

June 16, 2014

Ms. Pascale Duguay
Manager, Natural Gas Applications
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Duguay:

**Re: Union Gas Limited – EB-2013-0191
Dawn Parkway NPS 26 Replacement Project
Interim Monitoring Report**

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

Sincerely

[Original signed by]

William Wachsmuth
Senior Administrator, Regulatory Projects

Encl.

c.c.: Z. Crnojacki (Chair, OPCC)
G. Collins

**DAWN PARKWAY
NPS 26 REPLACEMENT PROJECT
INTERIM MONITORING REPORT**

Prepared by: Union Gas Limited
Environmental Planning
June, 2014

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1.0 INTRODUCTION

This Interim Monitoring Report is provided in compliance with the Ontario Energy Board (“Board”) Order EB-2013-0191 granting Union Gas Limited (“Union”) “Leave to Construct” the replacement of 100 metres of Nominal Pipe Size (NPS) 26 inch diameter natural gas pipeline in the area of Walker Drive and McEvoy Road, in Lot 16, Concession 8 in the Municipality of Strahroy-Caradoc.

Following scheduled testing of the NPS 26 in March 2012, results indicated integrity issues in the vicinity of the pipeline’s crossing of the Canadian National Railway. Union abandoned the existing pipeline and replaced it with a new portion of pipeline using the directional drill method. Maps of the pipeline location 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 June 13, 2013 as listed below. The Conditions of Approval can be found in Appendix B.

Accordingly, the purpose of this Interim 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-2013-0191 except as modified by this Order and these Conditions of Approval.

Condition 1.3

Union Gas shall implement all the recommendations of the Environmental Review filed in the pre-filed evidence.

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.

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 3.2

The interim monitoring report shall confirm Union Gas'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.

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 Dawn Parkway NPS 26 Replacement Project on June 13, 2013. Construction was initiated on September 2, 2013 with the pipeline placed into service and cleanup for the year completed on December 20, 2013. Construction progressed from the east side of the CNR tracks with the following order of operations: tree removal, topsoil stripping, trenching, stringing, welding, joint coating, directional drilling, tie-ins, backfilling, testing and clean-up.

Union returned to the right-of-way in spring 2014 to complete the following activities: repair any subsidence on the right-of-way, ensure there is adequate stability and due to the December completion date, seed the area to re-vegetate, 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

Except as modified by this Order, Union Gas shall implement all the recommendations of The Environmental Study 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 Review (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 Gas 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 Interim Monitoring report shall confirm that the work has been performed according to the Board's Order.

3.5 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 eighteen 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 Interim 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.

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.

3.6 Condition 3.2

The interim monitoring report shall confirm Union Gas'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.

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.

3.2.1 Monitoring Programs

3.2.1.1 Archaeological Assessment

Union retained the services of D.R. Poulton to carry out a Stage 1-2 archaeological assessment in May 2013. The Stage 1 background study indicated the moderate to high potential for as-yet undiscovered First Nations and Euro-Canadian archaeological remains.

The Stage 2 survey was completed in July of 2013 and discovered one small First Nations lithic scatter of undetermined age and cultural affiliation within 20 metres of the proposed access lane to the construction site. To avoid disturbance of the archaeological find, the access lane was repositioned. No additional evidence of archaeological sites were encountered and no artifacts were recovered.

3.2.1.2 Tree Removal/Replacement

To facilitate the construction of the new replacement portion of pipeline it was necessary to remove approximately 0.08 acres of woodlot within the existing NPS 26 easement on the south side of the CNR tracks. The Environmental Inspector was on site to indicate the cut zone and marked for removal only those trees necessary for the installation of the pipeline. The landowner will participate in the Union's Tree Replacement Program that will replenish the trees on a 2:1 area basis.

3.2.1.3 Ground Water

Observations of the Environmental Inspector during the 2007 NPS 48 Trafalgar Pipeline installation indicated that significant volumes of groundwater were encountered during construction at a site within 100 m of the current pipeline replacement work zones.

Union Gas confirmed the depth of ground water prior to commencing the replacement and concluded there was the possibility of removing water from the trench exceeding 50,000 L/day and therefore a Permit To Take Water was obtained from the Ministry of the Environment. During construction very little water was encountered.

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:

Ministry of the Environment – Permit To Take Water

- *Pursuant to Section 34 of the Ontario Water Resources Act, R.S.O. 1990*
Permit To Take Water – Ground Water Number 6524-9ASQXS

6.0 SUMMARY

This Interim Monitoring Report has been prepared as per conditions in the Board Order EB-2013-0191. 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 2015 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. 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

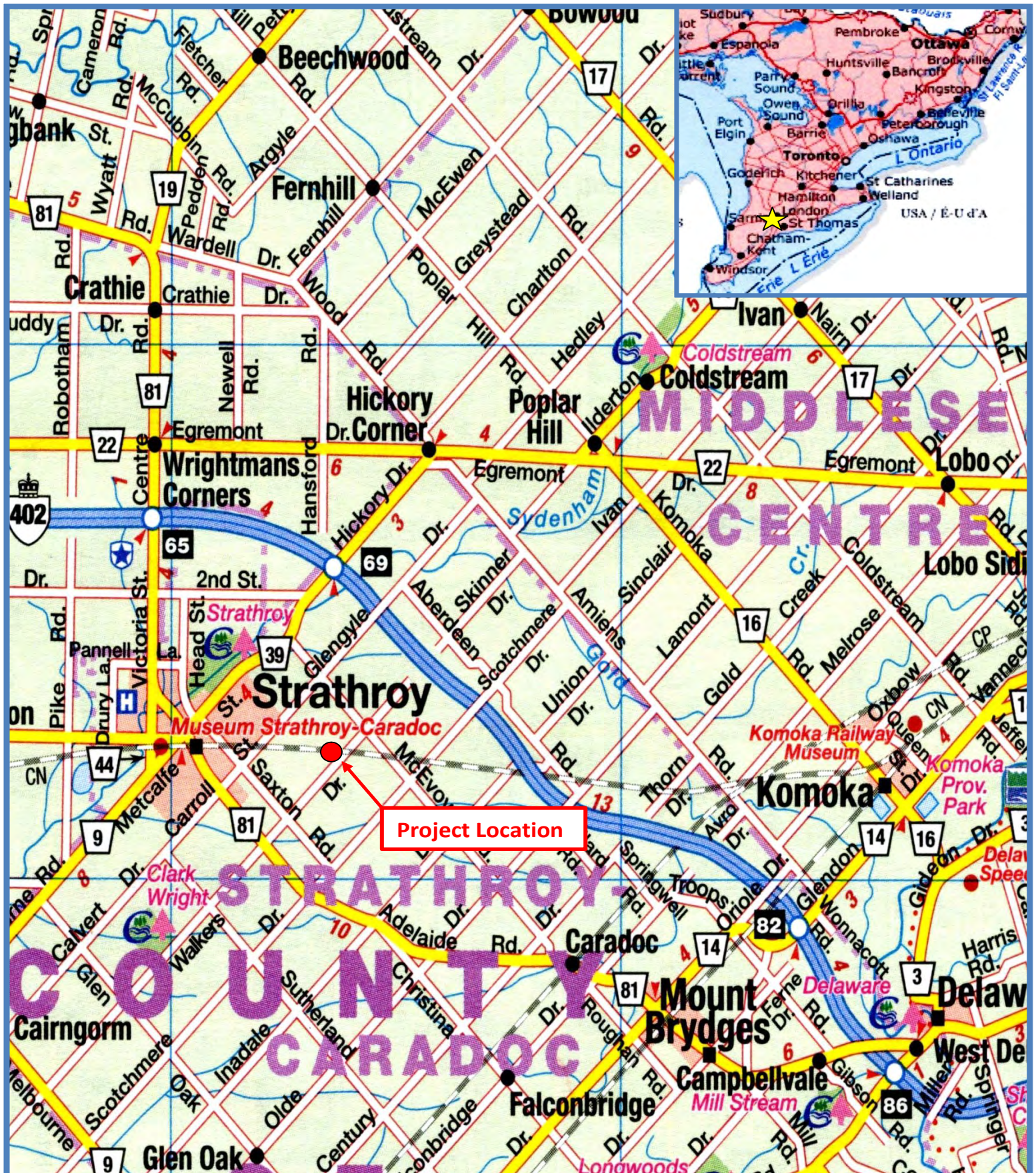
Issue	Potential Impact	Proposed Mitigation
a) Archaeology	Disturbance to cultural heritage resources.	<ul style="list-style-type: none">• Prior to any activities associated with the project, an archaeological survey was completed and concluded that the pipeline corridor was free from archaeological concern. No artifacts were found during construction.
b) Trees	Removal / Replacement	<ul style="list-style-type: none">• Only those trees necessary were removed. The landowner will participate in Union's Tree Replacement Program.
c) Landowner Concerns	Disruption to landowners and tenants	<ul style="list-style-type: none">• Union provided the landowners/tenants with the telephone numbers of Company personnel.• A Landowner Relations Program was established to track complaints during construction.• To date there have been no complaints entered into the complaint tracking system.
g) Public Safety	Public safety concerns	<ul style="list-style-type: none">• Company inspectors ensured public safety on construction site.• Ensured proper signage and flag persons if required.
e) Construction Noise	Disturbance to landowners and tenants	<ul style="list-style-type: none">• Construction was carried out during daylight hours.• Ensured equipment was properly muffled.
f) Construction Equipment	Disruption to landowners and tenants	<ul style="list-style-type: none">• Equipment was stored well off road shoulders or in a nearby yard when not in use.
g) Traffic	Disruption to local citizens	<ul style="list-style-type: none">• Flag persons and warning devices were used to notify traffic of the construction zone in accordance with Ministry of Transportation standards.
h) Fuel Storage and Handling	Improper fuel storage and handling may cause spillage and possible contamination of soil.	<ul style="list-style-type: none">• Fuel was not stored near watercourses (i.e. Within 100 metres)• Spill clean-up materials were stored on site and available in the event of a spill. Spills or leakage were to be reported to the appropriate authority immediately (Ministry of the Environment Spills Action Centre at 1-800-268-6060)• No reportable spills were recorded during construction.

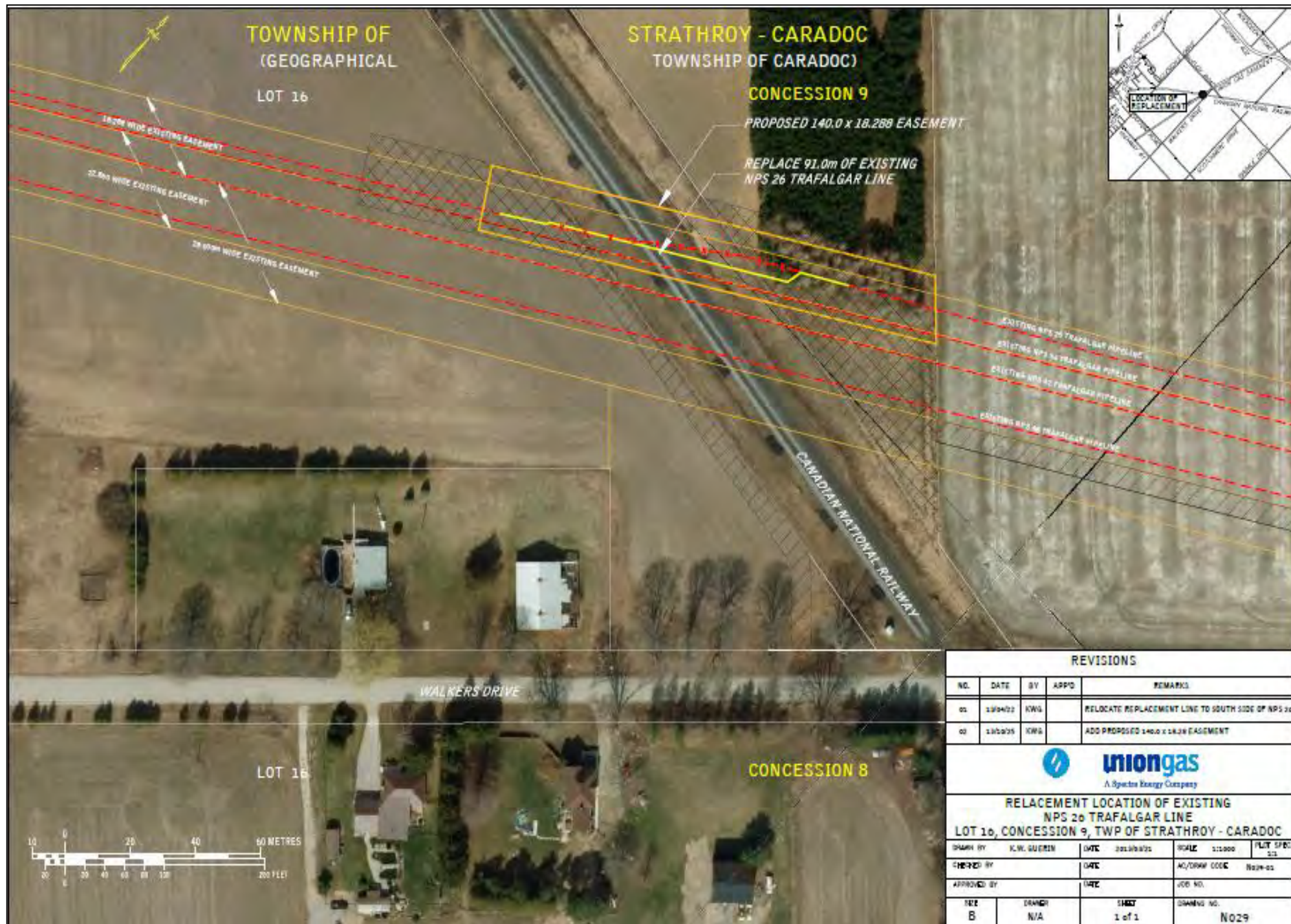
Appendix A

Location Maps

GENERAL LOCATION MAP

DAWN PARWAY NPS 26 REPLACEMENT PROJECT





Appendix B

Conditions of Approval

Union Gas Limited

Dawn Parkway NPS 26 Replacement Project

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-2013-0191, and approved in this Order and these Conditions of Approval.
- 1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct shall terminate December 31, 2014, unless construction has commenced prior to that date.
- 1.3 Union shall implement all the recommendations of the Environmental Review filed in the pre-filed evidence.
- 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 the actual capital costs of the project and shall explain all significant variances from the estimates filed in the proceeding.

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 Ontario Pipeline Coordinating Committee ("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.

4 Easement Agreements

- 4.1 Union shall file with the Board, prior to construction, all easement agreements related to the project.

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.