

January 13, 2014

BY RESS and COURIER

Ms. Kristen 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 Final Monitoring Report. Four copies of same will follow by courier

Sincerely,

[original signed by]

Mary Jane Patrick
Administrative Analyst, Regulatory Projects
:mjp

cc: Pascale Duguay, Manager Facilities Applications
Zora Crnojacki, Ontario Energy Board
Regulatory Library

RED LAKE PIPELINE PROJECT

FINAL MONITORING REPORT

Prepared by: Union Gas Limited
Environmental Planning
December 2013

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Red Lake Pipeline Project Final Monitoring Report

1.0 INTRODUCTION

This Final 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 Final Monitoring Report and the previously submitted 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, 3.3, 4.1 and 5.1.

Phase II, Conditions of Approval 1.1, 1.3, 1.4, 1.5, 1.6, 2.4, 3.1, 3.3, 4.1 and 5.1.

Red Lake Pipeline Project Final Monitoring Report

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.

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.

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.

Union returned to the area in Spring 2013 to completed the following activities: repair and reinstall sediment fencing, address subsidence on the right-of-way, ensure adequate stability and re-vegetation at all watercourse crossings, tree/shrub replacement at the snake hibernaculum and watercourse crossing SC 20, perform a general overview of the right-of-way and completed any additional

clean-up or work that was required. Photos of the rehabilitated right-of-way are provided in Appendix D.

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.

**Red Lake Pipeline Project
Final Monitoring Report**

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.”

Changes in construction were identified and described in the previously filed Interim Monitoring Report, April 2013.

There were no further changes to construction following the completion of the above mentioned report.

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 Final Monitoring Report in conjunction with the previously filed Interim Monitoring Report shall confirm that the work has been performed according to the Board’s Order.

Red Lake Pipeline Project Interim Monitoring Report

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 the Interim Monitoring Report were submitted with the Board on June 11, 2013 and four (4) copies of this Final Monitoring Report have been submitted 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.

The previously filed Interim Monitoring Report described a number of complaints received during construction which were all addressed prior to the completion of the Report. Following the submission of the Interim Report to the Board and after the snow had melted in spring of 2013; a number of customer calls were received by Union inquiring on when final restoration of their yards, sidewalks and driveways would be completed. Many services were installed in late fall and therefore Union was unable to restore all disturbance. Union did return to these areas to completed final restoration.

Red Lake Pipeline Project Interim Monitoring Report

3.8 Condition 3.3 (Phase I and II Condition of Approval)

“The final monitoring report shall describe the conditions 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.”

3.8.1 Monitoring Programs

The previously filed Interim Monitoring Report provides a description of the successfully completed monitoring programs carried out as part of the Red Lake Pipeline Project. The Project was again reviewed in the Spring of 2013 which saw some minor work carried out as identified earlier in the report to help promote the rehabilitation of the land. Union has successfully rehabilitated the land with no deficiencies in compliance identified. Photos of the rehabilitated right-of-way are provided in Appendix D.

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:

Red Lake Pipeline Project Interim Monitoring Report

Ministry of Tourism Culture and Sport

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

Ministry of Natural Resources

- Work Permit

6.0 SUMMARY

This Final 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.

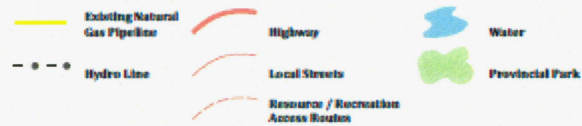
Appendix “A”

Location Map

GENERAL LOCATION MAP RED LAKE PIPELINE PROJECT

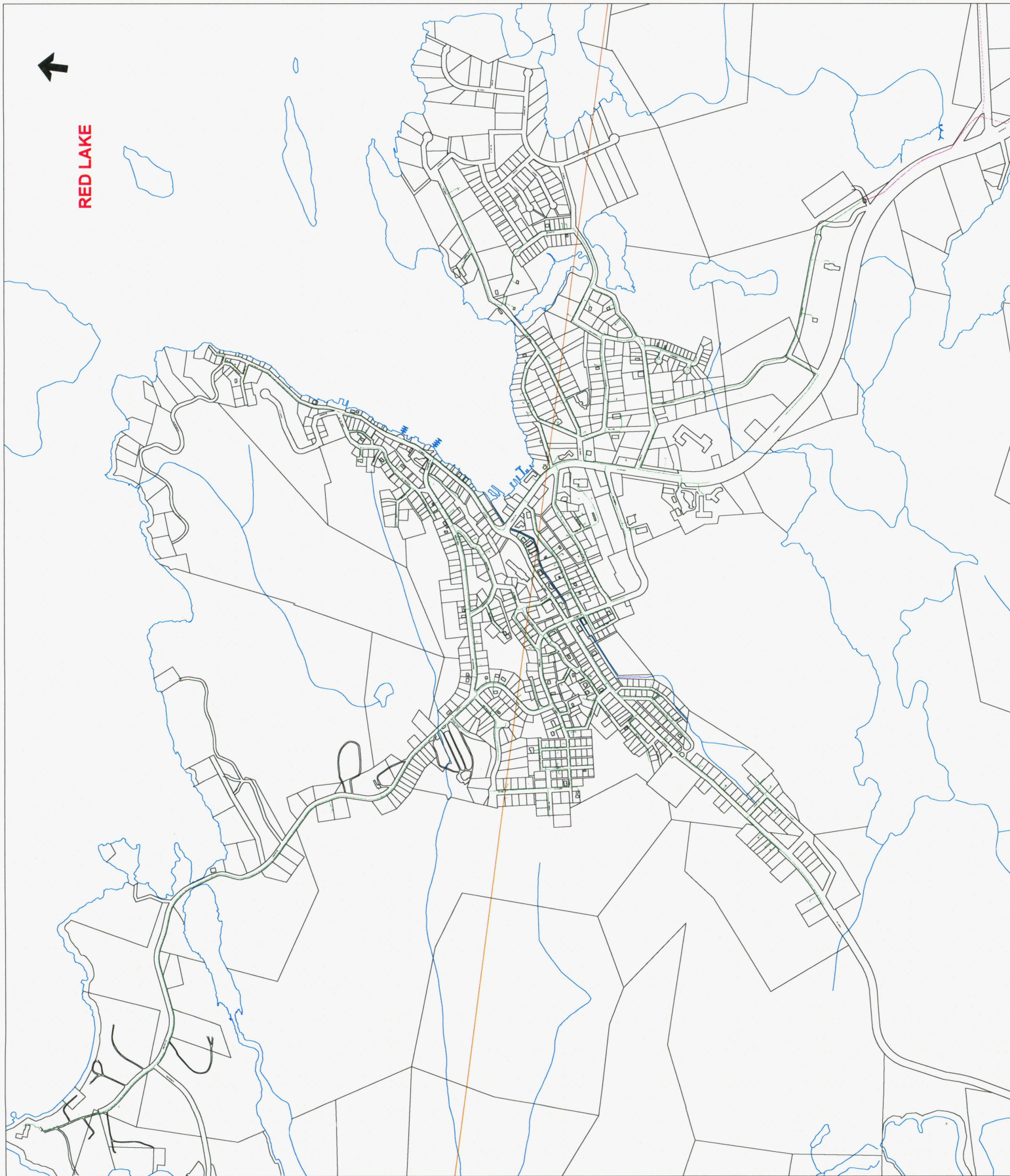


Red Lake Pipeline Project



Appendix “B”

Mapping – In Town Distribution Piping

[illegible]

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.
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- 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.

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Appendix “D”

Photograph Inventory



Photo looking south along Hwy 105 of the rehabilitated right-of- way. The pipeline is located approximately two metres off the hydro pole line.



Rocks excavated from the trench were stockpiled on site following construction with permission from the Ministry of Transportation.



Photo looking north along Hwy 105 of the rehabilitated right-of-way. The pipeline is located approximately two metres off the hydro pole line.



The Stone River crossing approximately two years after installation. The pipeline was installed by horizontal directional drill.



Photo looking south along Hwy 105 of the rehabilitated wetland area south of the Bug River. Note, the yellow line marker in the foreground identifying the general location of the pipeline.



Photo looking north along Hwy 105 immediately north of Boyden Creek. This area was of concern during construction due to spawning habitat in Boyden Creek. The area was carefully managed throughout construction.



Photo looking north along Hwy 105 of rehabilitated right-of-way. The pipeline is located approximately two metres off the hydro pole line.



Photo looking north of Killoran Creek. This creek crossing was completed by dam and pump. Note the red osier dog wood plants in the foreground planted by Union Gas following construction.



Photo of reconstructed snake hibernaculum just south of Red Lake along Hwy 105.



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Photo looking south along Hwy 125 between Red Lake and Balmertown. This portion of right-of-way was heavily used by ATV's and in sections was challenging to establish vegetation.

