

By RESS & Courier

July 24, 2014

Pascale Duguay
Manager, Natural Gas Applications
Ontario Energy Board
Suite 2700, 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Duguay:

**Re: Union Gas Limited
Panhandle Replacement Project
Board File # EB-2012-0432**

Pursuant to Condition 1.5 of the Board's Conditions of Approval for the above-noted project, please find attached Union's Post Financial Report.

Sincerely,

(Original Signed By)

Shelley Bechard
Administrative Analyst, Regulatory Projects
Encl.

cc: Z. Crnojacki (Chair, OPCC)
Patrick Sullivan
Regulatory Library

TOTAL ESTIMATED PIPELINE CAPITAL COSTS

PANHANDLE NPS 16 - OJIBWAY PARK REPLACEMENT

	Estimated Costs	Actual Costs
Pipeline and Equipment		
NPS 16 Steel Pipe, Coated 600 metres	\$185,000	\$85,859
Fittings & Miscellaneous Material	\$50,000	\$22,339
 Sub-Total	 \$235,000	 \$108,198
Stores Overhead – Fittings and Misc. Material	<u>\$5,000</u>	<u>\$12,583</u>
Total Pipeline and Equipment	\$240,000	\$120,781
 Construction and Labour		
Drill 400 metres of NPS 16 Steel Pipe	\$1,340,000	\$926,341
Lay 200 metres of NPS 16 Steel Pipe		
Drilling, Testing, Dewatering, Park Trail Reconstruction, Grouting & Miscellaneous Contract Labour		
 Company Labour, X-Ray, Construction Survey, Legal, Environmental Fees, Mill Inspection and Consultants	 \$523,000	 \$162,045
 Easements, Lands & Damages	 <u>\$50,000</u>	 \$138,128
Total Construction and Labour	<u>\$1,913,000</u>	<u>\$1,226,514</u>
 Total Pipeline and Equipment and Construction and Labour	 \$2,153,000	 \$1,347,295
 Contingencies	 \$215,000	
 Total Estimated Pipeline Capital Costs – 2013 Construction	 <u><u>\$2,368,000</u></u>	 <u><u>\$1,347,295</u></u>

Includes the Estimated Environmental Costs Identified in Schedule 12

Panhandle NPS 16 - Ojibway Park Replacement Variance Explanations

Pipeline and Equipment

Pipe costs less than anticipated. The spot pipe of small quantities of pipe is difficult to estimate and conservative estimates were used in the original budget calculations. Due to final pipeline design fewer fittings were required.

Construction and Labour

The original plan had been to construct the pipe over 2 seasons with a break in the middle when the area is used by a number of wildlife species. Union was able to construct the entire pipeline during winter conditions. This reduced costs and environmental impacts as it was not necessary to return and finish construction in the second season. Inclement weather was not encountered and minimized the days when construction could not be completed. Construction in frozen conditions eliminated the need to dewater the area prior to construction.

Easements, Lands & Damages

Temporary land costs higher than anticipated. More temporary lands was required then first anticipated, and it was used for a longer period of time.