalf of Mr. Onkar Rai ("Rai").

The Regional Municipality of Halton

The Region withdrew its intervention in this proceeding in its letter dated May 7, 2008. Union has met with representatives of the Region, and Union and the Region have determined that it is possible for Union's proposed natural gas pipeline and the Region's proposed municipal infrastructure to both be constructed within the Town of Milton's road allowance for Fifth Line. Union will continue to work with the Region and the Town of Milton to determine the specific location of the pipeline within that road allowance. Union will also work with the Region and the Town of Milton to develop appropriate construction and mitigation measures to ensure there are no long term significant environmental impacts as a result of pipeline construction.

Bruhm Developments

Bruhm's email to the Board requesting intervenor status stated that Bruhm was also speaking on behalf of the Main Street 401 Highway Property Owners Group ("Group"). Union has not been contacted by that Group, and Union knows nothing else about that Group. There is no evidence that there are any members of that Group other than Bruhm who will be affected by the proposed pipeline.

As stated in Schedule 13, page 3, of Union's Pre-Filed Evidence, in order to construct the proposed pipeline Union will need a permanent easement across the Bruhm property that will be 20 m wide by 184 m long, and a temporary easement that will be 5 m x 185 m.

Union has completed an appraisal of the Bruhm property and has started negotiations with Bruhm for acquiring the necessary easements.

Bruhm raised four general concerns in its letter of May 9, 2008 that all relate to how construction of the pipeline might affect Bruhm's future use of its property. Union's

proposed easement would be located on the eastern boundary of Bruhm's property immediately adjacent to Fifth Line. The construction of the pipeline at that location should not substantially interfere with Bruhm's future use of the property, and Union notes that Bruhm's letter does not identify any specific problems.

Bruhm's letter refers to the pipeline needing to cross a creek on its property. Union confirms that the proposed pipeline would cross a tributary of Sixteen Mile Creek located on the Bruhm property. This is one of the watercourse crossings that was considered by Stantec in the Environmental Report (see Appendix D of the ER). As stated in paragraph 67 of Union's pre-filed evidence, Union will ensure that the recommendations in the ER are followed. An environmental inspector will monitor construction activities and ensure that all activities comply with the conditions of approval.

Onkar Rai

Union has reached a tentative settlement with Mr. Rai.

Update to IR Answer

Union would like to update its response to Board staff Interrogatory 1.1. A contract has now been executed with TCE.

Summary of Union's Submissions

The pipeline is necessary to meet the gas supply needs of TCE's Halton Hills Generating Station. The evidence demonstrates that the proposed pipeline project is in the public interest and will further the Board's objective of facilitating the rational expansion of the province's gas distribution system, and also the objective of protecting consumers' interest with respect to adequacy and reliability of electricity service. The evidence also demonstrates that the proposed route is the preferred route from an environmental perspective.

Union therefore requests that the Board grants Union's request for leave to construct the proposed pipeline pursuant to s. 90 of the OEB Act.

The applicant does not oppose the intervenors' request for costs of this application.

Sincerely,



Mark A. Murray
Manager, Regulatory Projects

:mjp

cc: Neil McKay, Board Staff
Robert Caputo, Project Advisor
Batual Rahimtoola, Case Administrator
Peter Dailleboust, Regional Municipality of Halton
Shari Lynn Spratt, Enbridge Gas Distribution Inc.
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Ron Bruhm @ bruhm2@aol.com