

December 12, 2014

BY COURIER & RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

RE: EB-2014-0182 – Union Gas Limited (“Union”) – Burlington Oakville Pipeline Project

Enclosed please find two copies of Union’s application and pre-filed evidence in relation to the above-noted project.

The Burlington Oakville Pipeline Project (“the Project”) involves the construction of approximately 12 km of NPS 20 pipeline extending from Union’s Board-approved Parkway West Compressor Station in the Town of Milton to Union’s existing Bronte Gate Station located east of Ninth Line and south of Dundas Street East in the Town of Oakville. The Project will help ensure the continued reliable and secure delivery of natural gas as well as to serve increasing demand in the rapidly expanding Oakville, Burlington and Milton region. The total estimated cost to construct the Project is \$119.5 million with an in-service date of November 1, 2016.

Please note, the Environmental Report prepared for the Project is not included in the electronic filing. Rather, a CD containing the Environmental Report will be sent by courier to the Board. The Environmental Report will also be available on Union’s website at: www.uniongas.com.

In the event that you have any questions on the above or would like to discuss in more detail, please do not hesitate to contact me at 519-436-5334.

Yours truly,

[original signed by]

Vanessa Innis
Manager, Regulatory Initiatives

Encl.

cc: EB-2014-0271 (2015 Rates)
Mark Kitchen, Union Gas
Charles Keizer, Torys

BURLINGTON OAKVILLE PIPELINE PROJECT

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ONTARIO ENERGY BOARD

IN THE MATTER OF The Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B, and in particular, S.90.(1) thereof;

AND IN THE MATTER OF The Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B, and in particular, S. 36 thereof;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities in the Town of Milton and the Town of Oakville.

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders for approval of recovery of the cost consequences of all facilities associated with the development of the proposed Burlington Oakville Project;

UNION GAS LIMITED

1. Union Gas Limited (the “Applicant” or “Union”) hereby applies to the Ontario Energy Board (the “Board”), pursuant to Section 90(1) of the Act, for an Order or Orders granting leave to construct approximately 12 kilometres of NPS 20 pipeline from the Board-approved Parkway West Station to Union’s existing Bronte Gate Station located east of Ninth Line and south of Dundas Street East in the Town of Oakville (the “Proposed Pipeline”).
2. The Applicant also hereby applies to the Board, pursuant to Section 36 of the Act, for an Order or Orders granting:
 - a) approval of recovery of the cost consequences of all facilities associated with the development of the proposed Burlington Oakville Project from ratepayers; and

- b) approval of an accounting order to establish the Burlington Oakville Deferral Account.
3. A map showing the general location of the Proposed Pipeline, and associated facilities and the municipalities, highways, railways and utility lines through, under, over, upon or across which the pipeline will pass is presented at Schedule A.
4. The parties affected by this Application are the owners of lands, government agencies and municipalities over which the pipeline will be constructed, and Union's distribution customers with respect to quality of service and security of supply. The persons affected by this Application are the customers resident or located in the Municipalities and First Nations Reserves served by Union, together with those to whom Union sells gas, or on whose behalf Union distributes, transmits or stores gas. It is impractical to set out in this Application the names and addresses of such persons because they are too numerous.
5. The Applicant now therefore applies to the Board for an Order or Orders for approval of recovery of the cost consequences and granting leave to construct the Proposed Pipeline as described above.
6. The address for service for Union is:

Union Gas Limited
P.O. Box 2001
50 Keil Drive North
Chatham, Ontario N7M 5M1

Attention: Vanessa Innis
Manager, Regulatory Initiatives
Telephone: 519-436-5334

Fax: 519-436-4641
Email: vinnis@uniongas.com

-and-

Torys LLP
Suite 3000, 79 Wellington Street West
P.O. Box 270, Toronto Dominion Centre
Toronto, Ontario M5K 1N2

Attention: Charles Keizer
Telephone: 416-865-7512
Fax: 416-865-7380
Email: ckeizer@torys.com

Dated: December 12, 2014

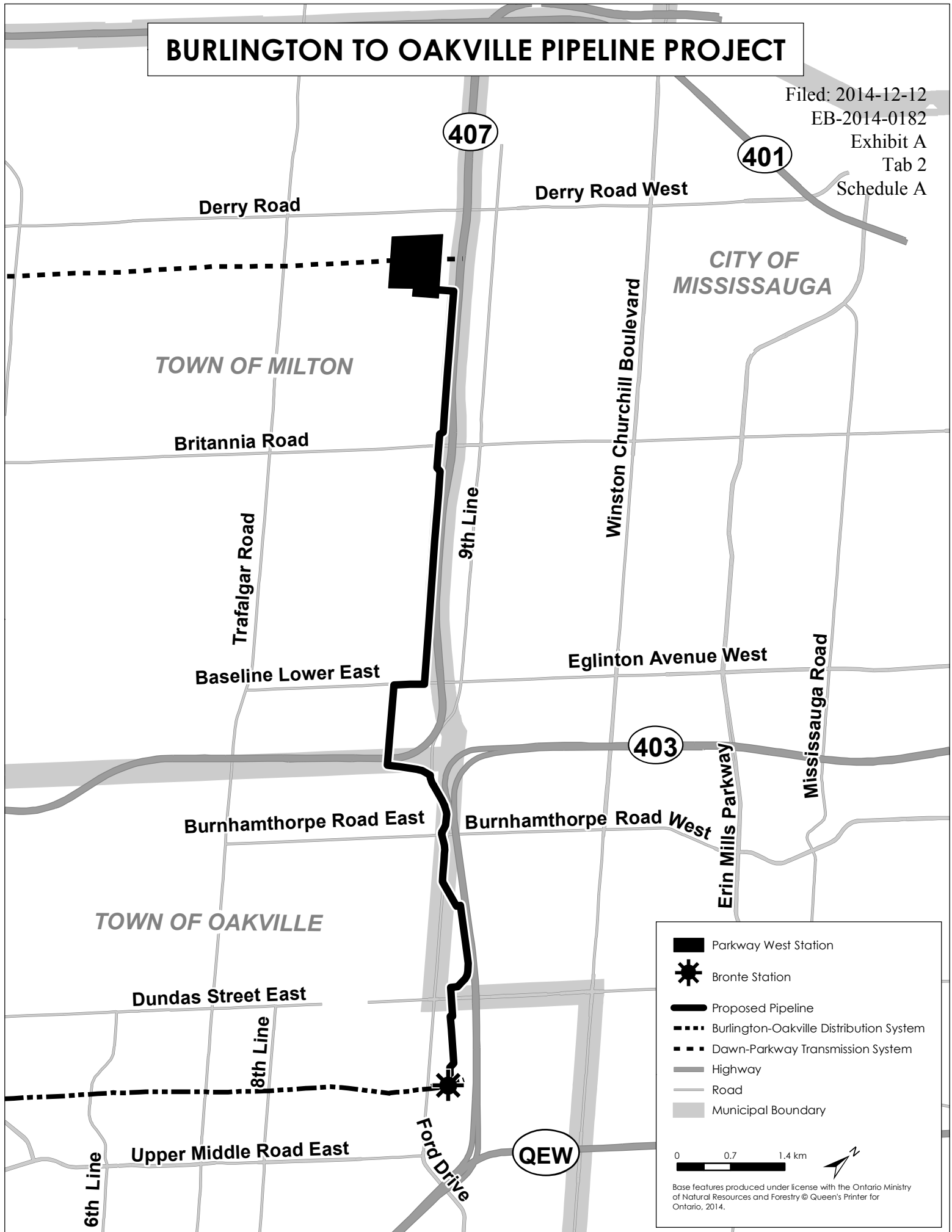
UNION GAS LIMITED

[original signed by]

Vanessa Innis, Manager Regulatory Initiatives

BURLINGTON TO OAKVILLE PIPELINE PROJECT

Filed: 2014-12-12
EB-2014-0182
Exhibit A
Tab 2
Schedule A



PROJECT SUMMARY

Union Gas Limited ("Union"), pursuant to Section 90(1) of the Ontario Energy Board Act, requests approval from the Ontario Energy Board ("the Board") for Leave to Construct approximately 12 kilometres of NPS 20 hydrocarbon (natural gas) pipeline ("Proposed Pipeline") to: (i) ensure the continued reliable and secure delivery of natural gas; and, (ii) to serve an increasing demand in the fast growing Town of Oakville and the City of Burlington as well as the southern portion of the Town of Milton. The Proposed Pipeline will extend from the Board-approved Parkway West Compressor Station in the Town of Milton to Union's existing Bronte Gate Station located east of Ninth Line and south of Dundas Street East in the Town of Oakville.

Physically, the distribution systems serving the Town of Oakville and the City of Burlington are supplied by deliveries from Union's pipelines connected to Union's Dawn Parkway System and with contracted transportation services on the TransCanada Mainline. The transportation services on the TransCanada Mainline are contracted either directly with TransCanada or in the secondary market. Approximately 25% of the design day demand is supplied by deliveries from Union's pipelines. The remaining 75% of the design day demand is supplied with contracted transportation services, of which approximately 40% is contracted transportation services acquired through the secondary market. The Burlington Oakville System, which provides supply to the Town of Oakville and City of Burlington, therefore relies heavily on natural gas delivered through contracted transportation services.

1 Union contracts in the secondary market for transportation services to supply the Burlington
2 Oakville System as firm short haul transportation services have not been available directly from
3 TransCanada. A lack of secondary market counterparties and the non-renewable nature of
4 secondary market contracts create significant risk with respect to availability and price in
5 meeting Union's customer's demands. Union cannot continue to rely on secondary market
6 services past October 31, 2016 and must address security of supply for the Burlington Oakville
7 System before November 1, 2016.

8
9 Additionally, growth in the communities of Oakville and Burlington and the southern portion of
10 Milton is forecast to increase design day demand on the Burlington Oakville System from 198
11 TJ/d in 2014/2015 to 276 TJ/d in 2035/2036. Design day demand will exceed the capacity to
12 supply the Burlington Oakville System as of November 1, 2016. Growth in Burlington Oakville
13 System demand requires Union to add incremental pipeline capacity. Contracting for
14 incremental third party transportation from TransCanada or the secondary market is not feasible.

15
16 Union proposes to meet the growth and address the security of supply needs of the Burlington
17 Oakville System by constructing new pipeline facilities from the Dawn Parkway System to the
18 existing NPS 20 Burlington to Oakville Pipeline at the Bronte Gate Station for November 1,
19 2016 in-service. The Proposed Pipeline provides reliable, secure supply over the long term at a
20 lower cost than contracting for transportation services (if they were even available). The
21 Proposed Pipeline and ancillary facilities ("the Project") will cost ratepayers less than the cost of
22 transportation services to supply the Burlington Oakville System today. The Proposed Pipeline
23 will provide a high pressure pipeline system from which future development in the rapidly

1 expanding Oakville, Burlington and Milton region can be served.

2
3 The total capital cost of the Project, is estimated to be \$119.5 million, including interest during
4 construction (“IDC”), as detailed in Exhibit A, Tab 9, Schedule 1. A least cost economic
5 evaluation has been conducted to assess the cost of constructing the Project compared to the cost
6 of commercial services alternatives (if they were available). The Project is the least cost
7 alternative by \$48.7 million over the life of the Project on a Net Present Value (“NPV”) basis.

8
9 Union is seeking an order from the Board pursuant to Section 36 of the Ontario Energy Board
10 Act, for approval of recovery of the cost consequences of the Project from ratepayers. Union is
11 also seeking approval for a Burlington Oakville Project Costs Deferral Account to track any
12 variance between the costs approved in rates for the Project and the actual annual revenue
13 requirement of the Project. Union is seeking approval of the recovery of the cost consequences of
14 the Project as part of this proceeding because the Project meets the capital pass-through criteria
15 as determined in Union’s 2014-2018 Incentive Regulation Mechanism (“IRM”) proceeding (EB-
16 2013-0202). The intent of the capital pass-through mechanism is to capture the associated
17 impacts of significant capital investments made in the IRM term that are considered “not-
18 business-as-usual,” as the capital expenditures cannot be managed in Union’s Board-approved
19 capital budget.

20
21 Effective January 1, 2016, Union proposes to build the annual costs associated with the Project
22 into in-franchise delivery rates and ex-franchise transportation rates. The annual revenue
23 requirement associated with the Project ranges from \$0.1 million in 2016 to \$8.5 million in 2018.

1 To calculate rate impacts, Union added the largest revenue requirement of \$8.5 million to
2 Union's 2013 Board-approved cost allocation study updated as per EB-2013-0365 (Union's 2014
3 rates). The cost allocation results in: (i) an increase of approximately \$9.9 million, allocated to
4 Union South in-franchise rate classes, (ii) a reduction of approximately \$0.9 million allocated to
5 Union North in-franchise rate classes and (iii) a reduction of approximately \$0.4 million,
6 allocated to ex-franchise rate classes. The cost allocation impact by rate class is provided at
7 Exhibit A, Tab 9, Schedule 5.

8
9 The Project results in net annual savings to ratepayers of between \$2.9 million and \$28.2 million
10 based on the annual revenue requirement associated with the Project of \$8.5 million in 2018 and
11 the avoided transportation costs of \$11.4 million to \$37.3 million. Based on the cost incurred
12 today to supply the Burlington Oakville System, the Project will result in net annual savings to
13 ratepayers of \$6.5 million.

14
15 The permanent and temporary land rights necessary for the construction of the Project will be
16 acquired from individual landowners, government ministries and rights under Union's Franchise
17 Agreements with the Town of Oakville, the Town of Milton and the Regional Municipality of
18 Halton. Union will require approximately 30 hectares of permanent easement for the Project and
19 approximately 46 hectares of temporary easement for construction and top soil storage purposes.
20 Union commenced easement negotiations with individual landowners in 2013. Union will have
21 all land rights in place prior to construction.

22
23 A Route Selection and Environmental Impact Assessment Report ("ER") has been prepared for

1 the Project. There will be no significant environmental impacts related to the construction of the
2 Project given Union's standard construction procedures, the mitigation measures recommended
3 in the ER, and the fact that the majority of the Proposed Pipeline will be located within utility
4 corridors and road allowance.

5
6 Construction of the Proposed Pipeline is scheduled to commence in the spring of 2016 to utilize
7 the favourable summer construction weather and environmental windows. The proposed in-
8 service date for the Project is November 1, 2016 (the start of winter 2016/2017). In order to
9 facilitate efficient project development, Union respectfully requests the Board issue its approval
10 by June 30, 2015.

BURLINGTON OAKVILLE SYSTEM OVERVIEW

The purpose of this section of evidence is to provide an overview of the pipeline systems that currently supply natural gas to Union's distribution systems in the City of Burlington and Town of Oakville.¹

Within Union's Hamilton/Halton District, the southern portion of the Regional Municipality of Halton is primarily served from a network of pipelines referred to as the Burlington Oakville high pressure pipeline system ("Burlington Oakville System"). Union's Burlington Oakville System currently supplies natural gas to Union's distribution system which provides service to residents, businesses and industry located in the City of Burlington and the Town of Oakville.

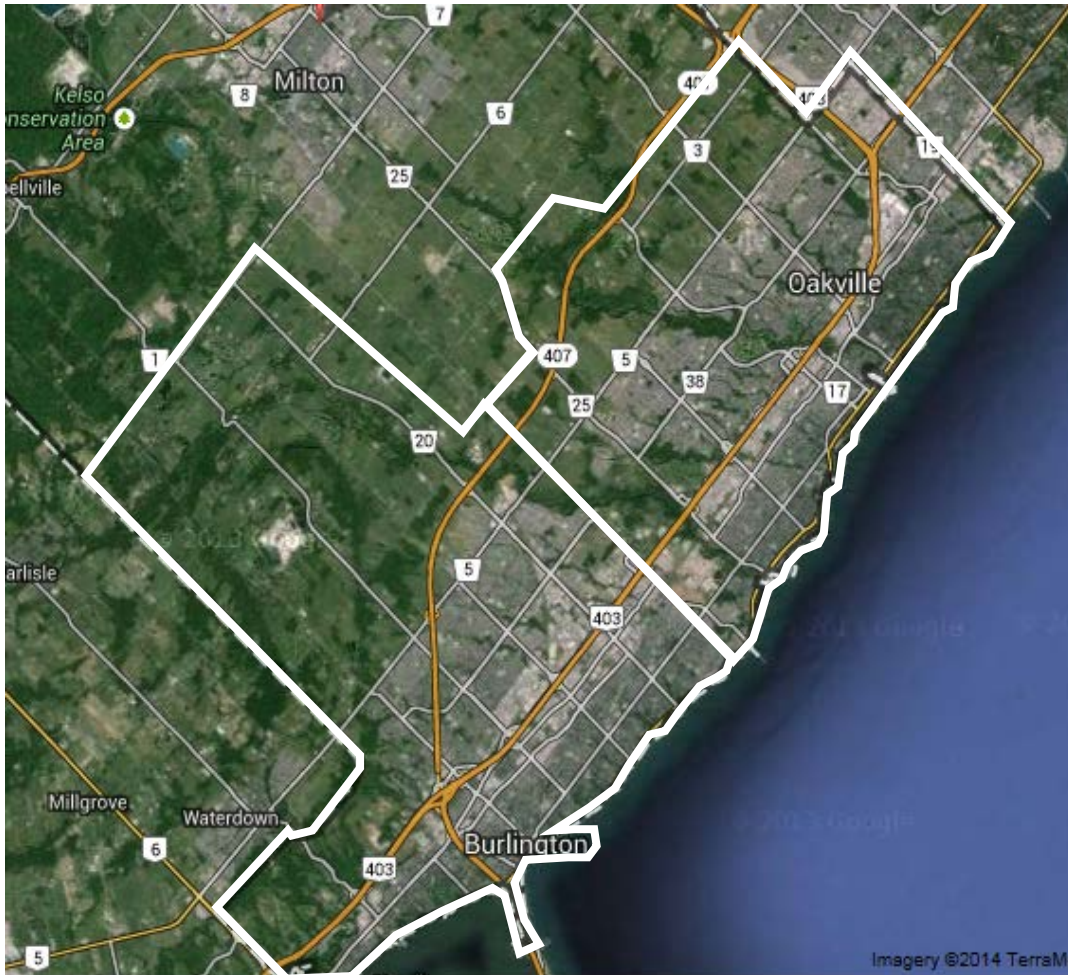
The majority of Union's existing customers in the Town of Milton are currently served from an adjacent pipeline system ("the Milton System") connected to Union's Dawn Parkway System.

One of the main pipelines in the Burlington Oakville System is the NPS 20 Oakville to Burlington Line. The NPS 20 Oakville to Burlington Line generally runs in an east west direction and is located south of Dundas Street and north of the Queen Elizabeth Way. The NPS 20 Oakville to Burlington Line is the primary connection between the Town of Oakville and the City of Burlington, and provides the infrastructure from which distribution pipelines branch off to serve Union's customers in this area.

The communities currently served by the Burlington Oakville System are shown in Figure 4-1.

¹ Please see Exhibit A, Tab 4, Attachment 1 for an overview of Union's System including the Dawn Parkway System and the Dawn Hub.

Figure 4-1
Communities Currently Served by the Burlington Oakville System



Natural gas is delivered to the NPS 20 Oakville to Burlington Line from two primary sources:

- 1) Union's Dawn Parkway System; and,
- 2) The TransCanada Mainline.

1 **1) *Union's Dawn Parkway System***

2 From Union's Dawn Parkway System, natural gas is supplied to the Burlington Oakville System
3 through two connections: i) Union's Milton Gate Station; and ii) Union's Parkway Transmission
4 Station.

5
6 From the Milton Gate Station, located within the Town of Milton, an NPS 8 pipeline ("NPS 8
7 Milton Line") follows a southerly route from the Dawn Parkway System and connects to the
8 NPS 20 Oakville to Burlington Line at the intersection of Third Line and Liverpool Street in the
9 Town of Oakville.

10
11 From the Parkway Transmission Station, located within the Parkway Compressor Station in the
12 City of Mississauga, an NPS 12 pipeline ("NPS 12 Parkway Line") follows a southerly route
13 from the Dawn Parkway System and connects to the NPS 20 Oakville to Burlington Line at
14 Union's Bronte Gate Station near the intersection of Ninth Line and Dundas Street East in the
15 Town of Oakville.

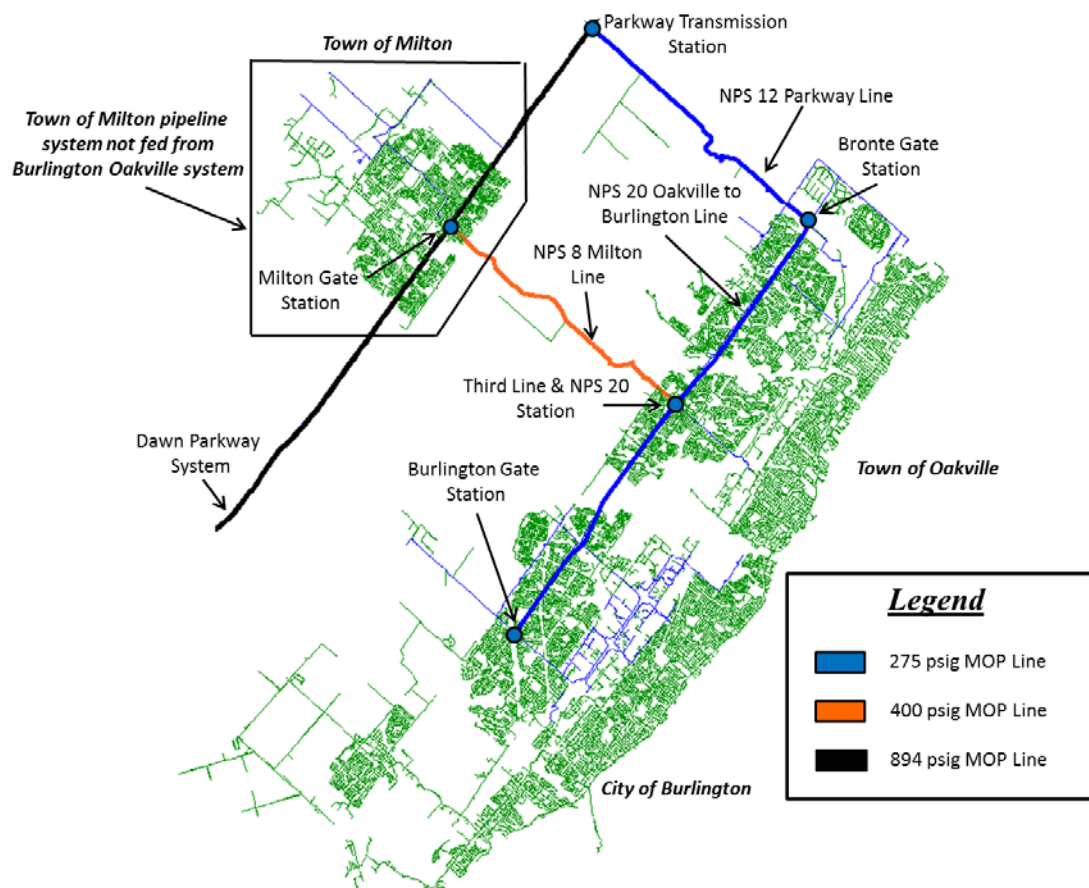
16
17 Union has no other infrastructure connected to the Dawn Parkway System that can supply natural
18 gas directly to the Burlington Oakville System.² Union therefore does not have a large diameter,
19 high pressure pipeline system to serve the growth expected north of Dundas Street (Highway 5)
20 and south of the Dawn Parkway System.

21

² The majority of Union's existing customers in the Town of Milton are located north of the Dawn Parkway System. These customers are not served off of the NPS 8 Milton Line or the NPS 12 Parkway Line.

The location of the NPS 20 Oakville to Burlington Line, NPS 8 Milton Line, Milton Gate Station, NPS 12 Parkway Line and Parkway Transmission Station is shown in Figure 4-2 below. The map also shows the Milton System that feeds the majority of the Town of Milton which is not part of the Burlington Oakville System.

Figure 4-2
Key Union Facilities in the Burlington Oakville System



1 **2) *The TransCanada Mainline***

2 Union also receives natural gas from the TransCanada Mainline to supply the Burlington
3 Oakville System through two connections: i) Union's Burlington Gate Station and ii) Union's
4 Bronte Gate Station. The TransCanada stations at these points are called Burlington and
5 Bronte, respectively. Union's connections to the TransCanada Mainline are located within
6 TransCanada's Central Delivery Area in a Domestic Delivery Area called the Union CDA. A
7 map showing TransCanada's Domestic Delivery Areas is provided as Exhibit A, Tab 4, Schedule
8 1.

9
10 Union has two additional gate stations connected to the TransCanada Mainline within the Union
11 CDA: Hamilton Gate #3 Station and the Kirkwall/Dominion Station. The TransCanada stations
12 at these points are called Hamilton Gate and Nanticoke, respectively. Hamilton Gate #3 Station
13 and the Kirkwall/Dominion Station are located southwest of the Burlington Oakville System in
14 the Greater Hamilton Area and do not provide any natural gas supply to the Burlington Oakville
15 System.

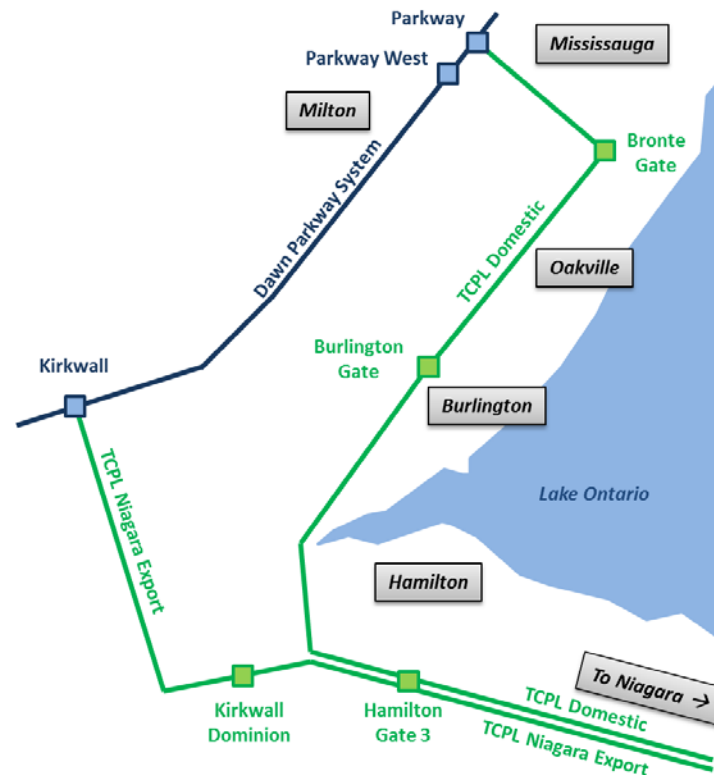
16
17 Union's Burlington Gate Station is located in the City of Burlington, north of the intersection of
18 Guelph Line at Longmeadow Road. Union's Bronte Gate Station is located in the Town of
19 Oakville, east of Ninth Line and south of Dundas Street East. Both of these gate stations are
20 connected to TransCanada's Mainline on a section of TransCanada's pipe called the Parkway
21 Line which, at its northeastern end, connects to the Dawn Parkway System at Parkway. At its
22 southwestern end, TransCanada's Parkway Line is connected to TransCanada's Burlington
23 Station. The Parkway Line is a subsection of a longer portion of the TransCanada Mainline

1 called the Domestic Line, which starts at Parkway, and, at its southeastern end, is connected to
2 the Niagara import/export point on the Ontario/New York border. The Domestic Line has
3 historically been used to supply the distribution systems serving Union's customers located along
4 the northern edge of Lake Ontario within the Burlington Oakville System.

5
6 Within the Union CDA, TransCanada has additional facilities called the Niagara Export Line,
7 which are part of the TransCanada Mainline. The Niagara Export Line connects the Niagara and
8 Chippawa import/export points on the Ontario/New York border with Union's Dawn Parkway
9 System at Kirkwall. Union's Kirkwall/Dominion Station is connected to the Niagara Export
10 Line. Union's Hamilton Gate #3 Station is connected to the Niagara Export Line and the
11 Domestic Line. The location of Union's gate stations within the Union CDA, along with
12 Parkway and Kirkwall is shown in Figure 4-3.

1

Figure 4-3
Location of Union's Gate Stations in the Union CDA



2 ***The TransCanada Settlement Agreement***

3 Approximately three quarters of the supply for customers attached to the Burlington Oakville
4 System is delivered via the TransCanada Mainline under firm contracts for third party
5 transportation services, which are used to transport natural gas to Union's Bronte Gate Station
6 and Burlington Gate Station within the Union CDA. Union supplies the remaining amount of the
7 Burlington Oakville System design day demand from its Dawn Parkway System through the
8 NPS 8 Milton Line and the NPS 12 Parkway Line.

1
2 The recent Settlement Agreement³ will result in some changes to TransCanada's Central
3 Delivery Area (CDA). These changes will impact Union's transportation contracts for deliveries
4 on the TransCanada Mainline to the Union CDA which supply the majority of the natural gas to
5 Union's customers attached to the Burlington Oakville System. Below is a summary of those
6 changes:

- 7 1) TransCanada will amend its Union CDA Domestic Delivery Area to remove Burlington,
8 Bronte and the Parkway-Union meter station ("Union Parkway Belt") as delivery points.
9 TransCanada delivery points that will remain within the amended Union CDA are
10 Hamilton Gate and Nanticoke. The amended Union CDA will therefore include
11 Union's Hamilton Gate #3 Station and Union's Kirkwall/Dominion Gate Station,
12 neither of which connect to the Burlington Oakville System as discussed earlier.
- 13 2) TransCanada will designate its Union Parkway Belt as a stand-alone delivery point.
- 14 3) TransCanada will designate its Burlington and Bronte delivery points within a new
15 Domestic Delivery Area called the Union ECDA. Union's Burlington Gate Station and
16 Bronte Gate Station that feed the Burlington Oakville System will be located within the
17 newly created Union ECDA.

18
19 TransCanada filed its application ("Settlement Application") with the National Energy Board for
20 approval of the tolls and tariff changes associated with the Settlement Agreement on December
21 20, 2013. The National Energy Board released its RH-001-2014 Decision approving the

³ TransCanada Pipelines Limited Mainline Settlement Agreement among TransCanada PipeLines Limited, Enbridge Gas Distribution Inc. ("Enbridge"), Union Gas Limited and Gaz Métro Limited Partnership ("Gaz Metro") dated October 31, 2013, as amended November 15, 2013 and December 13, 2013 (the "Settlement Agreement").

1 Settlement Application on November 28, 2014, with reasons to follow, approving the proposed
2 changes to the TransCanada Domestic Delivery Areas. Resulting tolls will be approved by the
3 National Energy Board in a subsequent Compliance Filing in early 2015.

4
5 Should the Ontario Energy Board approve this Application, TransCanada will offer its Mainline
6 shippers holding firm transportation contracts to the current Union CDA a one-time opportunity
7 to amend their delivery point to Union Parkway Belt or to the newly created Union ECDA as
8 described above. For shippers holding firm service contracts to the current Union CDA that are
9 seeking a delivery point in the amended Union CDA, no election is necessary. Union intends to
10 amend its delivery point to the Union ECDA for its transportation services currently contracted
11 to the Union CDA (to serve the Burlington Oakville System until 2016 when the Proposed
12 Pipeline is constructed).

13
14 With the changes in TransCanada's Central Delivery Area, Union has reviewed its natural gas
15 supply for Hamilton Gate #3 Station and the Kirkwall/Dominion Gate Station. To ensure
16 reliable, economic supply to these gate stations, Union recently bid into a TransCanada open
17 season for 135 TJ/d of renewable firm natural gas transportation services from Kirkwall to the
18 amended Union CDA to meet Union's design day requirements at Hamilton Gate #3 Station and
19 the Kirkwall/Dominion Gate Station.⁴

20

⁴ References to the Union CDA herein refer to the current Union CDA, comprised of the newly created Union ECDA, the amended Union CDA and Union Parkway Belt.

UNION GAS SYSTEM OVERVIEW

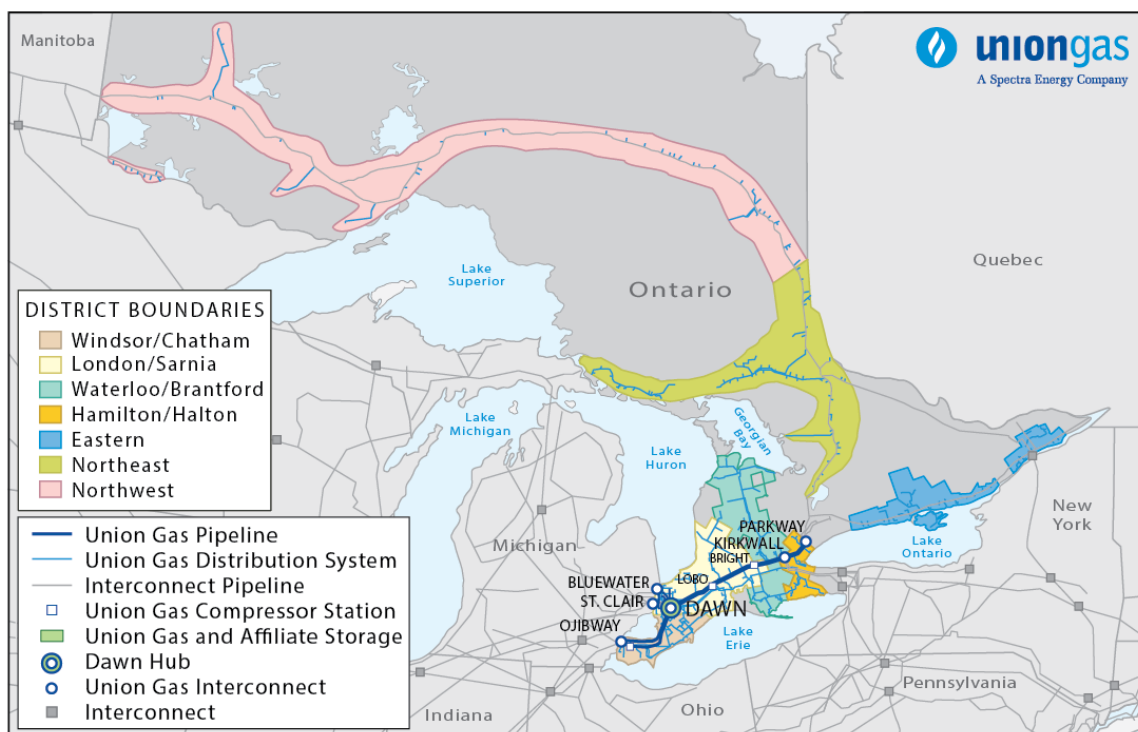
The purpose of this section of evidence is to provide an overview of Union's system, including the Dawn Parkway System and the Dawn Hub, and its importance to energy supply in Ontario, Québec and the U.S. Northeast.

Union serves approximately 1.4 million customers in northern, eastern and southern Ontario through an integrated network of over 68,000 kilometres of natural gas pipelines. Union operates storage and transmission assets that include 166 Bcf of underground natural gas storage at the Dawn Hub as well as the Dawn Parkway System, which connects the Dawn Hub to consuming markets in Ontario, Québec and the U.S. Northeast. Throughput serving Union's in-franchise customers during 2013 was over 500 Bcf. Throughput serving Union's ex-franchise storage and transmission customers during 2013 was 890 Bcf. In total, Union transported approximately 1.4 Tcf of natural gas in 2013, which is slightly greater than all of the natural gas consumed in Ontario and Québec or approximately 5% of North American demand.

Union divides its service territory areas into Union North and Union South. Union South includes customers located west of Mississauga and south of Georgian Bay (Windsor/Chatham, London/Sarnia, Waterloo/Brantford and Hamilton/Halton Districts). Union North includes customers located north of Barrie and north and west of North Bay (Northeast and Northwest Districts). Union North also includes customers located east of Bowmanville and west of the

Québec border (Eastern District). A map of Union's service districts as well as Union's system is provided at Figure 1 and is also provided at Exhibit A, Tab 4, Attachment 1, Schedule 1.

Figure 1
Union Gas System and Service Districts

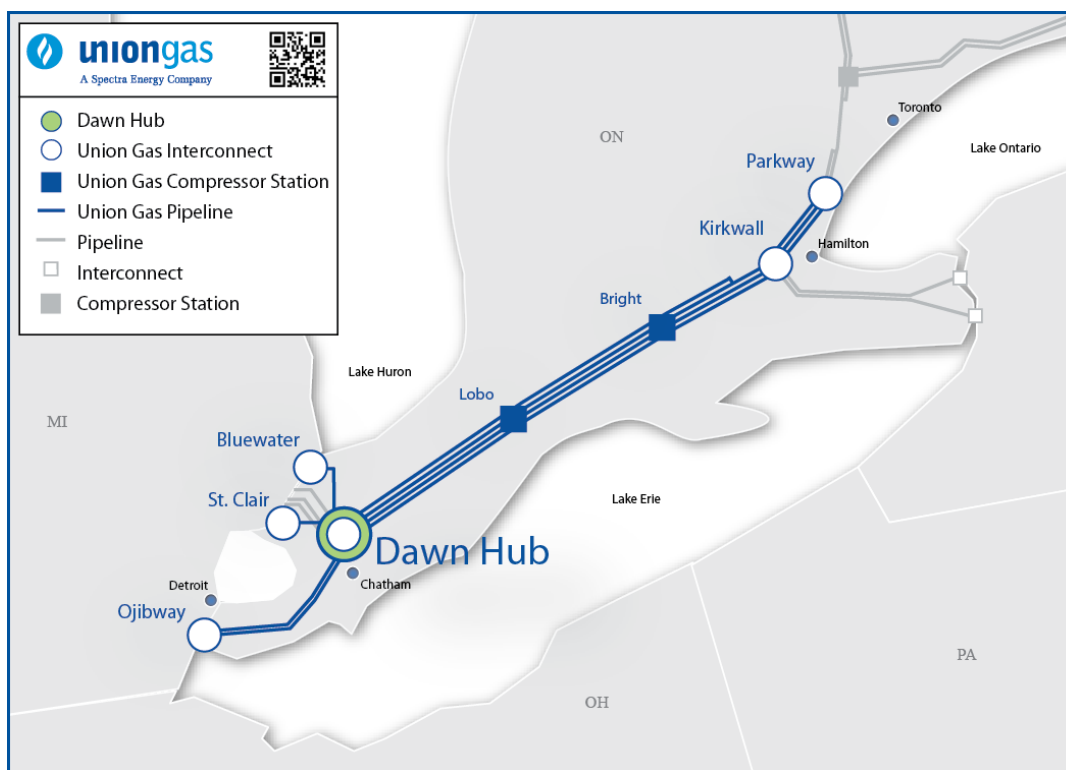


Union North is almost exclusively supplied from the TransCanada PipeLines Inc. ("TransCanada") Mainline system, with no other option for the transportation or physical delivery of natural gas to the laterals serving Union's districts. Therefore, these customers are reliant upon the TransCanada Mainline.

Dawn Parkway System

In Union South, Union operates the Dawn Parkway System which includes an integrated network of natural gas transmission pipelines and compressors. The Dawn Parkway System transports natural gas between the Dawn Compressor Station (“Dawn”), near Sarnia at the west end of Union South, and the Parkway Compressor Station (“Parkway”), located in Mississauga at the east end of Union South. Union operates two additional compressor stations on the Dawn Parkway System: i) the Lobo Compressor Station (“Lobo”) located near London; and ii) the Bright Compressor Station (“Bright”) located between Woodstock and Kitchener. A map of Union’s Dawn Parkway System is provided in Figure 2.

Figure 2
The Dawn Parkway System



1
2 Additionally, in January 2014, the Board approved the Parkway West Compressor Station
3 (“Parkway West”) development¹. Two compressors and related facilities are currently under
4 construction at Parkway West. The Parkway West facilities will be placed into service in stages
5 over 2014 and 2015. Parkway West is located on a new site directly west of Parkway.
6

7 The Dawn Parkway System connects with other pipeline systems at three locations:

- 8 1) At Parkway, the Dawn Parkway System connects to the TransCanada Mainline and to
9 the Enbridge Gas Distribution Inc. (“Enbridge”) system. Union connects to the
10 TransCanada Mainline within the existing Parkway site at a delivery point referred to as
11 Parkway (TCPL). Union also connects to the Enbridge system within the existing
12 Parkway site at a delivery point referred to as Parkway (Consumers), and at a second
13 location two kilometres east of Parkway at a delivery point referred to as the Lisgar
14 Custody Transfer Station (“Lisgar”).
15

16 At Parkway West, once construction is complete, the Dawn Parkway System will
17 connect to the Board-approved Enbridge GTA Project Segment A (also known as the
18 Enbridge Albion Line), targeted for November 2015, and will also connect to the
19 existing Enbridge system, targeted for December 2014, and TransCanada Mainline,
20 targeted for December 2015.

¹ EB-2012-0451/EB-2012-0433/EB-2013-0074 Decision January 30, 2014.

1 2) Near Hamilton, the Dawn Parkway System connects to the TransCanada Mainline at
2 Union's Kirkwall Custody Transfer Station ("Kirkwall"). This portion of the
3 TransCanada Mainline, known as the Niagara Export Line, connects to the
4 import/export points at Niagara and Chippawa at the Ontario/New York border.

5 3) At Dawn, near Sarnia, the Dawn Parkway System connects to a number of pipelines:
6 Vector Pipeline; Panhandle Eastern Pipeline via the Union Panhandle system; Great
7 Lakes Gas Transmission via TransCanada; Michigan Consolidated; Bluewater Gas
8 Storage; and ANR via Niagara Gas Transmission (NiagaraLink) and the Enbridge
9 (Tecumseh) system.

10
11 As described above, Union receives natural gas at Dawn from a number of interconnecting
12 pipelines which connect the Dawn Hub to most of North America's major supply basins. Dawn
13 is also indirectly connected to Tennessee Gas Pipeline, Dominion Transmission, National Fuel
14 Gas Supply Corporation, and Empire State Pipeline via TransCanada's Niagara Export Line
15 (from the Niagara/Chippawa import/export points to Kirkwall) and Union's Dawn Parkway
16 System (Kirkwall to Dawn). In its Decision regarding Union's Parkway Projects and Enbridge's
17 GTA Project, the Board concluded that "Supply diversity enhances security and has the tendency
18 to lower gas prices from what they would otherwise be if the market continued to rely on fewer
19 sources of supply²".

20

² EB-2012-0451/EB-2012-0433/EB-2013-0074 Decision January 30, 2014, p. 29.

1 The majority of Union South customers located east of Dawn are served via the Dawn Parkway
2 System. Some of Union's customers in the Hamilton/Haldimand-Norfolk and
3 Burlington/Oakville areas are served from the TransCanada Mainline via TransCanada's Niagara
4 Export Line and TransCanada's Domestic Line. This includes Union's customers attached to the
5 Burlington Oakville System, as more fully described in Exhibit A, Tab 4.

6
7 Union provides transportation services on the Dawn Parkway System to ex-franchise customers,
8 including Enbridge, TransCanada, Gaz Métro Limited Partnership and U.S. Northeast natural gas
9 utilities. Union also uses its Dawn Parkway System (and also TransCanada services from
10 Parkway) to ship natural gas from Dawn to Union North. Union is accountable to its in-
11 franchise customers and its ex-franchise firm transportation customers for the reliable delivery of
12 natural gas.

13
14 *The Dawn Hub*

15 Union operates one of the largest and most important North American market hubs, the Dawn
16 Hub. The Dawn Hub consists of a combination of interconnecting pipelines and underground
17 natural gas storage, and is the main source of supply for the Dawn Parkway System. The Board
18 recognized in its November 7, 2006 Natural Gas Electricity Interface Review Decision EB-2005-
19 0551, ("NGEIR Decision"), that "the development of the Dawn Hub has brought substantial
20 benefits to consumers in Ontario and to other market participants³".

³ EB-2005-0551 Decision, November 7, 2006, p. 44.

1 The Dawn Hub is also connected to the most significant amount of underground natural gas
2 storage within the Great Lakes region. In Ontario, Union operates 166 Bcf of natural gas storage
3 in 24 pools that are all connected to the Dawn Hub. All of this storage is either owned by Union
4 or contracted from other Ontario storage operators. In addition, Enbridge operates 103 Bcf of
5 natural gas storage (Tecumseh facilities) that is connected to Dawn. Dawn is also connected
6 through various upstream pipelines to approximately 675 Bcf of underground natural gas storage
7 in Michigan. A map of Union's storage connected to the Dawn Hub is provided at Exhibit A,
8 Tab 4, Attachment 1, Schedule 2.

9
10 Dawn is one of the most physically traded, liquid hubs in North America. The liquidity of Dawn
11 is the result of the combination of:

- 12 1) access to underground storage;
- 13 2) interconnections with upstream pipelines;
- 14 3) take away capacity to growth markets;
- 15 4) a large number of buyers and sellers of natural gas; and,
- 16 5) price transparency.

17
18 In its NGEIR Decision, the Board concluded that: "it is in the public interest to maintain and
19 enhance the depth and liquidity of the market at the Dawn Hub as a means of facilitating
20 competition⁴". In its Decision regarding Union's Parkway Projects and Enbridge's GTA Project,

⁴ EB-2005-0551 Decision November 7, 2006, p. 45.

1 the Board reiterated this position: “It is the Board’s view that while uncertainties exist for all
2 supply sources in terms of future cost and availability, it is widely acknowledged, including by
3 this Board in prior decisions, that supply diversification enhances reliability and brings cost
4 benefits through enhanced competition⁵”.

5
6 The depth and liquidity of the market at Dawn provides value to all Ontario customers by way of
7 competitive natural gas commodity prices, attracting natural gas supply to Ontario.

8
9 Ontario’s natural gas-fired generation market relies on a healthy, liquid Dawn Hub. Power
10 generation contracts are commercially structured based on the price of natural gas at Dawn for
11 approximately 5,500 MW of Ontario’s electricity production capacity. Natural gas-fired
12 generators have access to unique services at the Dawn Hub that provide operational flexibility
13 through firm all day storage and transportation services that allow natural gas-fired generators to
14 match natural gas supply needs to the electricity market that is priced hourly and dispatched
15 every five minutes.

16
17 The Board further identified the importance of the Dawn Hub in its NGEIR Decision:

18 *“The storage facilities are an integral part of what is commonly referred to as the Dawn*
19 *Hub, which is widely recognized as one of the more important market centres in North*
20 *America for the trading, transfer and storage of natural gas. In its Natural Gas Forum*

⁵ EB-2012-0451/EB-2012-0433/EB-2013-0074 Decision January 30, 2014, pp. 23-24.

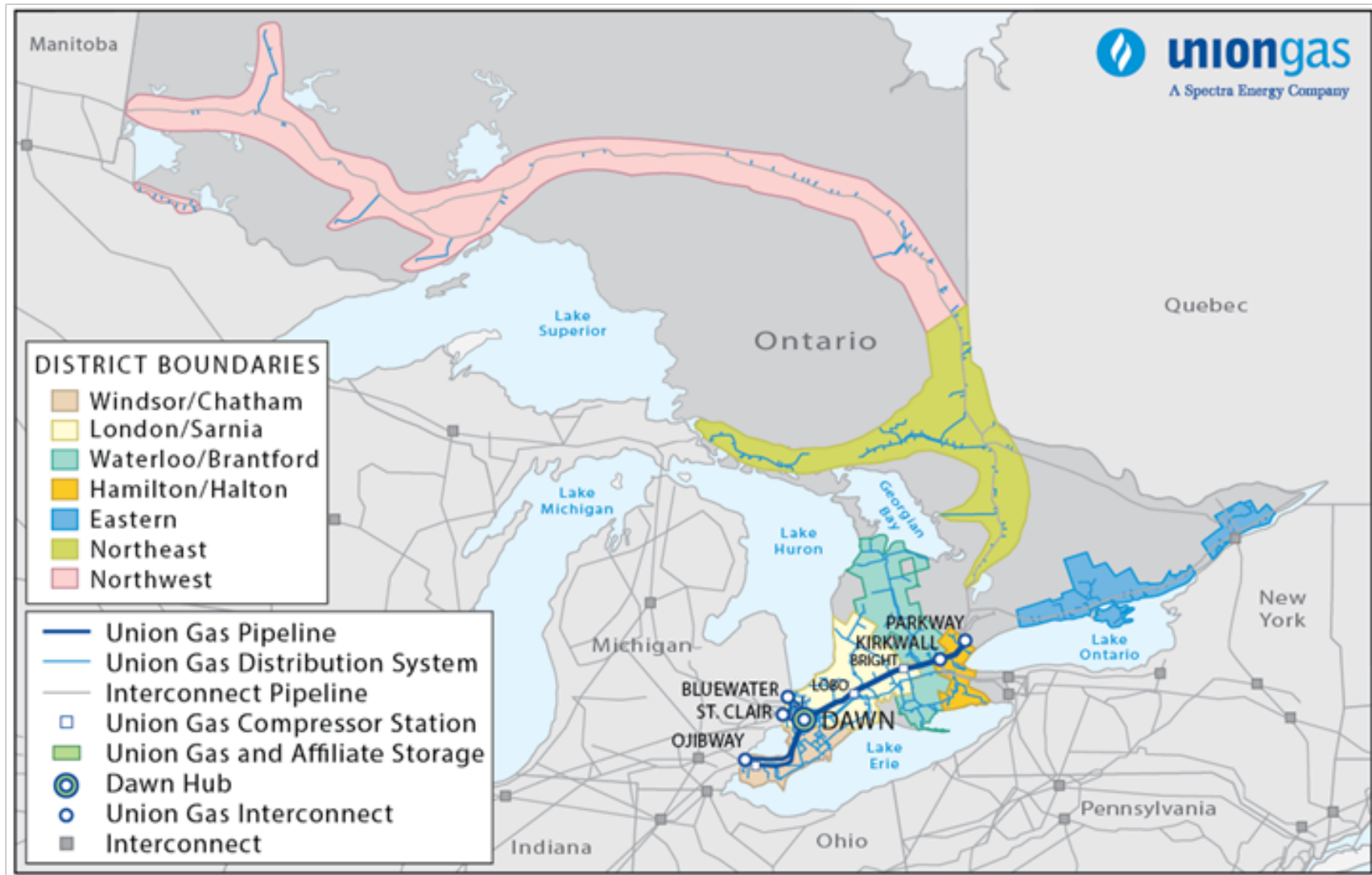
1 *Report, the Board stated “The large amount of nearby storage, combined with the*
2 *convergence of pipelines linking the U.S. and Ontario gas markets, have made Dawn the*
3 *most liquid trading location in Ontario. The Federal Energy Regulatory Commission, in its*
4 *assessment of energy markets in the United States in 2004, made similar comments about*
5 *the significance of Dawn:*
6 *The Dawn Hub is an increasingly important link that integrates gas produced from multiple*
7 *basins for delivery to customers in the Midwest and Northeast...Dawn has many of the*
8 *attributes that customers seek as they structure gas transactions at the Chicago Hub: access*
9 *to diverse sources of gas production; interconnection to multiple pipelines; proximity to*
10 *market area storage; choice of seasonal and daily peak and loan services; liquid trade*
11 *markets; and opportunities to reduce long haul pipeline capacity ownership by purchasing*
12 *gas at downstream liquid hubs.”*⁶

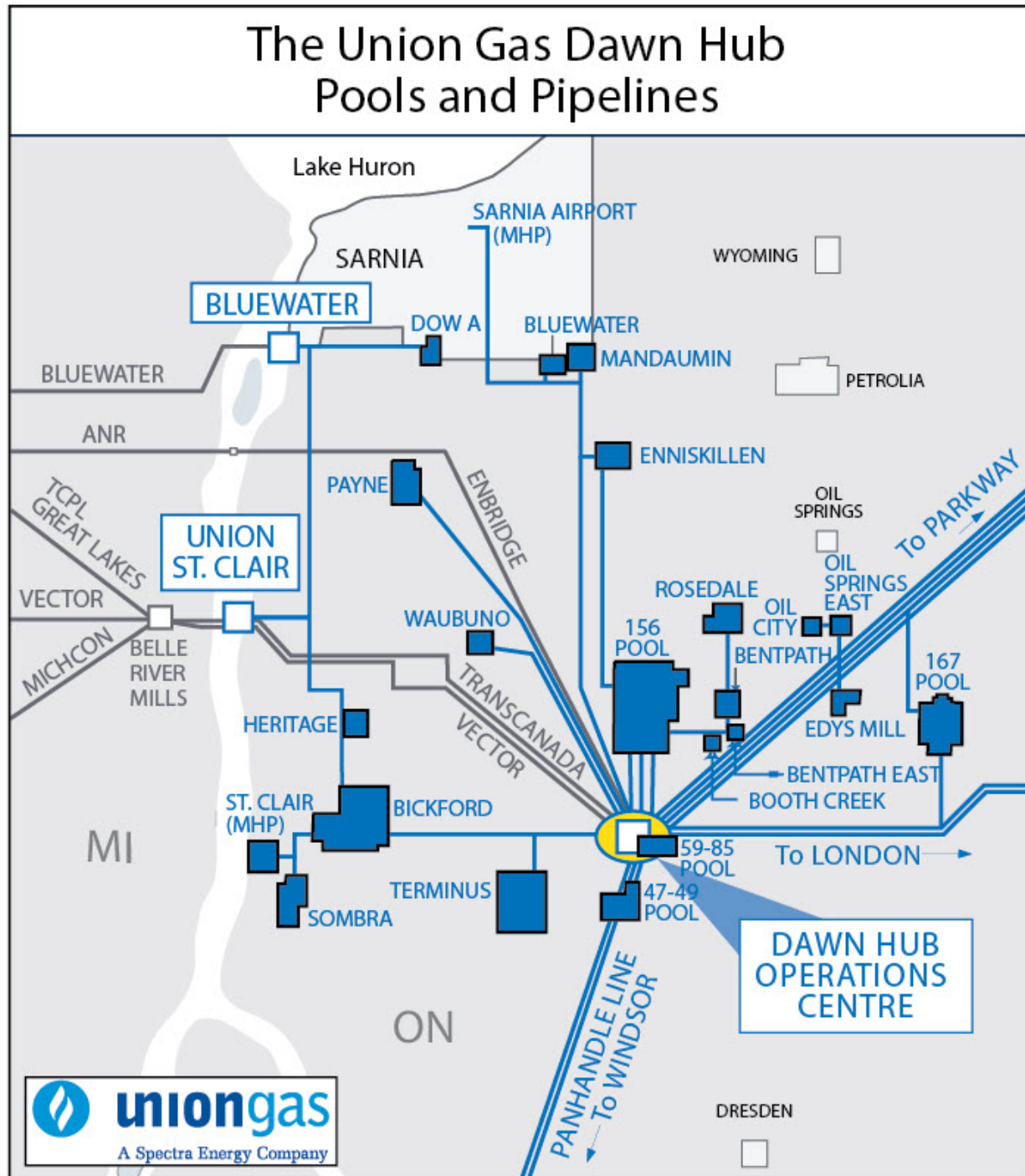
13
14 *Summary*

15 Union’s Dawn Parkway System is an integral part of the natural gas delivery system for Ontario,
16 Québec and U.S. Northeast residents, businesses and industry. The Dawn Parkway System
17 connects these consuming markets to most of North America’s major supply basins, to the
18 largest region of underground natural gas storage in North America and to the liquid Dawn Hub.
19 Union’s Dawn Hub and the Dawn to Parkway System are key sources of supply for Union’s
20 Burlington Oakville System.

⁶ EB-2005-0551 Decision November 7, 2006, pp. 7-8.

Union Gas System and Service Districts





SECURITY OF SUPPLY

The purpose of this section of evidence is to review how Union currently contracts firm transportation services from others (commercial arrangements) to meet a large portion of the design day demand for the Burlington Oakville System. It also discusses the challenges of meeting long term design day demand by relying on commercial arrangements, particularly transportation capacity secured through the secondary market. This evidence is comprised of the following sections:

1. Historical View (Pre 2015)
2. Short Term Requirements (2015)
3. Long Term Requirements (2016 and beyond)

In reviewing these topics, Union will demonstrate that there are long term reliability, security of supply and pricing risks with the Burlington Oakville System relying heavily on natural gas supply delivered through contracted commercial arrangements. The uncertainty of capacity availability to meet growing firm design day demands creates significant security of supply concerns. Incremental firm short-haul capacity, beyond that which is already contracted with TransCanada to serve the growing market need, has not been available. In addition, secondary market-based options are not sustainable since there is limited capacity held by the secondary market and the contracts Union has with these parties are not renewable. Union does not expect that this capacity will be available after October 31, 2016. Market-based commercial arrangements expose ratepayers to potentially expensive options which may or may not be available in the long term.

1 ***Historical View (Pre 2015)***

2 ***Prior to 2011***

3 Union has historically relied on deliveries via the TransCanada Mainline to meet a large portion
4 of the design day demand for Union's customers located within the Union CDA, including
5 customers attached to the Burlington Oakville System. Prior to 2011, to meet the design day
6 demand for Union's customers located within the Union CDA, Union relied on deliveries made
7 within TransCanada's Central Delivery Area (CDA), including at Parkway. Gas delivered to
8 Parkway was considered gas delivered into the Union CDA on the TransCanada Mainline.

9 Operationally, Union delivered to Kirkwall, an amount of gas equivalent to the delivery
10 requirements at Hamilton Gate #3 Station and the Kirkwall/Dominion Station. Deliveries into the
11 Union CDA exceeded the design day demand at each of Union's four gate stations within the
12 Union CDA (Burlington Gate Station, Bronte Gate Station, Hamilton Gate #3 Station and
13 Kirkwall/Dominion Station).

14
15 Prior to 2011, Union held two TransCanada Mainline transportation contracts with Union CDA
16 as the delivery point as part of its transportation portfolio. First, Union held 60 TJ/d of firm,
17 renewable Dawn to Union CDA transportation capacity to meet supply requirements for Union
18 South customers, including customers attached to the Burlington Oakville System. The capacity
19 was contracted primarily to transport Union's Trunkline and Panhandle Eastern Pipeline supply
20 to Parkway for Union South sales service customers to assist in meeting the overall Parkway
21 delivery obligations. Approximately 10 TJ/d of this capacity was used to transport storage

1 withdrawals to Union North.⁵ This firm, renewable Dawn to Union CDA transportation capacity
2 is still in Union's portfolio today for the same purpose as described above.

3
4 Second, Union held 70 TJ/d of firm, renewable Empress to Union CDA transportation capacity
5 to serve Union's sales service and bundled direct purchase customers⁶. This capacity was used to
6 transport natural gas from Empress to meet annual supply requirements in Union South, but was
7 planned to be diverted on a design day to meet Union North demand. On the days that this
8 capacity was used to serve Union North demand, Union withdrew an equivalent amount of
9 natural gas from Dawn storage allocated to Union North and transported that gas from Dawn to
10 the Union CDA to keep Union South deliveries whole. Overall there was no net impact from a
11 volumetric perspective as demands were met in Union South and Union North. This Empress to
12 Union CDA transportation capacity contracted with TransCanada is still in Union's portfolio
13 today, and continues to be used on a design day to serve Union North demand as described
14 above.

15
16 In early 2011, TransCanada indicated that Union would need to contract and pay to transport
17 volumes from Parkway to the Union CDA to meet customer consumption requirements.
18 Historically, TransCanada had not charged for this service and Union did not have to contract for
19 it since deliveries at Parkway were deemed to satisfy requirements in the Union CDA. Prior to
20 the start of the 2011/2012 winter, Union determined it would need to contract for 140 TJ/d to
21 serve the Burlington Oakville System and comply with TransCanada's contracting

⁵ The Dawn to Parkway capacity is used in conjunction with Parkway to the Union NDA capacity on TransCanada.

⁶ Union subsequently turned back 3 TJ/d of this capacity such that 67 TJ/d of Empress to Union CDA transportation capacity is held today.

requirements⁷. When determining how this requirement should be met, Union relied on its Gas Supply Planning Principles. These principles are designed to ensure customers receive secure, diverse natural gas supply at a prudently incurred cost and minimal risk. The principles are as follows⁸:

1. Ensure secure and reliable natural gas supply to Union's service territory;
2. Minimize risk by diversifying contract terms, supply basins and upstream pipelines;
3. Encourage new sources of supply as well as new infrastructure to Union's service territory;
4. Meet planned design day and seasonal gas delivery requirements; and,
5. Deliver natural gas to various receipt points on Union's system to maintain system integrity.

Interruptible Parkway to Union CDA transportation service was not considered an acceptable solution for the winter of 2011/2012 for supplying Union's customers within the Union CDA, including customers attached to the Burlington Oakville System. This type of transportation service is subject to interruption, is non-renewable and does not provide secure, reliable service on a sustained basis. Therefore, Union sought to contract for firm, renewable transportation services to supply the Union CDA.

⁷ This is in addition to Union's pipeline capacity connected to the Dawn Parkway System (NPS 8 Milton line and NPS 12 Parkway line).

⁸ The Gas Supply Planning Principles have been presented to and accepted by the Board on many occasions. Most recently these principles were presented to the Board in Union's 2013 Rate Case (EB-2011-0210), the 2012 Deferral Disposition Proceeding (EB-2013-0109), and the Parkway Projects Proceeding (EB-2012-0433/EB-2013-0074).

1 *Winter 2011/2012*

2 To meet TransCanada's requirement to contract and pay for capacity into the Union CDA, Union
3 determined that it would combine the firm contract it already held for 60 TJ/d into the Union
4 CDA (from Dawn, as described earlier) with an additional 80 TJ/d of firm transportation from
5 Parkway to the Union CDA for winter 2011/2012. As a result, Union acquired two new
6 Parkway to Union CDA firm transportation contracts from TransCanada, totaling 80 TJ/d,
7 commencing November 1, 2011. The first 16 TJ/d of this capacity was available with renewal
8 rights, while the remaining 64 TJ/d of capacity did not include renewal rights as TransCanada
9 did not have the capacity available for longer than one year. This capacity was acquired through
10 TransCanada open seasons to ensure deliveries made at Parkway could then flow to meet a
11 portion of the design day demand. Today, Union continues to hold the 16 TJ/d of firm,
12 renewable Parkway to Union CDA transportation capacity contracted with TransCanada to help
13 meet design day demand in Union South.

14
15 The transportation costs of serving the Burlington Oakville System were recovered from Union
16 South sales service customers and Union North sales service and bundled direct purchase
17 customers. This allocation of costs between Union South and Union North was based on each
18 area's usage of firm Dawn to Union CDA capacity and firm Empress to Union CDA capacity on
19 TransCanada. Direct purchase customers in Union South, including those served by the
20 Burlington Oakville System, do not pay any of these transportation costs. This method of cost
21 recovery continues to be the case today.

22

23

1 *Winter 2012/2013*

2 As of October 31, 2012, the one year non-renewable, firm transportation contract with
3 TransCanada for 64 TJ/d expired; TransCanada was not able to renew or replace it with firm
4 transportation capacity. TransCanada's annual open season held in May 2012 did not include
5 firm short haul capacity to the Union CDA from Parkway. In addition, TransCanada offered no
6 firm short haul capacity to the Union CDA in its Short-Term Firm Transportation ("STFT") open
7 season in July 2012. Union therefore replaced this capacity (64 TJ/d) with firm secondary
8 market transportation services, acquired via a Union Request for Proposal ("RFP") process. The
9 resulting secondary market contracts provided firm short haul service to the Union CDA with a
10 November 1, 2012 to March 31, 2013 term (winter only, 151 day service) but did not include
11 renewal rights.

12
13 *Winter 2013/2014*

14 For winter 2013/14, TransCanada was again not able to provide firm short haul transportation
15 capacity to the Union CDA beyond what was already contracted with Union. TransCanada's
16 annual open season held in the spring of 2013 did not offer firm short haul capacity to the Union
17 CDA. Therefore, Union again acquired firm, winter only (November 1, 2013 to March 31, 2014
18 term), non-renewable Parkway to Union CDA service through the secondary market.

19
20 *Winter 2014/2015*

21 For winter 2014/2015, as was the case noted above, TransCanada was again not able to provide
22 firm short haul transportation capacity to the Union CDA beyond what was already contracted.
23 TransCanada's annual open season held in the spring of 2014 did not offer firm short haul

1 capacity to the Union CDA. Therefore, Union again acquired firm, winter only (November 1,
2 2014 to March 31, 2015 term), non-renewable Parkway to Union CDA service through the
3 secondary market.

4
5 In January 2014, Union was successful in reaching an agreement which resulted in a permanent
6 assignment of 8 TJ/d of firm, renewable Dawn to Union CDA transportation capacity from a
7 third party, effective November 1, 2014. This permanent assignment will reduce the amount of
8 secondary market capacity Union needs to purchase for 2014/2015 and 2015/2016.

9
10 ***Short Term Requirements (2015/2016)***

11 Union will work to secure the required firm service to serve the design day demand for winter
12 2015/ 2016. Union expects to continue to contract for firm services in the secondary market to
13 meet a portion of the 2015/2016 design day. There are two critical issues with respect to
14 acquiring firm secondary market transportation services:

15
16 i) **Reliability/Security of Supply** - Union is concerned with the lack of availability of firm
17 transportation services in the secondary market. TransCanada has had no firm short haul capacity
18 available with a delivery point in the Union CDA. As of November 2014, only one other party
19 will be holding short haul firm transportation capacity with a Union CDA delivery point. Union
20 expects this party to amend its delivery point to Union Parkway Belt when TransCanada offers
21 shippers holding firm transportation service with deliveries in the Union CDA the one-time
22 election in accordance with the Settlement Agreement (as described in Exhibit A, Tab 4). For

winter 2016/2017 and beyond, this will likely eliminate Union's ability to contract for firm short haul transportation capacity to the Union CDA in the secondary market leaving the Burlington Oakville System short 65 TJ/d of supply, or approximately 30% of its design day requirements.

ii) **Cost** - The cost of the commercial arrangements required to serve the Burlington Oakville System are recovered as gas costs from Union South and Union North customers. Union has seen an increase in costs for third party transportation services since 2011. These costs have ranged from \$5.0 million in 2011/2012 to \$15.0 million in 2014/2015. Firm secondary market short haul transportation capacity has become more expensive relative to the posted TransCanada tolls due to the limited number of counterparties, limited quantities available and the opportunities available in the secondary market for holders of this capacity. Union has already contracted for the majority of the third party firm transportation services available with a Union CDA delivery point.

Long Term Requirements (2016 to 2035)

Design Day Demand Growth

As described in Exhibit A, Tab 6, Union's long term design day demand for the Burlington Oakville System is 276 TJ/d. Given that Union's existing facilities can directly feed 54 TJ/d from the Dawn Parkway System, 222 TJ/d is the long term requirement Union must deliver from sources other than the NPS 8 Milton Line and the NPS 12 Parkway Line.

FACILITIES AND GROWTH

The purpose of this section of evidence is i) to review the current operation of the Dawn Parkway System and the Burlington Oakville System and, ii) to outline the Burlington Oakville System growth and reinforcement requirements. This evidence is comprised of the following sections:

1. Dawn Parkway System Design
2. Burlington Oakville System Design
3. Current Burlington Oakville System Facilities and Operations
4. Burlington Oakville System Growth
5. Burlington Oakville System Reinforcement Timing

Dawn Parkway System Design

Union transports natural gas to delivery locations along the Dawn Parkway System to meet energy demands and pressure requirements of Union's customers. The primary functions of the Dawn Parkway System include:

- 1) Transportation of natural gas to meet in-franchise demands. Gas is delivered to:
 - i) Take off points along the pipeline system between Dawn and Parkway for customers in Union South;
 - ii) TransCanada at Parkway for redelivery to Union North;
 - iii) TransCanada at Parkway for redelivery to Union South customers in the Oakville and Burlington areas; and,

iv) TransCanada at Kirkwall for redelivery to Union South customers in the Greater Hamilton and Nanticoke areas.

2) Transportation of gas easterly for ex-franchise customers from:

i) Dawn with deliveries to TransCanada at Kirkwall and Parkway and deliveries to Enbridge at Parkway and Lisgar; and,

ii) Kirkwall with deliveries to TransCanada at Parkway and deliveries to Enbridge at Parkway and Lisgar.

3) Transportation of natural gas westerly for in-franchise and ex-franchise customers from:

i) Kirkwall with deliveries to Dawn; and,

ii) Parkway with deliveries to Dawn and to TransCanada at Kirkwall.

Union models the capacity of the Dawn Parkway System to meet in-franchise and easterly ex-franchise firm demand on the design day. The design day weather condition for Union South is 43.1 Degree Days (43.1DD), which represents an average daily temperature of minus 25.1 degrees Celsius. This degree day was derived from the coldest recorded temperature, as measured at the London International Airport. Union North is modelled based on distinct design days for different geographical areas to reflect the coldest temperatures experienced in those regions. The design day model of the Dawn Parkway System includes the following assumptions:

1) All in-franchise interruptible customers have been curtailed;

2) All ex-franchise customers require their full firm easterly contracted volumes;

3) All in-franchise customers consume volumes equivalent to design day estimates, which are derived from historical consumption and forecast growth;

- 1 4) There are no supply failures and all obligated deliveries arrive at Parkway;
- 2 5) A critical unit compressor outage has occurred at either Lobo or Bright;
- 3 6) All compression at Parkway is available and online (after the Parkway West Compressor
- 4 Station is in-service at the end of 2015, the capacity of the Parkway C compressor will be
- 5 held in reserve in the event of a critical unit outage at Parkway);
- 6 7) Required pressure and supply are available from Dawn;
- 7 8) Maximum Operating Pressure of 6,160 kPag (894 psig);
- 8 9) Minimum pressures for laterals supplying in-franchise customers are met;
- 9 10) Minimum suction pressures for Dawn Parkway System compressor units are met; and
- 10 11) Minimum contractual delivery pressures at Kirkwall of 4,480 kPag (650 psig), at
- 11 Parkway(TCPL) of 6,450 kPag (935 psig) and at Parkway(Consumers) and Lisgar of
- 12 3,450 kPag (500 psig) are met.

13

14 Specific to the Burlington Oakville System as discussed in detail in Exhibit A, Tab 4, the Dawn

15 Parkway System directly supplies the Milton Gate Station (NPS 8 Milton Line) and Parkway

16 Transmission Station (NPS 12 Parkway Line) and also, to some extent, supplies Union's Bronte

17 Gate Station and Burlington Gate Station via deliveries to TransCanada at Parkway.

18

19 ***Burlington Oakville System Design***

20 Customers in the City of Burlington and the Town of Oakville receive natural gas from a

21 network of distribution pipelines that are connected to a network of high pressure distribution

22 pipelines referred to as the Burlington Oakville System. As outlined in Exhibit A, Tab 4, the

1 Burlington Oakville System is fed by four major stations. Union's Milton Gate Station and
2 Parkway Transmission Station are fed via the Dawn Parkway System and Union's Bronte Gate
3 Station and Burlington Gate Station are fed via the TransCanada Mainline. A detailed description
4 of Union's gate stations and the pipelines connected to these gate stations is provided below.

5
6 From the Milton Gate Station, the 2760 kPag MOP NPS 8 Milton Line begins 800 meters north
7 of the intersection of Vickerman Way and Louis St. Laurent Avenue in the Town of Milton. The
8 NPS 8 Milton Line continues south, between Highway 25 and Thompson Road South/Third
9 Line, to a small distribution station located at Britannia Road West. From this station, the NPS 8
10 Milton Line continues south between Highway 25 and Fourth Line, crossing Highway 407, and
11 ends at Third Line and Liverpool Street in the Town of Oakville. The NPS 8 Milton Line
12 connects to the NPS 20 Oakville to Burlington Line at the Third Line & NPS 20 Station located
13 at Third Line and Liverpool Street.

14
15 From the Parkway Transmission Station, the 1900 kPag MOP NPS 12 Parkway Line begins near
16 the intersection of Ninth Line and Beacham Street in the Town of Milton. The NPS 12 Parkway
17 Line continues south along Ninth Line to a distribution station located at the intersection of
18 Ninth Line and Britannia Road West. From this station, the NPS 12 Parkway Line continues
19 south along Ninth Line to another distribution station located at the intersection of Ninth Line
20 and Burnhamthorpe Road. The NPS 12 Parkway Line continues south, crossing Highway 407,
21 and ultimately connects to the NPS 20 Oakville to Burlington Line at Union's Bronte Gate
22 Station located along Ninth Line, 1.1 kilometres south of Dundas Street East, in the Town of
23 Oakville.

1 As described in Exhibit A, Tab 4, one of the main pipelines in the Burlington Oakville System is
2 the 1900 kPag MOP NPS 20 Oakville to Burlington Line. The NPS 20 Oakville to Burlington
3 Line generally runs east-west from the Bronte Gate Station to the Burlington Gate Station and is
4 located south of Dundas Street and north of the Queen Elizabeth Way. The NPS 20 Oakville to
5 Burlington Line is the primary connection between the Town of Oakville and the City of
6 Burlington, and provides the infrastructure from which distribution pipelines branch off to serve
7 Union's Burlington Oakville System customers.

8
9 Also, as described in Exhibit A, Tab 4, the Bronte Gate Station is located in the Town of
10 Oakville, east of Ninth Line and south of Dundas Street East, and the Burlington Gate Station is
11 located in the City of Burlington north of the intersection of Guelph Line at Longmeadow Road.
12 These two stations feed into the NPS 20 Oakville to Burlington Line.

13
14 A schematic of the Burlington Oakville System is provided at Exhibit A, Tab 6, Schedule 1. A
15 map showing the gate stations within the Union CDA is provided at Exhibit A, Tab 4, Figure 4-
16 3.

17
18 The Burlington Oakville System is designed to meet the required demands on the Union South
19 design day, 43.1DD. The design day model of the Burlington Oakville System includes the
20 following assumptions:

- 21 1) The system is designed to meet the peak hourly flow on the day;
- 22 2) The design day demand is defined as the amount of general service demand plus firm and
23 interruptible contract demand served from the Burlington Oakville System;

- 3) The system cannot operate above its maximum operating pressure;
- 4) The system must operate above minimum delivery pressures for the customers connected to the system;
- 5) The system must operate above the minimum inlet pressure constraints for the regulating stations connected to the system; and,
- 6) The system must operate below the maximum flow capability of the regulating stations.

Operating conditions that do not meet the pressure and /or flow constraints as identified above indicate that additional facilities (reinforcement) are required to maintain reliable natural gas service to Union's customers.

Current Burlington Oakville System Facilities and Operation

The 2014/2015 design day requirement for the Burlington Oakville System is 198 TJ/d. With expected near-term growth, the 2015/2016 and 2016/2017 design day requirement to serve the Burlington Oakville System is expected to total 202 TJ/d and 205 TJ/d respectively, representing growth of 7 TJ/d over a two year period and an average annual increase of 3.5 TJ/d.

During the winter, the Burlington Oakville System is configured to flow a maximum volume of natural gas from Union's Dawn Parkway System through the Milton Gate Station and Parkway Transmission Station into the Burlington Oakville System to supply Union's customers.

1 The NPS 8 Milton Line can supply up to 24 TJ/d of natural gas to the NPS 20 Oakville to
2 Burlington Line. Deliveries to the Burlington Oakville System on a design day utilize the full
3 capacity of the NPS 8 Milton Line.

4
5 The NPS 12 Parkway Line can supply up to 30 TJ/d of natural gas to the NPS 20 Oakville to
6 Burlington Line. Deliveries to the Burlington Oakville System on a design day utilize the full
7 capacity of the NPS 12 Parkway Line. Together the NPS 8 Milton Line and NPS 12 Parkway
8 Line provide 54 TJ/d of supply to the Burlington Oakville System on a design day.

9
10 As discussed in Exhibit A, Tabs 4 and 5, the remainder of the Burlington Oakville System
11 requirement has been met through contracted deliveries via the TransCanada Mainline at the
12 Burlington Gate Station and Bronte Gate Station.

13
14 ***Burlington Oakville System Growth***

15 The Town of Oakville, the City of Burlington and the Town of Milton are adjacent to the Greater
16 Toronto Area. This area is forecast to grow significantly over the twenty year period from 2016
17 to 2035 which will require reinforcement of the Burlington Oakville System to transport natural
18 gas to the distribution pipelines which serve Union's customers.

19
20 Union's franchise area is divided into a number of districts based on operational divisions. The
21 Burlington Oakville System resides in the Hamilton/Halton District. A map illustrating the
22 pipeline system within the Halton Division, including the Burlington Oakville System, is found

1 in Exhibit A, Tab 6, Schedule 2.

2
3 In recent years, the Town of Oakville and City of Burlington have experienced growth in the
4 number of customers requesting natural gas service to their homes or businesses. This growth
5 includes new residential and commercial/industrial customers using natural gas as their primary
6 energy source, existing residential customers converting from other fuels to natural gas, and
7 commercial/industrial businesses converting to natural gas for their energy needs.

8
9 To forecast future design day demand and to identify reinforcement facilities required to support
10 forecast growth in the Burlington Oakville System, Union used growth projections supplied by
11 the Regional Municipality of Halton for the City of Burlington, the Town of Oakville and the
12 southern portion of the Town of Milton. Union's growth forecast includes 20 years of customer
13 attachments (to 2030) using the information provided by the Regional Municipality of Halton.
14 The forecast attachments from 2031 to 2035 were projected by Union using a lower rate than the
15 2016-2030 period mainly due to an expectation of decreased land availability for development
16 and continued natural gas usage efficiency. A summary of the Burlington Oakville System
17 growth forecast can be found in Exhibit A, Tab 6, Schedule 3. With respect to the southern
18 portion of the Town of Milton, growth is expected in the area south of Derry Road and east of
19 James Snow Parkway which will be served from the Burlington Oakville System. The
20 remainder of the Town of Milton growth is expected to be served from the Milton System.

21
22 Union has been delivering Demand Side Management ("DSM") programs since the 1990s.
23 Union's DSM programs include:

- 1 1. Resource acquisition programs that seek to achieve direct, measurable natural gas savings
- 2 on a customer-by-customer basis;
- 3 2. Low-income programming designed to address the specific needs of this customer
- 4 segment to achieve energy savings; and,
- 5 3. Market Transformation programs that seek to make a permanent change in the
- 6 marketplace to increase the market share for high-efficiency products or services.

7

8 DSM programs delivered to General Service and Distribution Contract rate classes across

9 Union's franchise area are primarily focused on reducing customers' annual natural gas

10 consumption requirements. The impact of Union's DSM activity for in-franchise customers is

11 embedded in the design day requirement. As outlined in its submission to the Board in EB-

12 2014-0134⁹, Union plans to study the potential for DSM to avoid or defer infrastructure

13 investment. The results of this study will be presented to the Board and stakeholders within the

14 mid-term review of Union's 2015-2020 DSM Plan. It is premature to consider the impact

15 targeted DSM could have on the design of any part of Union's system, including the Burlington

16 Oakville System, until the study is complete.

17

18 As seen in Exhibit A, Tab 6, Schedule 4, Union forecasts residential customers supplied by the

19 Burlington Oakville System to increase by approximately 50,445 attachments (26,195 Oakville,

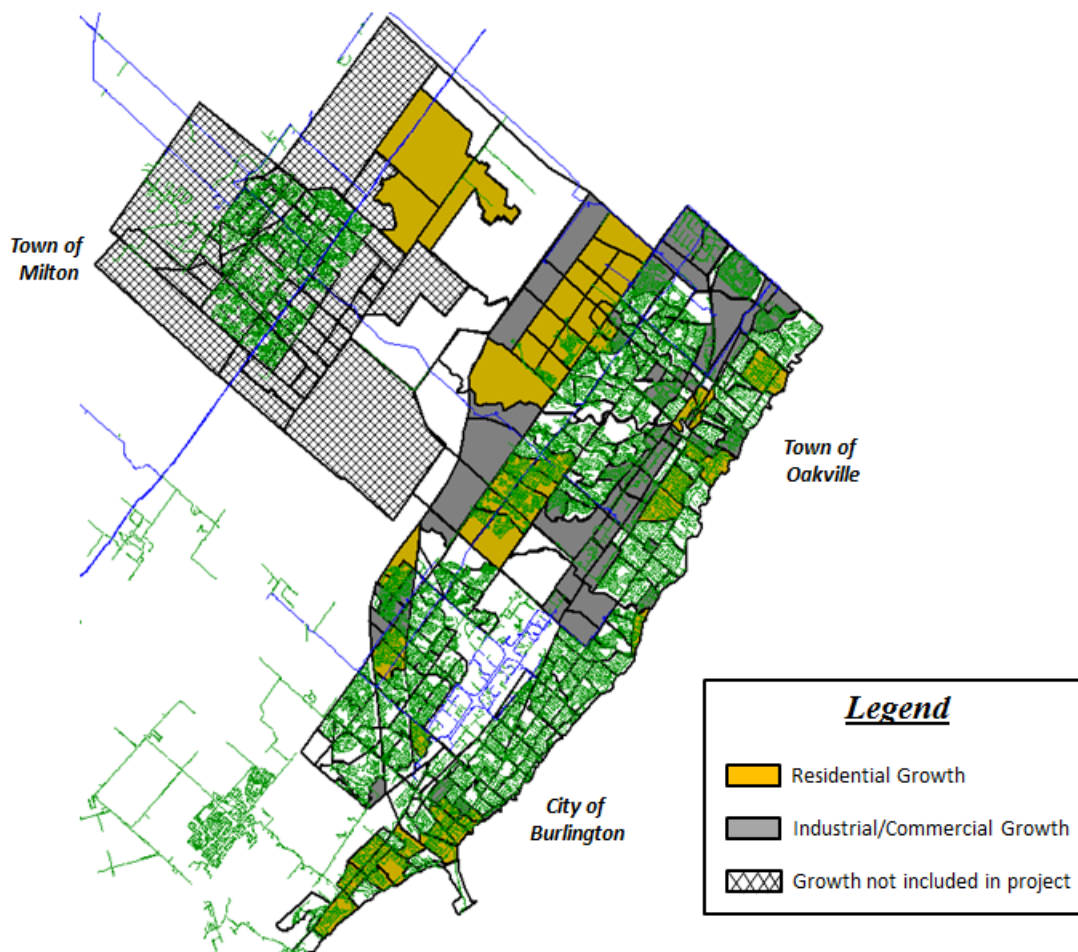
20 11,675 Burlington and 12,575 Milton) between 2016 and 2035. Over this same period,

21 commercial customers supplied by the Burlington Oakville System are forecast to increase by

⁹ EB-2014-013, Union Submission on DSM Draft Framework and Guidelines, October 15, 2014, p. 28.

1 approximately 2,320 attachments and industrial customers are forecast to increase by
2 approximately 220 attachments. Figure 6-1 highlights the forecast growth areas attached to the
3 Burlington Oakville System.

4
5 **Figure 6-1**
Forecast Growth Areas attached to the Burlington Oakville System



6 The majority of the forecast growth on the Burlington Oakville System between 2016 and 2035
7 is expected in four main geographical areas: i) north of Dundas Street East, south of Highway
8 407 and east of Neyagawa Boulevard; ii) near Third Line and Burnhamthorpe Road; iii) south of
9 Derry Road, east of James Snow Parkway; and; iv) infill for the city centres of Burlington and

Oakville.

The Burlington Oakville System growth is expected to be predominantly heat sensitive. The design day forecast demand growth for the Town of Oakville, City of Burlington and the southern portion of the Town of Milton from 2016 to 2030 will require an incremental 60 TJ/d of supply and a further 14 TJ/d of supply by 2035.¹⁰ Therefore, Union's total design day requirement for the Burlington Oakville System in 2035 is forecast to be 276 TJ/d, as shown in Table 6-1.

Table 6-1
Burlington Oakville System Design Day Growth

Timeframe	Design Day Requirement (TJ/d)
November 1, 2015	202
2016-2030 Forecast Growth	60
2031-2035 Forecast Growth	<u>14</u>
Total 2035 Design Day Requirements on the Burlington Oakville System	276

Based on this demand forecast, future natural gas supply and facility needs can be identified, economically evaluated, analysed and scheduled to meet the future growth demands on the system. The advantages of this long term planning approach can be summarized as follows:

- a) through the identification of future growth areas, Union can be more responsive to customer needs;
- b) efficient means of serving the forecast growth can be identified, including any facilities;

¹⁰ Average annual design day growth of the Burlington Oakville System is 4 TJ/d from 2016 to 2030 and 2.8 TJ/d from 2031 to 2035.

1 and,

2 c) long term security of supply to the overall system can be achieved.

3
4 The timing of new natural gas supply, including facilities, is based on Union's customer
5 attachments and load forecasts. The objective of this analysis is to identify the optimum means
6 of supplying the forecast growth served by the Burlington Oakville System, including any new
7 supply and facility requirements.

8
9 ***Burlington Oakville System Reinforcement Timing***

10 Hydraulic analysis shows that the operational requirements of the Burlington Oakville System
11 will not be met for the winter of 2016/2017 assuming forecast growth to a design day demand of
12 205 TJ/d and no changes to existing facilities or the contracted firm transportation services. To
13 avoid a market shortfall, additional capacity is required by November 1, 2016. A review of
14 Union's alternatives to meet the long term requirements of the Burlington Oakville System is
15 provided in Exhibit A, Tab 7.

ALTERNATIVES

The purpose of this section of evidence is to review and compare physical and commercial alternatives to provide reliable, secure, economic natural gas supply to meet the growing design day demand of the Burlington Oakville System. The preferred alternative is the Proposed Pipeline that extends from Union's Dawn Parkway System to the existing NPS 20 Oakville to Burlington Line. Specifically, this section will review:

1. Description of Alternatives
2. Description of Evaluation Criteria
3. Assessment of Alternatives
4. Proposed Solution

Description of Alternatives

Union has evaluated both physical and commercial alternatives. The physical alternative is a facility solution involving the construction of additional pipeline capacity and stations connected to Union's Dawn Parkway System and to Union's NPS 20 Oakville to Burlington Line.

Commercial alternatives provide incremental supply to Union's NPS 20 Oakville to Burlington Line at the Burlington Gate Station and/or Bronte Gate Station through firm transportation service contracts via the TransCanada Mainline. No further pipeline capacity is required on Union's existing NPS 20 Oakville to Burlington Line if incremental supply is provided at the Burlington Gate Station and/or Bronte Gate Station.

The following physical and commercial alternatives were identified and assessed:

Physical Alternative:

- i) New Pipeline from the Dawn Parkway System to the Burlington Oakville System.

Commercial Alternatives:

- i) Firm Short Haul Transportation
- ii) Firm Long Haul Transportation

Description of Evaluation Criteria

In evaluating each of the physical and commercial alternatives, Union examined three main criteria: i) alignment with the Gas Supply Planning Principles; ii) operational requirements; and iii) Net Present Value (“NPV”) to its customers.

- i) Gas Supply Planning Principles: The Gas Supply Planning Principles focus on providing reliable, secure and diverse supplies to Union’s customers at a prudent cost. These principles are applied when Union reviews transportation alternatives and makes decisions with respect to serving its customers. The Gas Supply Planning Principles are described in Exhibit A, Tab 5.

With respect to the Gas Supply Planning Principles, any commercial alternative must be firm with renewal notice of at least three years to be considered reliable and secure supply. This is to ensure that if a commercial service is no longer available in the future,

1 then Union has sufficient time to build facilities (physical alternative).

2
3 ii) Operational Requirements: Union's Burlington Oakville System operates to provide the
4 minimum inlet pressures required to supply the distribution systems. An acceptable
5 alternative must be able to maintain these minimum pressure parameters on a design day and
6 meet design day delivery requirements.

7
8 As described in Exhibit A, Tab 6, the design day demand of the Burlington Oakville System
9 is forecast to be 276 TJ/d in 2035. A total of 54 TJ/d will continue to be supplied from the
10 NPS 8 Milton Line and NPS 12 Parkway Line which are connected to the Dawn Parkway
11 System¹¹. As shown in Table 7-1, each alternative will be required to deliver 222 TJ/d to the
12 Burlington Oakville System on a design day in 2035.

13 **Table 7-1**
14 **2035 Design Day Requirement (TJ/d)**

Burlington Oakville System Design Day Demand	276
less: NPS 8 Milton Line Capacity	24
NPS 12 Parkway Line Capacity	30
Remaining Design Day Requirement	222

15
16 The physical alternative is required to provide 222 TJ/d of incremental capacity to the
17 Burlington Oakville System through new facilities. For commercial alternatives, Union
18 assumed that the existing renewable firm TransCanada transportation contracts from Dawn
19 and Parkway would continue to be renewed, totaling 84 TJ/d, as shown in Table 7-2.

¹¹ Since all alternatives utilize this 54 TJ/d of capacity, no associated costs have been included in the NPV calculations.

Table 7-2
Existing Renewable TransCanada Short Haul Contracts to the Union CDA

Contracted Path	(TJ/d)
Firm Parkway to Union CDA Transportation	16
Firm Dawn to Union CDA Transportation	60
Firm Dawn to Union CDA Transportation (permanent assignment from third party)	8
Total Existing Renewable Contracts	84

As a result, each commercial alternative will be required to supply an additional 138 TJ/d by 2035 (incremental capacity will be required each year to 2035 to meet design day demand), as shown in Table 7-3.

Table 7-3
Commercial Alternatives – 2035 Design Day Requirement (TJ/d)

Burlington Oakville System Design Day Demand	276
less: NPS 8 Milton Line	24
NPS 12 Parkway Line	30
Remaining Design Day Requirement	222
less: Existing Renewable TransCanada Contracts	84
Additional Design Day Requirement	138

iii) NPV Cost to Ratepayers: Union evaluated the NPV of each alternative. NPV is calculated as the cost of each alternative to Union's customers over the economic life. Because each alternative is a cost to ratepayers, the NPV of each alternative will be a negative value. For example, the Project has a capital expenditure of \$119.5 million with an NPV of (\$102.6) million. To simplify the comparisons of alternatives, Union is presenting the NPV for all alternatives as a positive figure. Therefore the lowest cost to Union's ratepayers is the option with the lowest NPV.

Assessment of Alternatives

Table 7-4 provides a summary of the 2035 design day delivery requirement for physical and commercial alternatives.

Table 7-4
Summary – Burlington Oakville System Design Day Delivery Requirements (2035)

	Physical Alternatives (TJ/d)	Commercial Alternatives (TJ/d)
NPS 8 Milton Line and NPS 12 Parkway Line Capacity	54	54
New Pipeline Capacity	222	-
Renewable TransCanada Dawn/Parkway to Union CDA Transportation	-	84
New Firm Transportation Services to Union CDA	-	138
Total Burlington Oakville System Design Day Demand	276	276

In assessing costs for each alternative, the following key assumptions were made:

- TransCanada Tolls: Union used the Settlement Tolls (Second Amendment) filed with the National Energy Board by TransCanada on December 20, 2013 to calculate the NPV for commercial alternatives. The Settlement Tolls will go into effect January 1, 2015 on an interim basis. Compliance tolls, based on the National Energy Board's RH-001-2014 Decision, will go into effect April 1, 2015 and are proposed to be fixed through December 31, 2017. Union expects the compliance tolls to be slightly higher than the Settlement Tolls for short haul transportation to the Union CDA. For the purposes of calculating NPV, Union used the Settlement Tolls with no increase or decrease over the full 40 year economic life for commercial alternatives.

1 The cost of transportation on the TransCanada Mainline does not include the
2 abandonment surcharge, which was the subject of the National Energy Board's MH-001-
3 2013 proceeding. This toll surcharge will be applied to TransCanada Mainline
4 transportation services starting January 1, 2015. The National Energy Board released its
5 Decision regarding the MH-001-2013 proceeding on May 29, 2014. TransCanada filed
6 for approval of its abandonment surcharge and resulting tariff modifications in November
7 2014. A National Energy Board decision is pending.

- 8
- 9 • Secondary Market Price: For transportation services contracted from the secondary
10 market to the newly created Union ECDA, Union assumed that the market value was
11 \$0.35/GJ/d on an annual basis. This is consistent with Union's experience purchasing
12 firm Parkway to Union CDA transportation capacity from the secondary market in 2013
13 and 2014.¹²
14
 - 15 • Dawn Parkway System Capacity: For the physical alternative, Union would turn back
16 the Dawn to Union CDA contract of 60 TJ/d on the TransCanada Mainline. Union has
17 reserved 60 TJ/d of Dawn Parkway System capacity as a replacement as part of Union's
18 2016 Dawn Parkway Open Season. For the commercial alternatives, Union would
19 continue to hold the Dawn to Union CDA contract of 60 TJ/d on the TransCanada
20 Mainline, therefore in the NPV calculations 60 TJ/d of Dawn Parkway System capacity is
21 assumed to be available to sell to third parties. The NPV of each commercial alternative

¹² This addresses pricing only. The ability to secure secondary market capacity is discussed later in Exhibit A, Tab 7.

1 has been credited with M12 Dawn Parkway revenue associated with 60 TJ/d of capacity,
2 reducing the NPV of each commercial alternative by approximately \$25.1 million. Please
3 see Exhibit A, Tab 9, Schedule 2 for more detail.

4
5 A summary of the elements of the NPV calculation for each alternative is provided at Exhibit A,
6 Tab 7, Schedule 1.

7
8 *Physical Alternative*

9 For the physical alternative, it was assumed that the incremental capacity of 222 TJ/d and
10 associated stations would be constructed for a November 1, 2016 in-service. This will provide
11 incremental capacity when the Burlington Oakville System demand exceeds the capacity to meet
12 minimum operating requirements and will provide incremental capacity to eliminate the reliance
13 on secondary market transportation services. Constructing capacity based on longer term needs is
14 much more efficient than increasing capacity between 2016 and 2035 in small increments and
15 would create much less environmental disturbance.

16
17 The physical alternative considered to provide natural gas supply to the Burlington Oakville
18 System is:

19 i) New Pipeline from the Dawn Parkway System to the Burlington Oakville System

20 Union retained Stantec Consulting Limited (“Stantec”) to prepare a Route Selection and
21 Environmental Impact Assessment Report (“ER”), consistent with the Board’s
22 Environmental Guidelines to determine the preferred route for a pipeline to connect the
23 Dawn Parkway System to the NPS 20 Oakville to Burlington Line. Additional information

1 about the ER and a copy of the document can be found in Exhibit A, Tab 11 and attached at
2 Exhibit A, Tab 11, Schedule 1, respectively. The Revised ER reviewed four routing
3 alternatives and determined that the environmentally preferred route for the Project begins at
4 Union's Board-approved Parkway West Compressor Station, follows an existing utility
5 corridor to Highway 407 where it then travels in road allowance and parallels existing
6 infrastructure to the NPS 20 Oakville to Burlington Line at Union's existing Bronte Gate
7 Station. Hydraulic analysis shows that an NPS 20 pipeline supports all of the forecast design
8 day demand growth for the distribution customers supplied through the Burlington Oakville
9 System. Extrapolating the 2016 to 2035 growth rates, this alternative provides capacity to
10 serve over 40 years of design day demand growth attached to the Burlington Oakville
11 System. The total capital cost of implementing this alternative is estimated to be \$119.5
12 million. The NPV to Union's ratepayers is \$102.6 million.

13
14 Installing an NPS 16 pipeline along the same corridor was also reviewed. Hydraulic
15 analysis identified that an NPS 16 pipeline did not provide enough capacity to meet the long-
16 term growth needs of the Burlington Oakville System. Much of the capacity of an NPS 16
17 pipeline would be utilized in 2016/2017 to address existing security of supply issues, leaving
18 little capacity to serve growth. At the forecast growth rate, this capacity would be exhausted
19 in approximately three to four years. As a result, Union would have to loop the NPS 16 or
20 build another pipeline to the NPS 20 Oakville to Burlington Line to accommodate the
21 remainder of the forecasted growth. An NPS 20 pipeline (the preferred alternative) is the
22 least cost pipeline system on a per unit capacity basis. It will also create significantly less

1 environmental disturbance.

2
3 *Commercial Alternatives*

4 Two types of commercial alternatives were considered to provide the required natural gas supply
5 to the Burlington Oakville System:

6 i) Short Haul Firm Transportation Capacity; and

7 ii) Long Haul Firm Transportation Capacity;

8
9 Commercial alternatives require Union to contract for incremental transportation services on the
10 TransCanada Mainline, either through TransCanada or the secondary market. While incremental
11 firm, short haul transportation capacity has not been available directly from TransCanada and
12 secondary market capacity is not likely to be available after October 31, 2016, Union evaluated a
13 wide range of commercial alternatives to examine relative economic value.

14
15 To satisfy the evaluation criteria, only firm, renewable transportation or firm, long term
16 exchange services were considered.

17
18 Short Term Firm Transportation (“STFT”) services were not considered. These TransCanada
19 services are non-renewable, acquired through bid process and are not available for periods longer
20 than one year, making the availability of STFT unpredictable. In addition, STFT is market-
21 priced with floor pricing set at TransCanada’s discretion and without an upper limit. Reliance on
22 STFT to meet long term requirements does not satisfy Union’s Gas Supply Planning Principles.

As shown in Table 7-3, all commercial alternatives are required to provide an additional 138 TJ/d of supply to the Burlington Oakville System on a design day by 2035. Union assumed some incremental capacity would be contracted in 2016 and additional capacity would be acquired annually during the 20 year growth period at the same rate as design day demand grows. Please see Exhibit A, Tab 6, Schedule 3 for the amount assumed to be contracted each year. As such, Union did not assume that all incremental transportation capacity to meet the design day demand in 2035 would be purchased in 2016.

i) Short Haul Firm Transportation

Five short haul firm transportation options were evaluated to provide 138 TJ/d of natural gas supply to the Burlington Oakville System by 2035:

- 1) Parkway to Union ECDA from TransCanada
- 2) Kirkwall to Union ECDA from TransCanada
- 3) Dawn to Union ECDA from TransCanada
- 4) Dawn/Parkway to Union ECDA from the secondary market
- 5) Firm Exchange Service

Union's analysis of four of the short haul firm transportation options is summarized in Table 7-5. This detail is also shown at Exhibit A, Tab 9, Schedule 2. All of these options assume that natural gas is sourced at Dawn. The most economic of these options is to contract firm short haul transportation capacity from Parkway to the Union ECDA.

Table 7-5
Economic Comparison of Short Haul Firm Transportation Options
(Millions)

	Short Haul Firm Transportation Options	NPV
1)	Parkway to Union ECDA from TransCanada	\$151.3
2)	Kirkwall to Union ECDA from TransCanada	\$165.9
3)	Dawn to Union ECDA from TransCanada	\$238.3
4)	Dawn/Parkway to Union ECDA from Secondary Market	\$255.7

A firm, long term transportation exchange service with a third party would require:

- Union to provide natural gas at the delivery point (Parkway) to a third party; and,
- A third party to use a TransCanada diversion or other interruptible services and provide natural gas to Union in the Union ECDA.

Diversions on the TransCanada Mainline are not considered firm and are at a lower priority than firm service. For an exchange to be backstopped by firm assets, a third party would need to have the Union ECDA as its primary delivery point, which will not be likely post-November 1, 2016.

Any market-based service such as a firm, long term exchange service, would be priced based on the alternatives available in the market, and influenced by the number of market participants able to offer the firm, long term exchange service and the quantities available. As stated previously, there is only one remaining third party that holds capacity to the Union CDA and Union has already contracted for the majority of the available firm transportation

1 service. Union expects any market pricing for a firm transportation exchange service would
2 be, at a minimum, equal to the cost of firm TransCanada Parkway to Union ECDA
3 transportation capacity. If this capacity is not available then the market pricing may be based
4 on a higher cost firm transportation service from Dawn or Empress to the Union ECDA.

5 Meeting the Burlington Oakville System demand through firm transportation exchange
6 services results in an alternative more costly to ratepayers than building new facilities.

7
8 The Settlement Agreement included a TransCanada transportation service for Enbridge for
9 200 TJ/d from Niagara to a new point, called Parkway Enbridge CDA. TransCanada will be
10 completing work on the Domestic Line in order to provide this service to Enbridge. Union
11 has discussed a firm, long term transportation exchange service with Enbridge that would
12 provide Union natural gas in the Union ECDA and would provide Enbridge natural gas at
13 Parkway. There are significant issues with this arrangement.

14
15 First, the Enbridge delivery point is not Union ECDA which will require Enbridge to divert
16 gas to the Union ECDA to facilitate the exchange. Second, and most importantly, on each
17 day, Enbridge would be required to provide the firm transportation exchange when called
18 upon by Union and require Enbridge's short term gas supply plans to match Union's
19 requirements. Finally, on a long term basis, Enbridge would lose flexibility in its gas supply
20 plan in order to be able to facilitate the exchange service when requested by Union.

21
22 There are a number of challenges associated with short haul firm transportation capacity:

- 1 • Meeting the Burlington Oakville System demand through firm short haul transportation
2 services results in an alternative more costly to rate payers than building new facilities.
3 Depending on the availability of transportation services on each path, the NPV range is a
4 minimum of \$40 million to \$150 million in excess of the physical alternative.
- 5 • The most expensive firm short haul transportation option is to purchase capacity in the
6 secondary market. The required amount of firm transportation capacity will not be
7 available in the secondary market to meet current and future requirements for the
8 Burlington Oakville System as discussed in Exhibit A, Tab 4. Secondary market capacity
9 that is non-renewable presents significant risk to providing secure supply to the
10 Burlington Oakville System. Acquiring firm transportation in the secondary market is not
11 a viable long term option.
- 12 • TransCanada has not offered transportation capacity to the Union CDA in its annual open
13 seasons. For the purpose of evaluating the alternatives, Union has assumed that short haul
14 capacity to the Union ECDA is available at posted TransCanada tolls.

15
16 ii) Long Haul Firm Transportation

17 Firm long haul transportation from Empress to the Union ECDA was evaluated to provide
18 138 TJ/d of natural gas supply to the Burlington Oakville System by 2035.

19
20 Firm long haul transportation is the most expensive alternative, with an NPV of \$527.8
21 million, or over \$425 million in excess of Union's physical alternative. The cost of the
22 transportation capacity is somewhat offset by the differential in commodity costs between

1 Empress and Dawn in the NPV calculation. The NPV analysis assumes 100% transportation
2 contract utilization and a long term basis differential between Empress and Dawn of
3 \$0.70/GJ/d. This long term basis differential is based on analysis Union filed September 30,
4 2014 in the Dawn Parkway 2016 System Expansion Project (EB-2014-0261). Meeting the
5 Burlington Oakville System demand through long haul firm transportation services results in
6 an alternative more costly to ratepayers than building new facilities and is not consistent with
7 the eastern LDC shift from long haul transportation to short haul transportation.
8

9 ***Proposed Solution***

10 To provide reliable, secure, economic supply to meet the growing design day demand of the
11 Burlington Oakville System, Union is proposing to construct approximately 12 kilometres of
12 NPS 20 pipeline from Union's Dawn Parkway System to the existing NPS 20 Oakville to
13 Burlington Line. The Proposed Pipeline will connect to the Dawn Parkway System at a new
14 station located within the Board-approved Parkway West Compressor Station. The Proposed
15 Pipeline will connect to the existing NPS 20 Oakville to Burlington Line at Union's existing
16 Bronte Gate Station located east of Ninth Line and south of Dundas Street East in the Town of
17 Oakville.
18

19 Post-winter 2015/2016, Union plans on retaining 11 TJ/d of its firm, renewable transportation
20 capacity with a Union CDA delivery point (which will be amended to the Union ECDA in
21 accordance with the Settlement Agreement). This will continue the delivery of a small amount of
22 natural gas to the Bronte Gate Station and/or Burlington Gate Station from the TransCanada

1 Mainline. This 11 TJ/d of firm transportation capacity will be used to help meet overall demands
2 for Union South customers. In the future, Union will evaluate its gas supply portfolio and
3 determine whether to continue to hold this 11 TJ/d of firm transportation capacity on the
4 TransCanada Mainline.

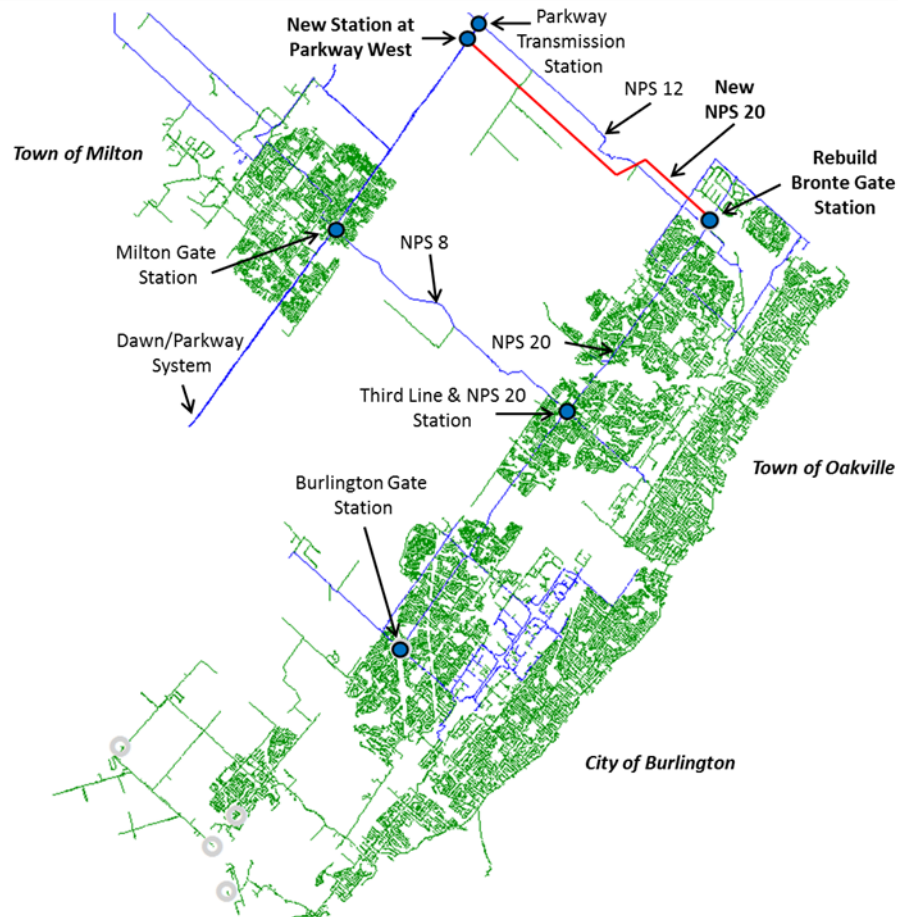
5
6 Upon completion of the Project, Union plans to turn back the remainder of its TransCanada firm
7 short haul transportation capacity to the Union CDA (new Union ECDA) and will no longer
8 require secondary market transportation services.

9
10 A map of the Proposed Pipeline is included as Figure 7-1.

11

1

**Figure 7-1
Proposed Pipeline**



2 The Proposed Pipeline was selected as the best alternative to meet the growing needs of the
3 Burlington Oakville System for a number of reasons:

- 4 1) The Proposed Pipeline provides security of supply and incremental capacity at the
5 lowest cost to Union's customers. Union's ratepayers will not be exposed to the
6 variations in secondary market pricing or TransCanada's Mainline tolls.
- 7 2) The Proposed Pipeline, when combined with the existing NPS 8 Milton Line and
8 the NPS 12 Parkway Line, provides enough capacity to transport natural gas from

1 the Dawn Parkway System to the NPS 20 Burlington to Oakville Line to meet the
2 Burlington to Oakville System design day demand for over 40 years.¹³

3 3) The Proposed Pipeline can be constructed by November 1, 2016 and eliminate the
4 security of supply issues that currently exists with acquiring secondary market
5 transportation capacity (approximately 30% of current design day supply).

6 4) The Proposed Pipeline establishes a large diameter, high capacity transmission
7 main from which Union can efficiently grow its arterial distribution system in one
8 of the fastest growing regions in Canada and offers a strategic location to meet
9 these future needs.

10 5) The Proposed Pipeline satisfies Union's Gas Supply Planning Principles. In
11 particular, Union and its customers will no longer be exposed to price and
12 availability risk associated with secondary market firm transportation services.

¹³ Union will be required to extend existing distribution piping and/or construct new distribution piping to access new customers in the Town of Oakville, City of Burlington and the southern portion of the Town of Milton.

AVOIDED GAS TRANSPORTATION COSTS

As described in Exhibit A, Tab 7, Union evaluated physical and commercial alternatives to meet the growing design day requirements for Union's distribution customers served by the Burlington Oakville System. To provide reliable, secure, and economic supply to this area, Union proposes the Project as described in Exhibit A, Tab 7. In addition to addressing long-term risks regarding security of supply, these facilities are the most economic option. The annual cost of the Project is approximately \$8.5 million in 2018, compared to commercial alternatives that cost between \$11.4 million and \$37.3 million. The least cost commercial alternative represents the most conservative option for the purposes of economic evaluation. This assumes that firm TransCanada short haul capacity from Parkway to the Union ECDA is available, which is not the case today.

Currently, Union contracts with TransCanada as well as the secondary market for transportation services to the Union CDA to help serve its customers connected to the Burlington Oakville System. Once the Project is in-service, Union will evaluate its gas supply portfolio and determine whether to continue to hold any firm renewable transportation capacity. Accordingly, there will be avoided gas transportation costs of between \$11.4 million and \$37.3 million per year, that otherwise would be incurred if the Project was not built. These savings will more than offset the increase in revenue requirement resulting from the Project.

The purpose of this section of evidence is to describe the avoided gas transportation costs that will accrue as a result of the Project, and how these savings will impact customers in both Union North and Union South. Specifically, this evidence is organized as follows:

1. Avoided Gas Transportation Costs
2. Customer Impacts

1. Avoided Gas Transportation Costs

In the absence of the Project, one of the commercial alternatives outlined at Exhibit A, Tab 7 would be required to meet the existing and growing design day demands of the Burlington Oakville System. Assuming TransCanada Settlement tolls, the annual cost of these alternatives for 2018/2019 range from approximately \$11.4 million to \$37.3 million depending upon available capacity, which, when compared to the Proposed Pipeline, results in annual savings of between \$2.9 million and \$28.8 million. These represent the annual gas transportation costs that would be avoided once the proposed facilities are approved, constructed, and in-service.¹⁴ Compared to the cost of providing supply to the Burlington Oakville System today, the Proposed Pipeline will result in annual cost savings of \$6.5 million.

The minimum avoided gas transportation cost of \$11.4 million is associated with the commercial alternative which assumes 100% TransCanada firm short haul transportation to transport gas from Parkway to the Union ECDA. The estimated avoided gas transportation cost of \$37.3 million is based on the commercial alternative which uses TransCanada firm long haul

¹⁴ Without considering the TransCanada Abandonment Surcharge.

transportation from Empress to the Union ECDA. Both of these alternatives are described in more detail at Exhibit A, Tab 7.

The avoided gas transportation costs assume existing firm, renewable contracts that serve the Burlington Oakville System will be renewed, and any additional capacity required to serve the market will be purchased for all commercial alternatives. The existing firm, renewable contracts include the Dawn to Union CDA contracts for 68 TJ/d¹⁵, and the existing TransCanada Parkway to Union CDA contract for 16 TJ/d. The detailed avoided gas transportation costs for each of these components are provided in Table 8-1 below.

Table 8-1
Annual Avoided Gas Transportation Costs

Line No.	Contract Components	Least Cost Alternative (\$ millions) (a)	Highest Cost Alternative (\$ millions) (b)
1	TransCanada Dawn to Union CDA (1)	6.9	6.9
2	TransCanada Parkway to Union CDA	4.5	0.8
3	TransCanada Empress to Union CDA	-	29.6
4	Total Avoided Gas Transportation Costs	11.4	37.3
Note: (1) Includes the avoided gas transportation costs associated with 60 TJ/d Dawn to Union CDA contract.			

As described at Exhibit A, Tab 7, these alternatives are not viable options for meeting the Burlington Oakville System requirement on a long-term, sustained basis.

¹⁵ Union's existing 60 TJ/d TransCanada contract, plus the additional 8 TJ/d Union has added to its portfolio effective November 2014 through a permanent assignment.

2. Customer Impacts

After November 1, 2016 and in the absence of the Project, transportation contracts to the Union ECDA would be used solely to meet Union South requirements. As a result, the benefit associated with avoided gas transportation costs resulting from the implementation of the Project will accrue to Union South sales service customers only.

Union North Transportation Contracting Changes

Effective November 1, 2016, Union will no longer use the Empress to Union ECDA transportation capacity to serve Union North on design day. Beginning November 1, 2016, Union will replace the Empress to Union CDA diverted capacity with Union Dawn to Parkway capacity, as well as TransCanada firm transportation capacity from Parkway to the Union NDA. This transportation capacity change provides diversity in the Union North portfolio, improves security of supply, and is more economical than serving this requirement from Empress. The cost of serving Union North from Dawn will be recovered from Union North sales service and bundled direct purchase customers.

Furthermore, effective November 1, 2016, Union will no longer require the 10 TJ/d portion of the 60 TJ/d firm renewable TransCanada Dawn to Union CDA contract to support storage withdrawals for Union North. Union will replace this capacity with Dawn to Parkway capacity as part of the 2016 Dawn Parkway System expansion project (EB-2014-0261).

1 As a result of these changes, Union North will no longer be reliant upon commercial alternatives
2 that would otherwise be contracted in the absence of the proposed facilities. The above
3 transportation contract changes and the impact on Union North customers have been fully
4 described in EB-2014-0261.

5
6 Please see Exhibit A, Tab 9 for a description of the rate impacts associated with Union's
7 proposed facilities as well as the impacts resulting from the avoided gas transportation costs
8 described above.

1 **PROJECT COSTS, ECONOMICS AND RATE IMPACTS**
2

3 The purpose of this section of evidence is to outline the costs associated with the Project and the
4 least cost economic analysis that was completed as well as demonstrate how the Project meets
5 the capital pass-through requirements and the resulting rate impacts. This section is organized
6 under the following headings:

- 7 1. Costs
8 2. Economic Analysis
9 3. Capital Pass-Through Mechanism
10 4. Rate Impacts
11

12 ***1. Costs***

13 The total estimated cost of the Project is \$119.5 million as shown in Exhibit A, Tab 9, Schedule
14 1. This covers all costs related to material, construction and labour, environmental protection
15 measures, land acquisitions, contingencies, and interest during construction. These costs reflect
16 urban construction methods and challenges, land values in a rapidly developing region, and high
17 demand for contractor services.
18

19 ***2. Economic Analysis***

20 The NPV figures of each alternative are presented as positive figures. As such the alternative
21 with the lowest NPV is the least cost to Union's ratepayers.

1 All alternatives were evaluated over the same time frame as the Proposed Pipeline. A least cost
2 economic evaluation was conducted to assess the NPV cost of constructing the Proposed
3 Pipeline compared to the NPV cost of purchasing commercial services. A discounted cash flow
4 (DCF) analysis was completed to determine the NPV of each alternative. The NPV is shown on
5 Exhibit A, Tab 9, Schedule 2.

6
7 The DCF analysis of the proposed facilities indicates a NPV of \$102.6 million. The incremental
8 cash flows include the cost of project specific pipeline facilities as shown on Exhibit A, Tab 9,
9 Schedule 1, and estimated operating and maintenance expenses and taxes to arrive at the NPV
10 cost for proposed facilities.

11
12 The DCF analysis of commercial services is based on the alternatives and related cost
13 assumptions shown in Exhibit A, Tab 7.

14
15 The NPV cost of each of the commercial service alternatives was reduced by \$25.1 million as
16 shown in Note 1 on Exhibit A, Tab 9, Schedule 2. This reduction recognizes the potential
17 incremental Rate M12 revenue from the sale of 2016 Dawn to Parkway capacity that is being
18 reserved to meet the needs of in-franchise customers. The net NPV cost of commercial service
19 alternatives evaluated ranges from \$151.3 million (Parkway to Union ECDA) to \$527.8 million
20 (Empress to Union ECDA).

21
22 The results of this analysis indicate that construction of the Proposed Pipeline with a NPV of
23 \$102.6 million is the least cost alternative with a minimum NPV economic benefit of \$48.7

million compared to the next best commercial alternative available with NPV cost of \$151.3 million (Parkway to Union ECDA).

Key Assumptions and Parameters

All cash flows are discounted using Union's after tax incremental weighted average cost of capital. The average cost of capital is the weighted average of the expected incremental cost of each of the components of the capital structure in the same proportions as approved in Union's EB-2011-0210 rate application.

The NPV economics of all alternatives were evaluated over a 40 year time horizon. The estimated economic benefits accruing to Union's ratepayers from the proposed facility are conservative given that Union maintains its pipeline system in a manner that the actual life is indefinite.

A summary of the key input parameters used in the NPV economic analysis and references to other assumptions can be found in Exhibit A, Tab 9, Schedule 3.

3. Capital Pass-Through Mechanism and Rate Impacts

Union is seeking approval of the recovery of the costs consequences of the Project as part of this proceeding because it meets the capital pass-through criteria as determined from Union's 2014-2018 Incentive Regulation Mechanism ("IRM") proceeding (EB-2013-0202). Given the magnitude of the Project, Union is not able to proceed with the development of the Project

1 without reasonable certainty of cost recovery.

2
3 The intent of the capital pass-through mechanism (“CPM”) in Union’s Board Approved 2014-
4 2018 IRM is to adjust rates during the IRM term to reflect the associated impacts of significant
5 capital investments made throughout the IRM term. Such investments are considered “not-
6 business-as-usual”. “Not-business-as-usual” refers to capital expenditures that are significant and
7 cannot be managed within Union’s Board-approved capital budget.

8
9 The key components of the CPM are:

- 10 • Any qualifying project must exceed two financial thresholds, related to both revenue
11 shortfall and capital cost;
- 12 • Any qualifying project will be subject to a full regulatory review, either in a Leave-
13 to-Construct proceeding or in a rates proceeding, but prior to being included in rates;
14 and
- 15 • Any qualifying project will be subject to both annual revenue requirement true-ups
16 during the IRM term and an end-of-term qualification assessment.

17
18 A total of eight criteria were established during the EB-2013-0202 proceeding, which, if met by
19 a major capital project, will result in inclusion in rates during the IRM term. The criteria were
20 subject to the IRM Settlement Agreement and approved by the Board on October 7, 2013. The
21 Project meets each of the criteria as follows:

22

Table 9-1
Capital Pass-through Mechanism Criteria

Criterion	Applicability
i) A minimum increase, or a minimum decrease, of \$5 million in net delivery revenue requirement for a single new project (the “Rate Impact Threshold”).	The net delivery revenue requirement associated with the Project ranges from \$0.1 million in 2016 to \$8.5 million in 2018, as provided at Exhibit A, Tab 9, Schedule 4, in the Cost Allocation and Rate Design section. The net delivery revenue requirement was calculated using the parameters outlined in the EB-2013-0202 Settlement Agreement.
ii) The capital cost of the project must exceed \$50 million.	The capital cost of the Project is \$119.5 million.
iii) The project is outside the base rates on which the IRM is set.	The Project was not included in 2013 base rates.
iv) The project must be needed to serve customers and/or to maintain system safety, reliability or integrity, and cannot reasonably be delayed, and is demonstrated to be the most cost effective manner of achieving the project's objective relative to the reasonably available alternatives.	Please see Exhibit A, Tabs 5 and 6 with respect to the need for the Project. Please see Exhibit A, Tab 7 regarding the alternatives considered.
v) The project will be identified to stakeholders and the Board as soon as possible, including in that year’s IRM stakeholder review session where practical.	The Project was identified during the course of the IRM negotiations, through the Settlement Agreement reached with TransCanada and during Union’s April 2013 Stakeholder meeting.
vi) The project will be subject to a full regulatory review; for any project that requires leave-to-construct approval of the Board, the full regulatory review in which the applicant must demonstrate need, safety or reliability purposes, and economic viability prior to inclusion in rates will be conducted in that proceeding.	The Project is subject to leave-to-construct approval, and there will be a full regulatory review within the present case.
vii) Union will allocate the net revenue requirement using EB-2011-0210 Board-approved cost allocation methodologies. Any party, including Union, may take any position with respect to the proposed allocation for any particular capital project during review of the project, or its rate impacts, by the Board.	Union has allocated the net revenue requirement using EB-2011-0210 Board-approved cost allocation methodologies.
viii) The project will include a deferral account request to capture any differences between the forecast annual net delivery revenue requirement and the actual net delivery revenue requirement for each year of the IRM for which the project is included in rates.	The request for a deferral account is included in Exhibit A, Tab 9.

- 1 This is not the first time these criteria have been applied. In Union’s Parkway West and
- 2 Brantford-Kirkwall/Parkway D Applications¹⁶, the Board granted pre-approval of cost recovery

¹⁶ Board File EB-2013-0074

1 of the projects in recognition of the magnitude of the expenditure that was proposed and the
2 consistency with the regulatory structure proposed in the IRM.

3
4 ***Cost Allocation and Rate Design***

5 Union is seeking an order from the Board, pursuant to Section 36 of the Act, for approval of
6 recovery from ratepayers of the cost consequences of all facilities associated with the
7 development of the Project. Rate increases associated with the Project will affect Union South
8 in-franchise ratepayers, with small rate decreases for Union North in-franchise and ex-franchise
9 ratepayers. There are also avoided gas transportation costs that will accrue to Union South sales
10 service customers as a result of the Project that will offset the delivery rate increases for these
11 customers.

12
13 ***Burlington-Oakville Pipeline Revenue Requirement and Cost Allocation Methodology***

14 The annual revenue requirement associated with the Project ranges from approximately \$0.1
15 million in 2016 to \$8.5 million in 2018. The revenue requirements represent the costs associated
16 with the Project facilities deemed to be in service in each year from 2016 to 2018. The
17 calculation of the annual revenue requirement from 2016 to 2018 and the underpinning
18 assumptions are provided at Exhibit A, Tab 9, Schedule 4.

19
20 In its 2013 Board approved cost allocation study, Union classifies transmission costs as Dawn
21 Station, Dawn-Parkway, Ojibway/St. Clair and Other Transmission. In Union's plant accounting
22 records the Proposed Pipeline will be treated as an Other Transmission asset. Accordingly, for
23 cost allocation purposes the Proposed Pipeline will also be classified as Other Transmission.

1 Other Transmission costs include the costs associated with transmission lines serving Union
2 South in-franchise customers but are not directly associated with Dawn Station or the Dawn-
3 Parkway and Ojibway/St. Clair transmission systems. Examples of other transmission lines
4 include the Owen Sound, London and the Sarnia Industrial Lines. Union's Board-approved cost
5 allocation methodology allocates Other Transmission costs to Union South in-franchise rate
6 classes in proportion to Union South in-franchise design day demands. This cost allocation
7 methodology recognizes other transmission lines are designed to meet Union South in-franchise
8 demands on design day. The current Board-approved methodology for allocating Other
9 Transmission costs was most recently approved by the Board in EB-2011-0210.

10
11 Union is proposing to allocate the costs associated with the Project to Union South in-franchise
12 rate classes in proportion to Union South in-franchise design day demands, as described above.
13 This cost allocation methodology is appropriate for the costs associated with the Proposed
14 Pipeline as it recognizes that the facilities are required to meet design day demands in the
15 Burlington, Oakville and the southern Milton areas. This cost allocation methodology is also
16 consistent with the cost allocation for other transmission lines used to meet Union South in-
17 franchise design day demands.

18
19 **4. *Rate Impacts of the Proposed Pipeline Project***

20 To calculate rate impacts, Union added the largest revenue requirement directly attributable to
21 the Project (rate base, return, interest, tax, depreciation and O&M) between 2016 and 2018 of
22 \$8.5 million to Union's 2013 Board-approved cost allocation study updated as per EB-2013-
23 0365 (Union's 2014 rates). Using the cost allocation methodology described above, the cost

1 allocation results in: (i) an increase of approximately \$9.9 million, allocated to Union South in-
2 franchise rate classes, (ii) a reduction of approximately \$0.9 million allocated to Union North in-
3 franchise rate classes and (iii) a reduction of approximately \$0.4 million, allocated to ex-
4 franchise rate classes. The cost allocation impact by rate class is provided at Exhibit A, Tab 9,
5 Schedule 5.

6
7 Adding the rate base and operating costs associated with the Project as Other Transmission costs
8 to the 2013 Board-approved cost allocation study results in the re-allocation of cost components
9 that are functionalized based on rate base and O&M. As a result of the additional transmission
10 rate base and operating costs associated with the Project, \$2.4 million in indirect costs (general
11 plant, administrative and general expenses, and general operations and engineering costs) are re-
12 allocated from distribution, storage and other transmission-related functional classifications to
13 the Other Transmission functional classification. Applying the Board-approved cost allocation
14 methodology (\$0.8) million of Proposed Pipeline property and income taxes are also allocated to
15 distribution, storage and other transmission-related functional classifications. The total
16 allocation of the (\$3.2) million allocated to other functional classifications is provided at Exhibit
17 A, Tab 9, Schedule 5, column (h).

18
19 Of the total annual Project costs of \$8.5 million, \$11.7 million is functionalized to Other
20 Transmission Demand (including \$2.4 million of indirect costs) and allocated to Union South in-
21 franchise rate classes based on the Union South in-franchise design day demands. The cost
22 allocation impact by rate class to the Other Transmission functional classification is provided at
23 Exhibit A, Tab 9, Schedule 5, column (d).

1
2 In comparison to 2014 Board-approved rates per EB-2013-0365, the delivery bill impact for the
3 average Rate M1 residential customer in Union South consuming 2,200 m³ per year is an
4 increase of approximately \$2.43 per year. For the average Rate 01 residential customer in Union
5 North consuming 2,200 m³ per year, the bill impact is a decrease of approximately \$2.27 per
6 year. Rate M1 and Rate 01 delivery bill impacts are provided at Exhibit A, Tab 9, Schedule 6.

7
8 For ex-franchise customers taking M12 Dawn-Parkway transportation service, the Project costs
9 are expected to decrease the M12 rate by approximately \$0.001/GJ/d; from \$0.080/GJ/d to
10 \$0.079/GJ/d. Rate M12 demand charge impacts are provided at Exhibit A, Tab 9, Schedule 7.

11
12 As described in Exhibit A, Tab 8, Union is projecting avoided gas transportation costs for Union
13 South sales service customers as a result of the Project. In 2018, Union anticipates the avoided
14 gas transportation costs for Union South sales service customers will be a minimum of \$11.4
15 million.

16
17 Overall, based on the annual revenue requirement associated with the Project of \$8.5 million in
18 2018 and the avoided gas transportation costs of at least \$11.4 million, the Project results in net
19 savings to ratepayers of approximately \$2.9 million.

20
21 To calculate final rate impacts Union included the largest annual revenue requirement for the
22 Project of \$8.5 million and the minimum anticipated avoided gas transportation costs of \$11.4
23 million.

For the average Rate M1 sales service residential customer in Union South consuming 2,200 m³ per year, the bill impact is a decrease of approximately \$6.82 per year. For the average Rate M1 direct purchase customer the bill impact is an increase of approximately \$2.43 per year.

For the average Rate 01 residential customer (sales service or direct purchase) in Union North consuming 2,200 m³ per year, the bill impact is a decrease of approximately \$2.27 per year.

The bill impacts for the average Rate M1 residential customer and Rate 01 residential customer are provided at Exhibit A, Tab 9, Schedule 8.

Rate Implementation

Effective January 1, 2016, Union proposes to build the annual costs associated with the Project into Union South delivery rates, Union North delivery, gas supply transportation and storage rates, and ex-franchise transportation rates based on the cost estimates included in this Application.

Union also proposes to adjust in-franchise and ex-franchise rates on an annual basis from 2017 to 2018 to recover the estimated annual costs associated with the Project. Please see Exhibit A, Tab 9, Schedule 9 for the proposed annual rate adjustments.

Finally, Union proposes to track any variance between what is approved in rates for the Project and the actual revenue requirement of the Project in a new deferral account. Union will dispose of any balance in the deferral account as part of Union's annual non-commodity deferral account

- 1 disposition proceeding. The proposed draft accounting order is provided at Exhibit A, Tab 9,
- 2 Schedule 10.

1 **ENGINEERING AND CONSTRUCTION**

2

3 ***Proposed Facilities***

4 Union proposes to construct the Proposed Pipeline which will run from Union's Parkway West
5 Compressor Station at 6603 Eighth Line, Milton, to Union's existing Bronte Gate Station located
6 east of Ninth Line and south of Dundas Street East in the Town of Oakville.

7

8 The Proposed Pipeline location, easements and temporary work areas are shown on strip maps
9 found in Exhibit A, Tab 12, Schedule 1. The location and land rights are subject to the successful
10 conclusion of discussions with affected stakeholders such as landowners, Infrastructure Ontario,
11 Ministry of Transportation, Hydro One, the Region of Halton, the Town of Oakville, the Town
12 of Milton and the City of Mississauga.

13

14 ***Project Schedule***

15 Exhibit A, Tab 10, Schedule 1 provides the overall Project and construction schedule.

16 It is anticipated that construction of the Project will begin in the spring of 2016 and be completed
17 by November 1, 2016. The proposed construction schedule takes advantage of the drier summer
18 months thereby minimizing the impact of construction on agricultural lands and other features
19 such as watercourses.

20

21 ***Design***

22 All design, installation and testing of the Project is in accordance with the requirements of
23 Ontario Regulation 210/01, Oil and Gas Pipeline Systems under the Technical Standards and

1 Safety Act 2000. This regulation governs the installation of pipelines in the Province of
2 Ontario. The design meets or exceeds the requirements of Canadian Standards Association
3 (“CSA”) Z662-11 Standard in accordance with the Code Adoption document under the Ontario
4 Regulations.

5
6 The pipe design depends on which Class Location it is located within. To determine Class
7 Location, CSA Z662-11 uses a classification system that takes into account land use and
8 population density. The classifications are as follows:

- 9 1) Class 1 areas consist of 10 or fewer dwellings;
- 10 2) Class 2 areas consist of 11 to 45 dwellings, or a building occupied by 20 or more
11 persons during normal use such as playgrounds, recreational areas, or other places
12 of public assembly as well as industrial installations;
- 13 3) Class 3 areas consist of 46 or more dwelling; and,
- 14 4) Class 4 contains a prevalence of buildings intended for human occupancy with 4
15 or more stories above ground.

16
17 The Class Location boundaries are determined by a sliding boundary 1.6 kilometers long by 400
18 metres wide centered over the pipeline. This method covers existing development. This is
19 supplemented with information for future development through discussions with landowners,
20 and municipalities. The Proposed Pipeline will be designed to accommodate a higher Class
21 Location to be compatible with future development. For the Proposed Pipeline a mix of Class 1
22 to Class 2 Locations currently exists. There is a strong potential that future development will

create Class 3 Location and a lesser potential that future development will create a Class 4

Location along the pipeline route.

In all locations a design factor of 0.8, as required by CSA Z662-11, was used for the design of the pipeline system. In addition, a second design factor is applied. A location factor of 0.5 was used for all Class locations. The pipeline design is therefore immediately suitable for Class 3 development and would be suitable for Class 4 development with the installation of an intermediate mainline valve.

The Proposed Pipeline design parameters will be in accordance with Table 10-1.

Table 10-1
Proposed Pipeline Design Parameters

	All Class Locations
Design Factor	0.8
Location Factor	0.5
Maximum Operating Pressure	6160 kPag
Test Medium	Water
Test Duration	24 Hours
Minimum Test Pressure	8624 kPag
Valve and Flange Ratings	PN 100
Minimum Depth of Cover	1.0 m

Specifications

Minimum pipe specifications are outlined in Table 10-2. The Project will use NPS 20 pipe which has an outside diameter of 508 mm. The pipe has a location factor of 0.5 and has 9.5 mm wall thickness and specified minimum yield strength ("SMYS") of 414 MPa.

Table 10-2
Minimum Pipeline Specifications

	NPS20
Size	508 mm Diameter
Grade	414MPa
Wall thickness	9.5 mm
Category	II
Coating	Fusion Bond Epoxy

The NPS 20 pipe will be manufactured using an electronic fusion weld (“ERW”) process. As per code, the pipe will be manufactured to the American Petroleum Institute (“API”) 5L Line Pipe standard or CSA Z245.1 Steel Pipe standard. The pipe is designed to provide the required maximum operating pressure (“MOP”) of 6160 kPag using the location factor.

The rating of all valves, flanges and fittings will be PN 100, suitable for Class 4 Locations.

Based on the pipe specifications provided above, the hoop stress as expressed as a percentage of SMYS of the piping will be as listed in Table 10-3. At 39.5% SMYS, the pipe is suitable for Class 4 Locations.

Table 10-3
Hoop Stress

Design Factor	Location Factor	Wall Thickness (mm)	Pipe Grade (MPa)	% SMYS
0.8	0.5	9.5	414	39.8

Since the Proposed Pipeline will operate at less than 40% SMYS, Technical Standards and Safety Authority (“TSSA”) Guidelines for Locating New Oil and Gas Pipeline Facilities (PI-

98/01) and TSSA Guidelines for Development in the Vicinity of Oil and Gas Pipeline Facilities (PI-98/02), are not applicable. No setbacks to above or below ground structures, beyond the requirements of CSA Z662-11, are required. CSA Z662-11 requires a minimum 300 mm setback from underground structures.

The pipeline design and operation will meet the requirements of the latest Oil and Gas Pipeline Systems Code Adoption Amendment (FS-196-12) Section 2(5) concerning High Consequence Areas. The pipeline will have 1.0 metre minimum cover (greater cover in agricultural areas, road, rail and watercourse crossings) and remotely operated control valves at the start and end of the pipeline to address any design considerations related to high consequence areas.

The pipeline will be included within Union's Pipeline Asset Integrity Management Program and Union's Emergency Response Plan to ensure that the ongoing operation of the pipeline takes into account the high consequence area requirements and addresses any threats to the pipeline. Part of this process will be regular in-line inspections of the pipeline, including a baseline assessment within the first year of operation.

Minimum depth of cover required will be 1.0 metre from top of pipe to final grade. Additional cover will be used to accommodate planned or existing underground facilities and roads, railway and watercourse crossings, where required. In agricultural areas the minimum depth of cover will be 1.2 metres, except where bedrock is encountered at a depth less than 1.2 metres, in which case the pipe will be installed with the same cover as the bedrock, but not less than 1.0 metre below grade.

Construction

Exhibit A, Tab 10, Schedule 2 describes the general techniques and methods of construction that Union will employ for the construction of the Proposed Pipeline facilities. It includes such activities as clearing, grading, stringing of pipe, trenching, welding, backfill, tile repair and clean-up.

A geotechnical investigation will be conducted along the length of the pipeline. The investigation will reveal subsurface conditions which will allow a technical evaluation of the suitability of proposal installation techniques, including Horizontal Directional Drill.

Wherever traffic is impacted, traffic control plans will be developed for review and approval by the owning road authority prior to construction.

Bedrock may be encountered on this Project. Any bedrock that is found will be removed by mechanical methods such as excavators using a rock bucket or hoe-ram.

The Proposed Pipeline will be tested hydrostatically with water for a period of 24 hours to prove its integrity. Testing will follow the requirements of CSA Z662-11 Oil and Gas Pipeline Systems, Section 8. A fabrication test that is fully exposed or above ground will require a minimum one-hour pressure test. Locations for hydrostatic testing water sources have not yet been determined and will be developed in conjunction with the Pipeline Contractor. Union will

1 work with the Pipeline Contractor to locate a water source that is the most economical and
2 creates the least environmental impact.

3
4 After the test water is removed, the line will be dried. An electronic sizing tool will be run to
5 check for dents or ovality. Within the first year of operation, a Magnetic Flux Leakage (“MFL”)
6 tool will be run to check for pipe wall defects. Cathodic protection (“CP”) will be applied to the
7 completed pipeline and a baseline corrosion survey will be completed to ensure the effectiveness
8 of the CP system and check for coating damage.

9
10 Union foresees no issues obtaining material for the Project within the proposed timelines and
11 Union has already acquired the services of a Pipeline Contractor to complete the proposed
12 construction.

13
14 Union will construct the Proposed Pipeline in compliance with its current construction
15 procedures, environmental mitigation identified in the ER, permit conditions and commitments
16 to Regulators and Landowners. Union continuously updates and refines its construction
17 procedures to minimize potential impacts to lands and has since seen many improvements as a
18 result of better construction practices. Union will continue to work with each municipality and
19 comply with the intent of the various by-laws and permits to the extent possible. Prior to
20 commencing construction, Union’s Landowner Relations Agent (“LRA”) will contact each
21 Landowner along the route to obtain site specific construction requirements. This information is
22 included in the construction contract so that the Pipeline Contractor is contractually obligated to

1 fulfill all commitments made to the Landowner. The visit also provides an informal opportunity
2 to answer questions and discuss construction plans.
3

4 Very few, if any, systematic drainage systems will be encountered during construction. Pre-
5 construction tiling will be completed if necessary and if timing and soil conditions permit. This
6 is done to minimize disruption to field drainage systems and farm operations that may result
7 from pipeline construction. Pre-construction tiling can only be undertaken when the existing tile
8 system design, available outlet drains, topography, and soils allow for the installation of header
9 tile adjacent to the pipeline construction area. Union retains a qualified drainage consultant to
10 determine whether a property that contains a field drainage system could benefit from pre-
11 construction tiling. Union's drainage consultant will be contacting the Landowners to discuss
12 their tile needs. Landowner approval is required for tiling work conducted outside of the
13 easement. The drainage consultant will prepare a tiling plan and provide a copy of the plan to
14 both Union and the Landowner.
15

16 Union's Reforestation Program consists of replanting twice the woodlot area cleared for
17 construction. Coniferous and deciduous seedlings native to Ontario are planted on the
18 Landowner's property if requested, and maintained up to a period of five years or until the trees
19 reach a free-to-grow status defined by a height of one metre and free of adjacent brush
20 competition. Replanting must be done in accordance with Union's policies regarding tree
21 planting so that the easement is left open for access to the pipeline and aerial patrol.
22

- 1 All necessary permits, approvals and authorizations will be obtained. Union expects to receive
- 2 all approvals prior to construction. Union will provide inspection staff to ensure that contractual
- 3 obligations between Union and the Pipeline Contractor, Provincial ministries, Municipal
- 4 Government and Landowners are complied with.

ENVIRONMENTAL MATTERS

Planning Process for the Environmental Report

The original Route Selection and Environmental Impact Assessment Report (“ER”) was initiated in January 2013 and followed the process outlined in the Ontario Energy Board’s (“OEB”) Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario, 6th Edition (OEB Environmental Guidelines) (2011). Two information Sessions were held during the preparation of the original ER. The original ER was completed in April 2014.

Following completion of the ER, a copy was circulated to the Region of Halton, Town of Milton, Town of Oakville, Conservation Halton, landowners, First Nations, the Métis Nation of Ontario, other interested parties and members of the Ontario Pipeline Coordinating Committee (“OPCC”) for their review and comment.

Some of the feedback received as part of that review identified potential issues and concerns with the portion of the route that used Trafalgar Road. Copies of all comments received as part of the initial OPCC review can be found in the revised ER.

- A letter was received on May 7, 2014 from Ms. Julie Abouchar, Partner at Willms & Shier, on behalf of North Oakville Community Builders Inc. The letter outlined questions and concerns regarding the planning and design of the proposed pipeline.

- 1 • A letter was received on June 16, 2014 from Glenn Pitura of Arutip Engineering Inc. The
2 letter requested that the Trafalgar Road alignment not be selected as the preferred route,
3 and confirmation that the use of Trafalgar Road will not constrain adjacent development.
- 4 • A letter was received on June 16, 2014 from Ron Glenn, Director of Planning Services
5 and Chief Planning Official with the Region of Halton. The letter outlined many
6 concerns with the preferred route along Trafalgar Road.
- 7 • A letter was received on June 24, 2014 from Ray Green, Chief Administrative Officer
8 with the City of Oakville. The letter outlined concerns with the ER that, in their opinion,
9 if rectified would have found the preferred route unsuitable.

10
11 Based on the feedback received during the OPCC review, the preferred route along Trafalgar
12 Road was further assessed by Stantec and Union Gas. It was then determined that the study area
13 could be expanded and additional routes could be considered.

14
15 After reviewing the existing routes, along with the new routes developed in the expanded study
16 area, it was determined that a pipeline route with an end-point at the existing Bronte Gate Station
17 was environmentally preferred over an endpoint on Trafalgar Road due to such factors as
18 reduced pipeline length and reduced disturbance to existing development. Based on the OPCC
19 review feedback, it was also believed that a route which used the existing Bronte Gate Station
20 would receive greater support from land developers, the Region of Halton and the Town of
21 Oakville.

1 A third Information Session that identified the revised preliminary preferred route was held on
2 November 13, 2014 at Joshua's Creek Arenas in Oakville. At the Information Session verbal
3 support for the revised preliminary preferred route was provided by municipal staff and land
4 developers. Following the third Information Session a letter was received on November 27,
5 2014 from Ms. Julie Abouchar, Partner at Willms & Shier, on behalf of North Oakville
6 Community Builders Inc. The letter outlined support for the revised preliminary preferred route.
7 Based on the feedback received, the revised preliminary preferred route has been confirmed as
8 the revised preferred route.

9
10 A revised ER was prepared in December of 2014 which can be found in Exhibit A, Tab 11,
11 Schedule 1. The revised ER was circulated to the Region of Halton, Town of Milton, Town of
12 Oakville, City of Mississauga, Conservation Halton, landowners, First Nations, Métis Nation of
13 Ontario, other interested parties and members of the OPCC for their review and comment in
14 December 2014. Comments received as part of this review will be filed at Exhibit A, Tab 11,
15 Schedule 2.

16
17 The ER concludes that the recommended program of supplemental studies, standard mitigation,
18 protective and contingency measures are considered appropriate to protect the features
19 encountered. Monitoring will assess that mitigation and protective measures have been effective
20 in both the short and long term. Therefore with the implementation of the recommendations in
21 the ER, on-going communication and consultation, and adherence to permit, regulatory and
22 legislative requirements, any potential adverse residual environmental and socio-economic
23 effects of this project are not anticipated to be significant.

1

2 ***Groundwater***

3 Union will retain a qualified hydro-geologist to review the existing groundwater conditions along
4 the pipeline route to inventory existing water wells. The hydro-geologist will then develop and
5 implement a program for monitoring all wells that could be affected by construction. Union will
6 also follow the recommendations outlined in the ER and environmental permits. For further
7 details please see Section 4.2.6 Groundwater, in the ER.

8

9 ***Species at Risk***

10 Union has initiated the field survey programs to determine the presence or absence of species at
11 risk and their habitats along the Proposed Pipeline route. Union will work with the Ontario
12 Ministry of Natural Resources to develop appropriate mitigation procedures, should any species
13 at risk or habitat be identified through the field survey program. To date no species at risk have
14 been identified along the preferred route. For further details please see Section 4.3.2 Fish and
15 Fish Habitat, Section 4.3.3 Designated Natural Areas and Vegetation, and Section 4.3.4 Wildlife
16 and Wildlife Habitat, in the ER.

17

18 ***Watercourse Crossings***

19 There are 11 watercourses associated with the Project which will be crossed by either horizontal
20 directional drill or by dam and pump methods. Watercourse crossings will be confirmed through
21 a field investigation and in consultation with Conservation Halton. Field investigations are
22 currently underway with applications proposed to be submitted for approval to Conservation

Halton in early 2015. For further details please see Section 4.3.1 Surgical Hydrology and Section 4.3.2 Fish and Fish Habitat, in the ER.

Cultural Heritage Resources

Prior to construction activities along the preferred route, Union will complete all necessary archaeological assessments and will also complete a heritage assessment as recommended in the ER. Both assessments have commenced and are proposed to be completed by summer 2015. For further details please see Section 4.4.8 Cultural Heritage Resources, in the ER.

Social-Economic Environment

To reduce the impacts on residents and businesses, Union proposes to implement the following mitigation and protection measures including:

- Access to homes and business will remain open;
- Access to trails and sidewalks will remain open as practical or will be properly signed should it become necessary to temporarily close;
- Should it be necessary to remove trees along the pipeline route, replacement trees will be planted in consultation with the landowner;
- To the greatest extend practical, restrict construction activities to daylight hours and adhere to local noise by-laws; and
- Motorized equipment will be equipped with mufflers and silencers.

For further details please see Section 4.4 Socio-Economic Features, in the ER.

1

2 ***Traffic Management***

3 Prior to construction, Union will implement a traffic management plan for all roads affected by
4 construction. The plan will, at a minimum, outline measures to:

- 5 • Post signs to warn oncoming motorists of construction activity;
- 6 • Control traffic;
- 7 • Reduce on-road disturbance and lane closures; and,
- 8 • Install safety fencing and barricades for public safety.

9

10 For further details please see Section 4.4 Socio-Economic Features, in the ER.

11

12 The estimated environmental costs for the Project are shown at Exhibit A, Tab 11, Schedule 3.

LAND MATTERS

Drawings showing the location of the Proposed Pipeline, and the land rights required are provided in Exhibit A, Tab 12, Schedule 1.

The land rights necessary for the construction of the Project will be a combination of permanent and temporary easement land rights acquired from individual landowners and government ministries, as well as, land rights under Union's Franchise Agreements with the Town of Oakville, the Town of Milton and the Regional Municipality of Halton.

Union will require approximately 30 acres of permanent easement, for the Proposed Pipeline, and approximately 46 acres of temporary easement for construction and top soil storage purposes.

The majority of these lands are owned by:

- Her Majesty the Queen in right of Ontario as Represented by the Chair of the Management Board of Cabinet,
- Her Majesty the Queen in Right of Ontario as Represented by the Minister of Government Services,
- Her Majesty the Queen in Right of Ontario as Represented by the Minister of Infrastructure,
- Her Majesty the Queen in Right of Ontario as Represented by the Minister of Transportation, and

- Hydro One Networks Inc.

These Lands are administered by the Ontario Infrastructure and Lands Corporation (Infrastructure Ontario), a crown entity. Approximately 21.5 of the 30 acres of permanent easement required for the Proposed Pipeline are on land controlled by Infrastructure Ontario. The remaining permanent land rights required for the Proposed Pipeline are a combination of land rights within road allowance (Lower Base Line Road East and Ninth Line) and land rights owned by private landowners.

Approximately 35 acres of the 46 acres of the temporary land rights is controlled by Infrastructure Ontario. The remaining temporary land rights are owned by private landowners.

Union has had several discussions with Infrastructure Ontario regarding both permanent easements and temporary land use. Infrastructure Ontario has not objected to granting Union these rights. The specific terms and conditions regarding the granting of these rights have not yet been finalized.

Union has had several discussions with private landowners regarding Union's request for permanent easements and temporary land use rights, and these discussions have not identified any strong objections to the Project. It is Union's intention to acquire these land rights prior to the construction of the Proposed Pipeline.

1 Union will require crossing permits or agreements with Provincial Ministries, the Town of
2 Oakville, the Town of Milton, the Regional Municipality of Halton and the City of Mississauga
3 along the pipeline route.

4
5 During meetings with the Regional Municipality of Halton, Union was advised that it is the
6 intention of the Region to expand the intersection of Ninth Line and Burnhamthorpe Road and to
7 acquire land on the northwest and southwest corners of this intersection for the purpose of
8 construction of a traffic circle at this intersection. Attached as Exhibit A, Tab 12, Schedule 2 is a
9 map identifying the intersection, the proposed traffic circle and the land to be acquired by the
10 Regional Municipality of Halton. Union understands that it is the intention of the Region to
11 acquire this land, identified as parcels A, B, C and D on Exhibit A, Tab 12, Schedule 2 prior to
12 construction of the Proposed Pipeline. In the event that this occurs, it will not be necessary for
13 Union to acquire either permanent or temporary easements over this land, as Union has been
14 advised by the Region that these parcels will be incorporated into road allowance. In the event
15 the Region does not acquire these lands prior to construction, Union shall meet with the
16 individual landowners and negotiate the acquisition of the required land rights.

17
18 ***Proposed Pipeline Easement Requirements***

19 A list of the properties and the approximate dimensions of permanent easements and temporary
20 easements required for the Proposed Pipeline is outlined in Exhibit A, Tab 12, Schedule 3.

21
22 Union's form of easement is attached as Exhibit A, Tab 12, Schedule 4 is in the form previously
23 provided to the board and used by Union in the past on similar pipeline projects. This agreement

1 covers the installation, operation, and maintenance of one pipeline. The major restrictions
2 imposed on the Landowner by the agreement are that the Landowner cannot erect buildings or
3 privacy fencing on the easement. The Landowner is permitted to construct a laneway over the
4 easement.

5
6 The temporary land use agreements are in the form previously provided to the Board and used by
7 Union in the past on similar pipeline projects. These agreements are usually for a period of two
8 years, beginning in the year of construction. This allows Union an opportunity to return in the
9 year following construction to perform further clean-up work as required.

10 11 ***Landowner Communications***

12 Project Information

13 Union will implement a comprehensive program to provide Landowners, tenants and other
14 interested parties with information regarding the Project. Information was previously distributed
15 through correspondence and meetings with the public. Where formal public meetings were held,
16 in conjunction with the Route Selection and Environmental Impact Assessment Report (“ER”),
17 directly-affected Landowners and agencies were invited by letter while notification to the general
18 public was made through newspaper advertisements.

19 20 Status of Negotiation of Land Rights

21 Union commenced easement negotiations with individual Landowners in 2013. Union will have
22 all land rights in place prior to construction.

1 Construction Monitoring and Commitment Follow-up

2 For over two decades, Union has had a comprehensive Landowner Relations Program (“LRP”)
3 in place which has proven successful on other projects. The key elements of this program are:

- 4 1. The assignment of a Landowner Relations Agent (“LRA”) to:
- 5 a. ensure that commitments made to Landowners are fulfilled;
 - 6 b. address questions and concerns of the Landowners, and
 - 7 c. act as a liaison between Landowners and the Contractor and Union personnel.
- 8 2. A Complaint Resolution System, this system is used to record, track, monitor, and ensure
9 timely resolution on any complaint or issue received by Union related to the construction
10 of the Proposed Pipeline.

11
12 This LRP process assists in resolving complaints and tracking the fulfillment of commitments.
13 A process chart and explanatory notes that describe the Complaint Resolution System are found
14 in Exhibit A, Tab 12, Schedule 5. In addition to the LRA’s duties during construction, the
15 person assigned to this position will conduct post-construction interviews to capture any
16 outstanding concerns, including damages, so that they can be resolved; and capture comment so
17 that they may be considered in the planning of future projects.

18
19 Compensation

20 There are criteria which Union must consider for the determination of fair and reasonable
21 compensation for the acquisition of land rights. Unlike the purchase of land, the land right which
22 Union is acquiring is in the nature of an easement and is a limited right in the land which is being
23 initiated by Union.

1
2 The determination of compensation includes:

- 3 • Current appraised fair market value of the property, notwithstanding the limited right being
4 acquired, as determined by a licensed Ontario Land Appraiser;
5 • Damages resulting from construction on the said land, including consideration for
6 landowners' daily activities, livelihood and farming practices where applicable.

7
8 Compensation paid to the Municipalities for land rights within road allowance is determined by
9 the terms and conditions of the agreements between the parties as well as the consideration of the
10 additional property tax revenue paid to the Municipality as a result of the construction of the
11 Proposed Pipeline.

12
13 With respect to land which is controlled by Infrastructure Ontario, Union has been advised by
14 Infrastructure Ontario that the consideration for these rights, as well as the terms and conditions
15 regarding construction techniques, will be based upon Infrastructure Ontario's current standards
16 and processes.

FIRST NATIONS AND MÉTIS NATIONS CONSULTATION

Union has a long standing practice of consulting with Métis and First Nations, and has programs in place whereby Union works with Métis and First Nations to ensure these groups are aware of Union's projects and have the opportunity to participate in both the planning and construction phases of the projects.

Union has an extensive data base and knowledge of First Nations and Métis organizations in Ontario and consults with the Tribal organizations and the data bases of the Ministry of Natural Resources, Ministry of Aboriginal Affairs and Aboriginal Affairs and Northern Development Canada to ensure consultation is carried out with the most appropriate groups.

Union has signed a General Relationship Agreement with the Métis Nation of Ontario which describes Union's commitments to the Métis when planning and constructing pipeline projects.

The following First Nations and Métis were notified by letter regarding the Project:

Chief William Montour / Chief Ava Hill	Six Nations of the Grand River First Nation
Lonny Bomberry	Director of Lands Resources and Consultation Six Nations of the Grand River First Nation
Chief Bryan LaForme	Mississaugas of the New Credit First Nation
Caroline King	Consultation Manager Mississaugas of the New Credit First Nation
Chief Donna Big Canoe	Chippewas of Georgina Island First Nation
Chief Allan McNaughton	Haudenosaunee Confederacy Chiefs
Hazel Hill	Interim Director, Haudenosaunee Development Institute
Melanie Paradis/Mark Bowley/Joanne Meyers	Director and Interim Directors of Lands, Resources and Consultation, Métis Nation of Ontario

Union is conducting formal consultation meetings with the following Métis and First Nations for the Project:

- Six Nations of the Grand First Nation Elected Council;
- Mississaugas of the New Credit First Nation;
- Haudenosaunee Confederacy Chiefs represented by the Haudenosaunee Development Institute (monthly basis); and,
- Métis Nation of Ontario.

The consultation included:

- August 1, 2012: meeting held with Chief LaForme and Caroline King, Consultation Manager, of the Mississaugas of New Credit to review the Project scope.
- August 2, 2012: meeting held with Six Nations Consultation Committee to review the Project scope.
- August 8, 2012: meeting held with Métis Nation of Ontario Lands, Resources and Consultation committee to review the Project scope.
- September 6, 2012: meeting with the Six Nations Consultation Committee to further discuss the Project scope.
- December 5, 2012 Union met with the Haudenosaunee Development Institute to discuss the Capacity Funding/Engagement Agreement.
- December 17, 2012: Union received a Band Council Resolution from Mississaugas of New Credit accepting the proposed Capacity Funding Agreement.
- April 5, 2013: Initial information regarding the start of the Environmental Review sent to the First Nations and Métis Nation of Ontario by Stantec.

- 1 ○ May 3, 2013: Union invited First Nations and Métis Nation of Ontario to attend the
- 2 Public Information sessions held in Milton.
- 3 ○ August 23, 2013: Union invited First Nations and Métis Nation to attend the second
- 4 Public Information sessions held in Oakville.
- 5 ○ September 25, 2013: Union provided an email update on the Project to the
- 6 Haudenosaunee Development Institute.
- 7 ○ December 17, 2013: Union sent a proposed agreement to the Haudenosaunee
- 8 Development Institute.
- 9 ○ January 8, 2014: Union met with Six Nations Elected Council Consultation
- 10 committee to discuss the Project and proposed settlement.
- 11 ○ February 19, 2014: Meeting with Haudenosaunee Development Institute to review
- 12 the Project and discuss a settlement agreement.
- 13 ○ March 11, 2014: Union met with Chief Ava Hill of Six Nations to review the Project
- 14 status. Six Nations Elected Council approved the settlement agreement.
- 15 ○ April 8, 2014: Union met with Six Nations Elected Council Consultation Committee
- 16 to provide update on the Project.
- 17 ○ April 11, 2014: Copies of the Environmental Report were sent to the First Nations
- 18 and Métis Nation.
- 19 ○ May 7, 2014: Union met with the Haudenosaunee Development Institute to review
- 20 the Project and discuss a settlement agreement.
- 21 ○ August 20, 2014: Union sent a proposed settlement agreement to Haudenosaunee
- 22 Development Institute.

- 1 ○ September 5, 2014: Union met with Haudenosaunee Development Institute to discuss
- 2 the settlement agreement.
- 3 ○ September 26, 2014: Union provided an update on the project and information on an
- 4 upcoming information session on the expanded route options for the project.
- 5 ○ October 15, 2014: Union met with Haudenosaunee Development Institute to discuss
- 6 the settlement agreement.
- 7 ○ November 4, 2014: Union sent out an invitation to the First Nations and Métis
- 8 Nations on the consultation list of the upcoming information session being held on
- 9 November 13, 2014.
- 10 ○ November 10, 2014: The Haudenosaunee Development Institute notified Union that
- 11 the Haudenosaunee Confederacy Chiefs have tentatively accepted the settlement
- 12 agreement. Union is working with the Legal Advisor to finalize the document.

13

14 Copies of the correspondence that were sent to the First Nations and Métis groups can be found

15 at Exhibit A, Tab 13, Schedule 1. The following issues were raised as part of the consultation

16 process:

- 17 ○ Mississaugas of the New Credit and Six Nations of the Grand River would like to
- 18 participate in any archeological studies.
- 19 ○ Mississaugas of the New Credit and Six Nations of the Grand River First Nation
- 20 will require Capacity Funding to complete a full review of the Project.
- 21 ○ Métis Nation will require further information sessions with the local Métis
- 22 Community Councils to review the scope of the Project.

- Haudenosaunee Development Institute has requested further discussions on the Project to address the impact on their Treaty Lands, Capacity Funding to complete a full review of the Project and participation in archeological studies.

Union proposed to address these concerns in the following manner:

- Union has instructed its archeology consultants to contact the Haudenosaunee Development Institute, Six Nations of the Grand, Chippewas of Georgina Island and Mississaugas of New Credit First Nations Consultation Committees to request a First Nations monitor during the archeological study. Union agreed to compensate the First Nations monitors for time spent attending the site.
- Union executed a Capacity Funding Agreement with the Six Nations of the Grand Consultation Committee.
- Union executed a settlement agreement with the Six Nations of the Grand Consultation Committee approved by the Chief and Council.
- Union executed a Capacity Funding and Engagement Agreement with Haudenosaunee Confederacy Chiefs.
- Union is currently negotiating a settlement agreement with the Haudenosaunee Development Institute.
- Union has negotiated a monitoring agreement with the Haudenosaunee Development Institute.
- Union finalized a Capacity Funding Agreement with the Mississaugas of New Credit First Nations.

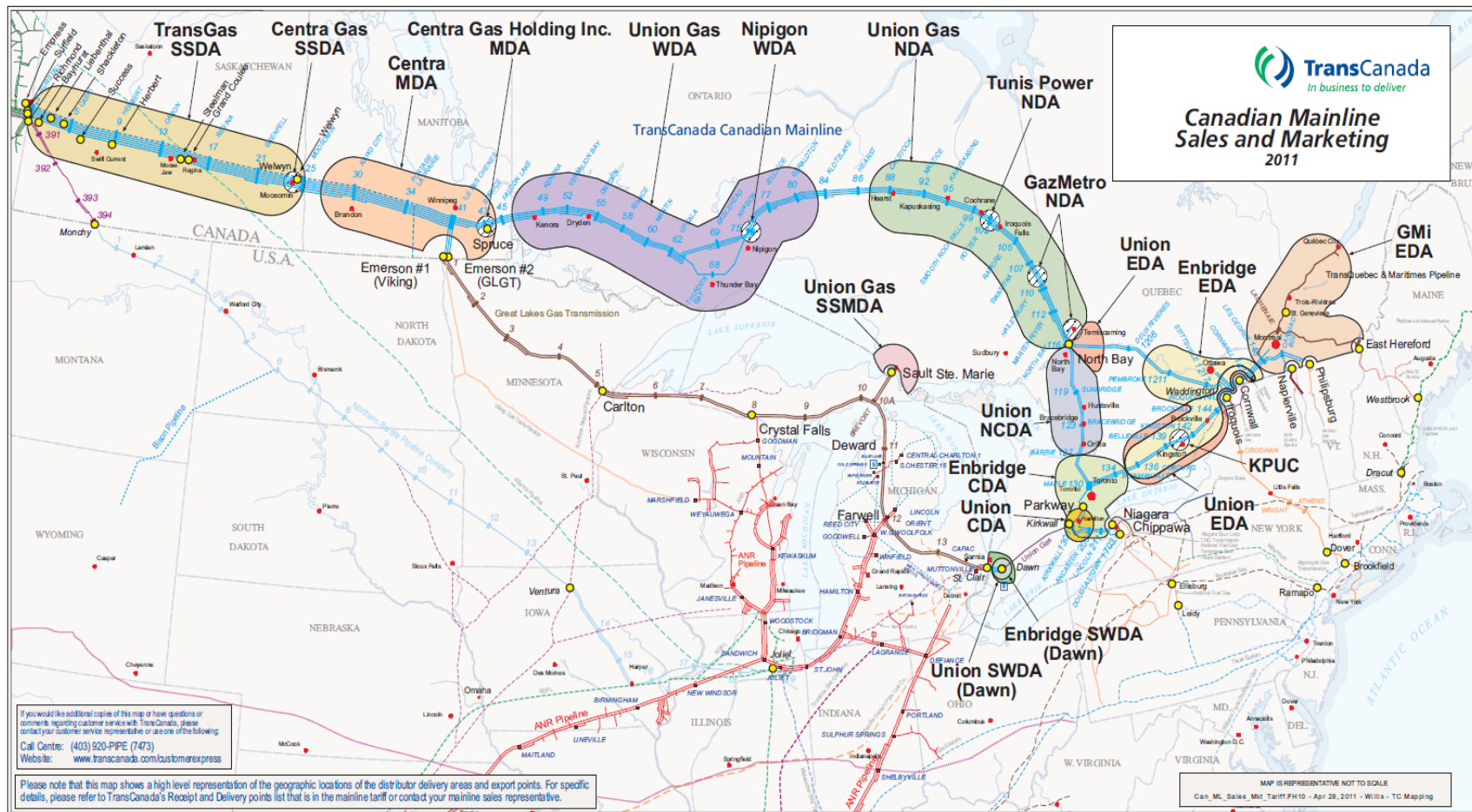
1 Union met with and provided information on the Project to two Métis Community Councils on
2 June 26, 2013.

3

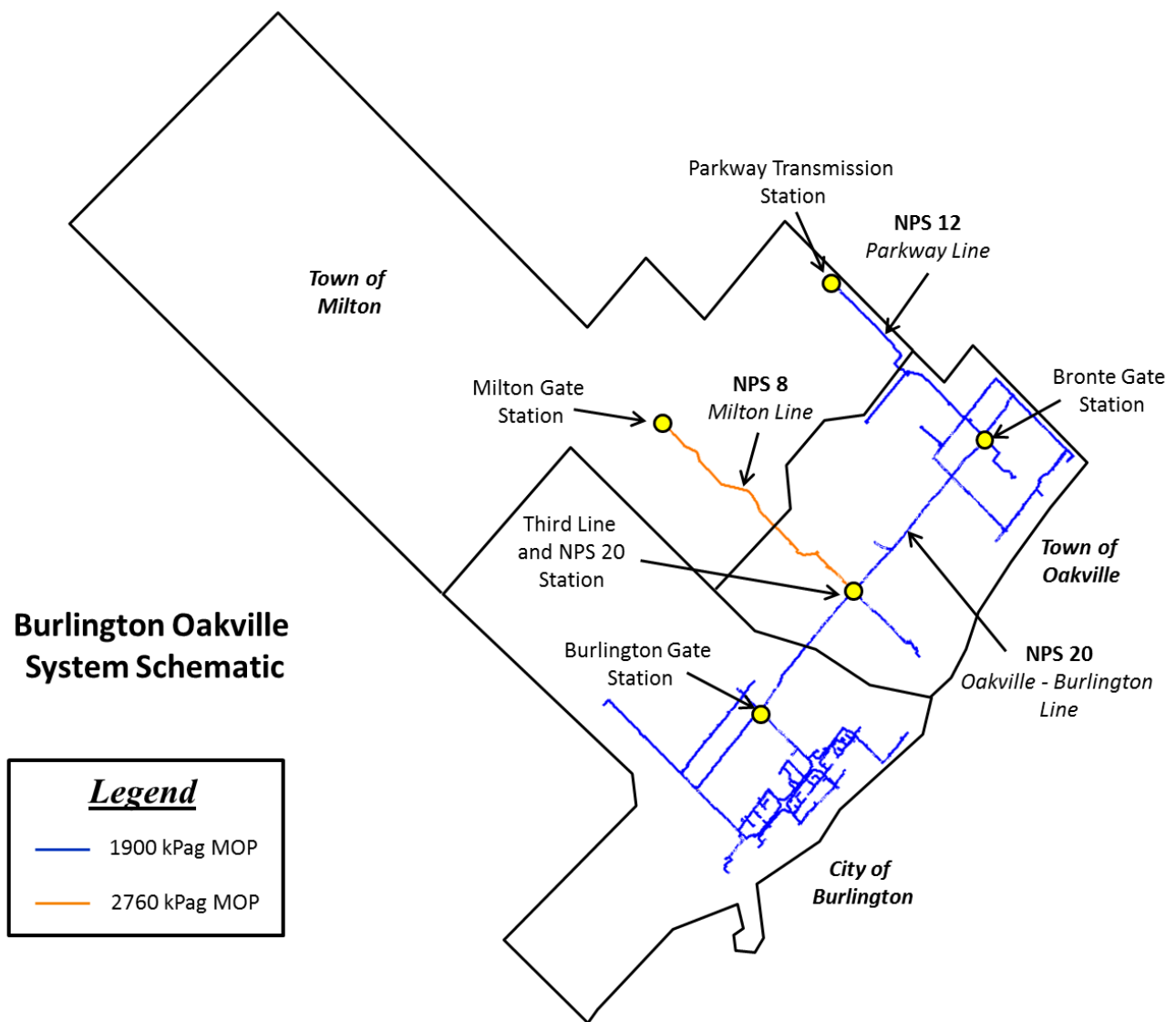
4 During construction, Union will have inspectors in the field who are available to First Nations
5 and Métis organizations as a primary contact to discuss and review any issues that may arise
6 during construction.

7

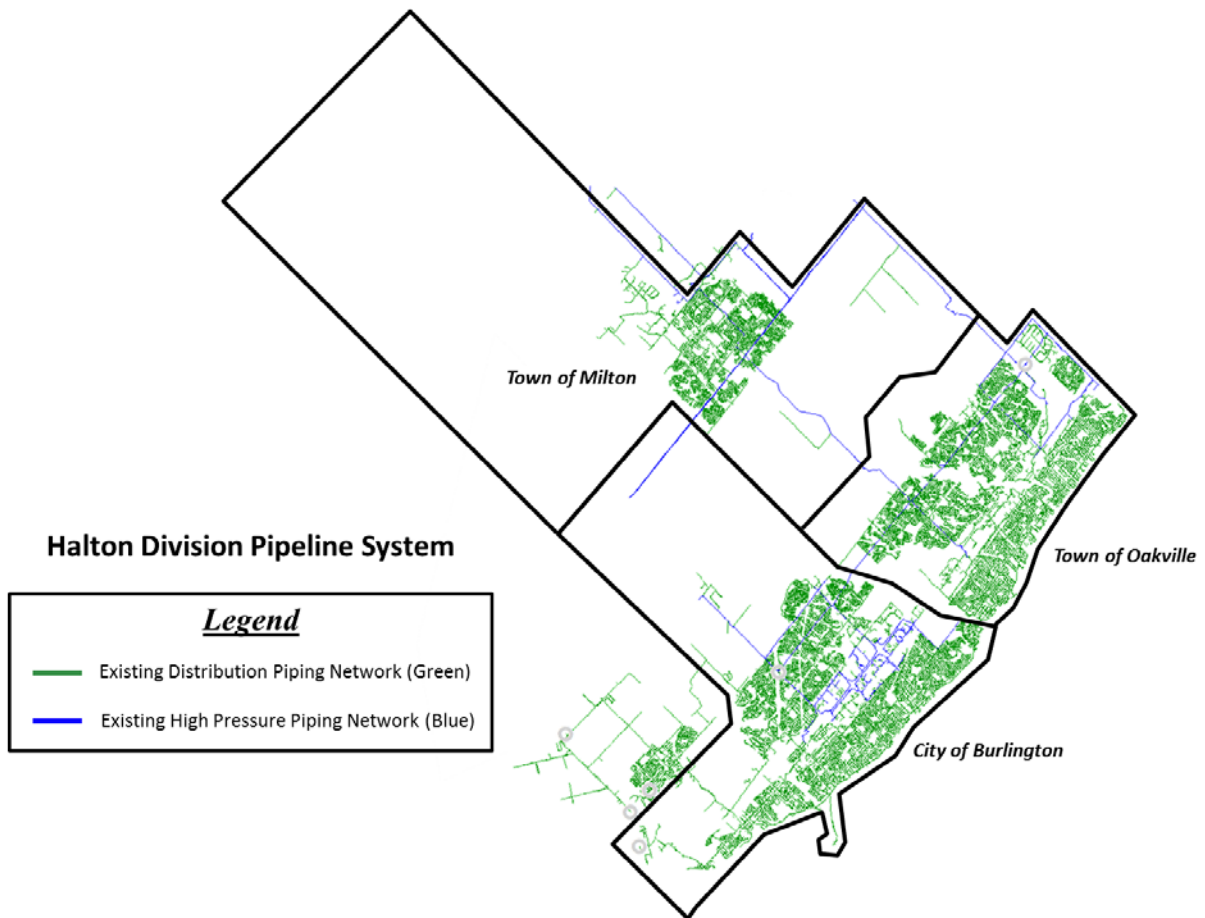
8 When Union completes the necessary archaeological assessments for the Project, Union will
9 consult with and provide the results of the surveys to First Nations or Métis upon their request.



Burlington Oakville Schematic



Halton Division Pipeline System



Burlington Oakville System Growth Forecast

	CUSTOMER FORECAST LOAD				
	Residential m ³ /hr	Commercial m ³ /hr	Industrial m ³ /hr	Total m ³ /hr	Total GJ/d
2016-2017	3,022	1,240	602	4,864	3,703
2017-2018	3,022	1,240	602	4,864	3,703
2018-2019	3,022	1,240	602	4,864	3,703
2019-2020	3,022	1,240	602	4,864	3,703
2020-2021	3,022	1,240	602	4,864	3,703
2021-2022	3,725	1,376	668	5,769	4,393
2022-2023	3,725	1,376	668	5,769	4,393
2023-2024	3,725	1,376	668	5,769	4,393
2024-2025	3,725	1,376	668	5,769	4,393
2025-2026	3,725	1,376	668	5,769	4,393
2026-2027	3,394	1,252	608	5,255	4,001
2027-2028	3,394	1,252	608	5,255	4,001
2028-2029	3,394	1,252	608	5,255	4,001
2029-2030	3,394	1,252	608	5,255	4,001
2030-2031	3,394	1,252	608	5,255	4,001
2031-2032	2,380	772	375	3,527	2,686
2032-2033	2,380	772	375	3,527	2,686
2033-2034	2,380	772	375	3,527	2,686
2034-2035	2,380	772	375	3,527	2,686
2035-2036	2,380	772	375	3,527	2,686

Burlington Oakville System Customer Attachment Forecast

	FORECAST CUSTOMER ATTACHMENTS					
	Residential Oakville	Residential Burlington	Residential Milton	Commercial	Industrial	Total
2016-2017	2,044	652	0	124	12	2,832
2017-2018	2,044	652	0	124	12	2,832
2018-2019	2,044	652	0	124	12	2,832
2019-2020	2,044	652	0	124	12	2,832
2020-2021	2,044	652	0	124	12	2,832
2021-2022	1,306	561	1,124	138	13	3,142
2022-2023	1,306	561	1,124	138	13	3,142
2023-2024	1,306	561	1,124	138	13	3,142
2024-2025	1,306	561	1,124	138	13	3,142
2025-2026	1,306	561	1,124	138	13	3,142
2026-2027	1,088	577	1,058	125	12	2,861
2027-2028	1,088	577	1,058	125	12	2,861
2028-2029	1,088	577	1,058	125	12	2,861
2029-2030	1,088	577	1,058	125	12	2,861
2030-2031	1,088	577	1,058	125	12	2,861
2031-2032	801	545	333	77	7	1,763
2032-2033	801	545	333	77	7	1,763
2033-2034	801	545	333	77	7	1,763
2034-2035	801	545	333	77	7	1,763
2035-2036	801	545	333	77	7	1,763

Summary – Elements of NPV Calculation

	Physical Alternative	Commercial Alternatives	
		Long Haul	Short Haul
NPS 8 Milton Line and NPS 12 Parkway Line Capacity (54 TJ/d)	X	X	X
Renewable Empress/Parkway to Union CDA Transportation (11 TJ/d)	X	X	X
Renewable Dawn/Parkway to Union CDA Transportation (84 TJ/d)	X	✓	✓
New Firm Transportation to Union CDA (138 TJ/d)	X	✓	✓
Incremental M12 Dawn Parkway revenue benefit associated with holding TCPL commercial contract (60 TJ/d)	X	✓	✓
Proposed Pipeline	✓	X	X

The check mark identifies elements included in the NPV calculation and the X identifies elements that are not included in the NPV calculation.

TOTAL ESTIMATED CAPITAL COSTS

Burlington-Oakville Pipeline Project 2016 Construction

NPS 20 Pipeline Capital Costs

Materials	\$	4,174,000
Construction, Labour & Land	\$	77,698,000
Contingencies	\$	16,374,000
Interest During Construction	\$	1,662,000

Total Estimated Pipeline Capital Costs \$ 99,908,000

Station Capital Costs

Materials	\$	4,853,000
Construction, Labour & Land	\$	11,211,000
Contingencies	\$	3,213,000
Interest During Construction	\$	292,000

Total Estimated Station Capital Costs \$ 19,569,000

Total Estimated Pipeline and Station Capital Costs \$ 119,477,000

2016 BURLINGTON-OAKVILLE PIPELINE EXPANSION

Physical vs. Commercial Service Least Cost Economic Analysis

(\$ Millions)

		Total NPV Costs/ (Benefits)	Net NPV Benefit Proposed Facility vs. Alternatives
<u>Proposed Pipeline</u>			
1	Proposed NPS 20 Facility	102.6	
<u>Commercial Service Alternatives (Note 1)</u>			
Firm Short Haul Service			
1	Parkway to Union ECDA from TransCanada	151.3	(48.7)
2	Kirkwall to Union ECDA from TransCanada	165.9	(63.3)
3	Dawn to Union ECDA from TransCanada	238.3	(135.7)
4	Dawn/Parkway to Union ECDA from Secondary Market	255.7	(153.1)
Firm Long Haul Service			
1	Empress to Union ECDA from TransCanada	527.8	(425.2)

Note:

- (1) All commercial alternatives evaluated include an adjustment to reflect benefit associated with incremental 2016 Dawn-Parkway capacity available for sale if Union continues to hold existing TCPL renewable contract:

Union Bid in 2016 Dawn-Parkway open season to
replace TCPL renewable contract:

Contract Volume	60 TJd
Projected Rate M12 Toll	\$0.0919 \$/GJd
Dawn-Parkway Adjustment per Year	(2.0) \$Million
NPV Benefit (over 40 year time period of analysis)	(25.1) \$Million

Example:

NPV cost of Parkway-ECDA Alternative before adjustment	176.4 \$Million
NPV benefit of M12 available for sale to 3rd parties	(25.1) \$Million
NPV Net Cost of Parkway-ECDA Alternative	151.3 \$Million

2016 BURLINGTON-OAKVILLE PIPELINE PROJECT

DCF Analysis - Listing of Key Input Parameters, Values and Assumptions

<p>Discounting Assumptions</p> <p>Project Time Horizon Discount Rate</p>	<p>40 years commencing November 1, 2016 Incremental after-tax weighted average cost of capital of 5.3%</p>
<p>Key DCF Input Parameters, Values and Assumptions</p> <p>Net Cash Inflow:</p> <p>Operating and Maintenance Expense</p> <p>Incremental Tax Expenses:</p> <p> Municipal Tax</p> <p> Income Tax Rate</p> <p> CCA Rates (Transmission Plant):</p> <p> CCA Classes:</p> <p> ECE - Eligible Capital Expenditure (Land Rights)</p> <p> Class 1 (Structures)</p> <p> Class 49 (Mains)</p> <p> Class 8 (Measuring & Regulating Equipment)</p> <p> Transmission Plant Depreciation Rates:</p> <p> Land Rights</p> <p> Structures</p> <p> Mains</p> <p> Measuring & Regulating Equipment</p>	<p>Estimated incremental cost</p> <p>Estimated incremental cost 26.5%</p> <p>Declining balance depreciation rates by CCA class: 7% applicable to 75% of the cost as 25% cannot be recovered for tax purposes.</p> <p>6%</p> <p>8%</p> <p>20%</p> <p>Approved per EB-2011-0210</p> <p>1.76%</p> <p>2.03%</p> <p>1.98%</p> <p>2.60%</p>
<p>Cash Outflow:</p> <p>Incremental Capital Costs</p> <p>Commercial Service Supply Alternatives</p> <p> - Dawn-Parkway capacity requirements</p>	<p>Refer to Exhibit A, Tab 9, Schedule 1.</p> <p>Description of alternatives evaluated and underlying contract pricing assumptions per Exhibit A, Tab 7. Refer to Exhibit A, Tab 9, Schedule 2, Note (1).</p>

UNION GAS LIMITED
Burlington to Oakville Project Revenue Requirement

Line No.	Particulars (\$000's)	2016 (a)	2017 (b)	2018 (c)
	<u>Rate Base Investment</u>			
1	Capital Expenditures	117,710	1,767	0
2	Average Investment	13,584	116,312	114,697
	<u>Revenue Requirement Calculation:</u>			
	<u>Operating Expenses:</u>			
3	Operating and Maintenance Expenses (1)	3	16	16
4	Depreciation Expense (2)	1,186	2,390	2,408
5	Property Taxes (3)	20	117	120
6	Total Operating Expenses	<u>1,208</u>	<u>2,523</u>	<u>2,544</u>
7	Required Return (6.031% x line 2) (4)	819	7,015	6,917
	<u>Income Taxes:</u>			
8	Income Taxes - Equity Return (5)	149	1,280	1,262
9	Income Taxes - Utility Timing Differences (6)	<u>(2,100)</u>	<u>(2,533)</u>	<u>(2,192)</u>
10	Total Income Taxes	<u>(1,951)</u>	<u>(1,254)</u>	<u>(930)</u>
11	Total Revenue Requirement (line 6 + line 7 + line 10)	<u><u>77</u></u>	<u><u>8,284</u></u>	<u><u>8,531</u></u>
12	Incremental Project Revenue	<u>-</u>	<u>-</u>	<u>-</u>
13	Net Revenue Requirement (line 11 - line 12)	<u><u>77</u></u>	<u><u>8,284</u></u>	<u><u>8,531</u></u>

Notes:

- (1) Expenses include labour, contractor services, materials and other operating expenses for the transmission lines of \$0.005 million and stations of \$0.011 million.
- (2) Depreciation expense at 2013 Board-approved depreciation rates.
- (3) Includes pipeline and station property taxes.
- (4) The required return of 6.031% assumes a capital structure of 64% long-term debt at 4.4% and 36% common equity at the 2013 Board-approved return of 8.93% ($0.64 * 0.044 + 0.36 * 0.0893$)
The 2018 required return calculation is as follows:
\$114.697 million * 64% * 4.4% = \$3.230 million plus
\$114.697 million * 36% * 8.93% = \$3.687 million for a total of \$6.917 million.
- (5) Taxes related to the equity component of the return at a tax rate of 25.5%.
- (6) Taxes related to utility timing differences are negative as the capital cost allowance deduction in arriving at taxable income exceeds the provision of book depreciation in the year.

UNION GAS LIMITED
2018 Cost Allocation Impacts of Burlington to Oakville Project

Line No.	Particulars	Total Cost Allocation Impacts (\$000's)	Other Transmission Demand (1)				Other Functional Classifications		
		(a) = (d + h)	Project Costs (2) (\$000's)	Indirect Costs (\$000's)	Total (\$000's)	(%)	Project Costs (3) (\$000's)	Indirect Costs (\$000's)	Total (\$000's)
		(a) = (d + h)	(b)	(c)	(d) = (b + c)	(e)	(f)	(g)	(h) = (f + g)
1	Rate M1	3,528	3,936	1,028	4,964	42%	(291)	(1,144)	(1,435)
2	Rate M2	1,486	1,322	345	1,668	14%	(40)	(142)	(181)
3	Rate M4	495	427	111	538	5%	(9)	(34)	(43)
4	Rate M5	(40)	7	2	9	0%	(9)	(39)	(49)
5	Rate M7	181	155	40	195	2%	(3)	(11)	(14)
6	Rate M9	61	50	13	63	1%	(1)	(1)	(2)
7	Rate M10	2	2	0	2	0%	(0)	(0)	(0)
8	Rate T1	431	364	95	459	4%	(6)	(22)	(28)
9	Rate T2	3,291	2,677	699	3,377	29%	(22)	(63)	(85)
10	Rate T3	423	344	90	434	4%	(3)	(8)	(11)
11	Subtotal - Union South	9,858	9,282	2,425	11,707	100%	(384)	(1,464)	(1,849)
12	Excess Utility Space	(22)	0	0	0	0%	(5)	(17)	(22)
13	Rate C1	(3)	0	0	0	0%	(2)	(1)	(3)
14	Rate M12	(361)	0	0	0	0%	(164)	(197)	(361)
15	Rate M13	2	1	0	1	0%	(0)	0	(0)
16	Rate M16	(0)	0	0	0	0%	(0)	0	(0)
17	Subtotal - Ex-franchise	(384)	1	0	1	0%	(171)	(215)	(386)
18	Rate 01	(694)	0	0	0	0%	(148)	(546)	(694)
19	Rate 10	(100)	0	0	0	0%	(22)	(78)	(100)
20	Rate 20	(71)	0	0	0	0%	(13)	(58)	(71)
21	Rate 100	(56)	0	0	0	0%	(10)	(46)	(56)
22	Rate 25	(20)	0	0	0	0%	(4)	(17)	(20)
23	Subtotal - Union North	(943)	0	0	0	0%	(197)	(746)	(943)
24	In-franchise (line 11 + line 23)	8,915	9,282	2,425	11,707	100%	(581)	(2,210)	(2,791)
25	Ex-franchise (line 17)	(384)	1	0	1	0%	(171)	(215)	(386)
26	Total (line 24 + line 25)	8,531	9,283	2,425	11,708	100%	(752)	(2,425)	(3,177)

Notes:

- (1) The Other Transmission Demand allocation is provided at EB-2011-2010, Exhibit G3, Tab 5, Schedule 23, Updated, page 9 and page 10, line 1.
- (2) The Project costs of \$9.283 million include \$9.341 million in Project costs directly allocated to Other Transmission Demand and an allocation of (\$0.058) million of property and income tax associated with the Project.
- (3) The Project costs include (\$0.752) million of property and income tax allocated to distribution, storage and other transmission-related functional classifications.

UNION GAS LIMITED
2018 General Service Bill Impacts
Includes Burlington to Oakville Project
Annual Consumption of 2,200 m³

Line No.	Rate M1 - Particulars	EB-2013-0365 Approved 01-Jan-14 Total Bill (1)	EB-2014-0182 Proposed 01-Jan-18 Total Bill	Bill Impact	
		(\$) (a)	(\$) (b)	(\$) (c) = (b - a)	(%) (d) = (c / a)
	<u>Delivery Charges</u>				
1	Monthly Charge	252.00	252.00	-	
2	Delivery Commodity Charge	80.82	83.36	2.54	
3	Storage Services	16.48	16.37	(0.11)	
4	Total Delivery Charge	349.30	351.73	2.43	0.7%
	<u>Supply Charges</u>				
5	Transportation to Union	75.90	75.90	-	
6	Commodity & Fuel	394.23	394.23	-	
7	Total Gas Supply Charge	470.13	470.13	-	
8	Total Bill (line 4 + line 7)	819.43	821.85	2.43	0.3%
9	Impacts for Customer Notices - Sales (line 8)			2.43	
10	Impacts for Customer Notices - Direct Purchase (line 4)			2.43	

Line No.	Rate 01 Eastern Zone - Particulars	EB-2013-0365 Approved 01-Jan-14 Total Bill (1)	EB-2014-0182 Proposed 01-Jan-18 Total Bill	Bill Impact	
		(\$) (a)	(\$) (b)	(\$) (c) = (b - a)	(%) (d) = (c / a)
	<u>Delivery Charges</u>				
11	Monthly Charge	252.00	252.00	-	
12	Delivery Commodity Charge	198.40	196.32	(2.08)	
13	Total Delivery Charge	450.40	448.32	(2.08)	-0.5%
	<u>Supply Charges</u>				
14	Transportation to Union	132.80	132.76	(0.04)	
15	Storage Services	75.57	75.42	(0.15)	
16	Subtotal	208.37	208.18	(0.19)	-0.1%
17	Commodity & Fuel	394.44	394.44	-	
18	Total Gas Supply Charge (line 16 + line 17)	602.81	602.62	(0.19)	
19	Total Bill (line 13 + line 18)	1,053.21	1,050.95	(2.27)	-0.2%
20	Impacts for Customer Notices - Sales (line 19)			(2.27)	
21	Impacts for Customer Notices - Direct Purchase (line 13 + line 16)			(2.27)	

Note:

(1) Calculated as per Appendix A, EB-2013-0365.

UNION GAS LIMITED
2018 Rate M12/M12-X/C1 Transportation Demand Charges Impacts of the Burlington to Oakville Project

Line No.	Services	EB-2013-0365	EB-2013-0365 Including 2018 Burlington to Oakville Project	Difference (c) = (b - a)	% Change (d) = (c / a)
		(\$/GJ/day) (1) (a)	(\$/GJ/day) (b)		
1	M12/C1 Dawn to Kirkwall	0.067	0.067	0.000	0.0%
2	M12/C1 Dawn to Parkway	0.080	0.079	-0.001	-1.3%
3	M12/C1 Kirkwall to Parkway	0.012	0.012	0.000	0.0%
4	C1 Parkway to Kirkwall	0.019	0.019	0.000	0.0%
5	C1 Parkway to Dawn	0.019	0.019	0.000	0.0%
6	M12-X	0.099	0.099	0.000	0.0%

Notes:

(1) EB-2013-0365, Appendix A, Pages 14-16, column (c), effective January 1, 2014.

UNION GAS LIMITED
2018 General Service Bill Impacts
Includes Burlington to Oakville Project and Gas Cost Transportation Savings
Annual Consumption of 2,200 m³

Line No.	Rate M1 - Particulars	EB-2013-0365	EB-2014-0182	Bill Impact	
		Approved	Proposed		
		01-Jan-14	01-Jan-18		
		Total Bill (1)	Total Bill		
		(\$)	(\$)	(\$)	(%)
		(a)	(b)	(c) = (b - a)	(d) = (c / a)
	<u>Delivery Charges</u>				
1	Monthly Charge	252.00	252.00	-	
2	Delivery Commodity Charge	80.82	83.36	2.54	
3	Storage Services	16.48	16.37	(0.11)	
4	Total Delivery Charge	349.30	351.73	2.43	0.7%
	<u>Supply Charges</u>				
5	Transportation to Union	75.90	66.65	(9.24)	
6	Commodity & Fuel	394.23	394.23	-	
7	Total Gas Supply Charge	470.13	460.88	(9.24)	
8	Total Bill (line 4 + line 7)	819.43	812.61	(6.82)	-0.8%
9	Impacts for Customer Notices - Sales (line 8)			(6.82)	
10	Impacts for Customer Notices - Direct Purchase (line 4)			2.43	

Line No.	Rate 01 Eastern Zone - Particulars	EB-2013-0365	EB-2014-0182	Bill Impact	
		Approved	Proposed		
		01-Jan-14	01-Jan-18		
		Total Bill (1)	Total Bill		
		(\$)	(\$)	(\$)	(%)
		(a)	(b)	(c) = (b - a)	(d) = (c / a)
	<u>Delivery Charges</u>				
11	Monthly Charge	252.00	252.00	-	
12	Delivery Commodity Charge	198.40	196.32	(2.08)	
13	Total Delivery Charge	450.40	448.32	(2.08)	-0.5%
	<u>Supply Charges</u>				
14	Transportation to Union	132.80	132.76	(0.04)	
15	Storage Services	75.57	75.42	(0.15)	
16	Subtotal	208.37	208.18	(0.19)	-0.1%
17	Commodity & Fuel	394.44	394.44	-	
18	Total Gas Supply Charge (line 16 + line 17)	602.81	602.62	(0.19)	
19	Total Bill (line 13 + line 18)	1,053.21	1,050.95	(2.27)	-0.2%
20	Impacts for Customer Notices - Sales (line 19)			(2.27)	
21	Impacts for Customer Notices - Direct Purchase (line 13 + line 16)			(2.27)	

Note:

(1) Calculated as per Appendix A, EB-2013-0365.

UNION GAS LIMITED
Burlington to Oakville Project - Annual Rate Adjustment by Rate Class

Line No.	Particulars (\$000's)	2016 (a)	Variance (b) = (c - a)	2017 (c)	Variance (d) = (e - c)	2018 (e)
1	Rate M1	84	3,351	3,435	94	3,528
2	Rate M2	192	1,289	1,480	6	1,486
3	Rate M4	71	423	495	0	495
4	Rate M5	(26)	(18)	(44)	4	(40)
5	Rate M7	26	154	181	0	181
6	Rate M9	10	51	61	(0)	61
7	Rate M10	0	2	2	(0)	2
8	Rate T1	66	365	431	(1)	431
9	Rate T2	557	2,750	3,306	(15)	3,291
10	Rate T3	71	354	425	(2)	423
11	Subtotal - Union South	<u>1,051</u>	<u>8,720</u>	<u>9,771</u>	<u>86</u>	<u>9,858</u>
12	Excess Utility Space	(13)	(12)	(24)	2	(22)
13	Rate C1	(1)	(2)	(3)	1	(3)
14	Rate M12	(414)	(15)	(429)	68	(361)
15	Rate M13	2	(2)	(1)	2	2
16	Rate M16	(0)	(0)	(0)	0	(0)
17	Subtotal - Ex-franchise	<u>(426)</u>	<u>(31)</u>	<u>(457)</u>	<u>73</u>	<u>(384)</u>
18	Rate 01	(403)	(355)	(758)	63	(694)
19	Rate 10	(61)	(49)	(110)	10	(100)
20	Rate 20	(41)	(37)	(78)	7	(71)
21	Rate 100	(31)	(30)	(61)	5	(56)
22	Rate 25	(11)	(11)	(22)	2	(20)
23	Subtotal - Union North	<u>(548)</u>	<u>(482)</u>	<u>(1,030)</u>	<u>87</u>	<u>(943)</u>
24	In-franchise (line 11 + line 23)	503	8,238	8,741	174	8,915
25	Ex-franchise (line 17)	(426)	(31)	(457)	73	(384)
26	Total (line 24 + line 25)	<u><u>77</u></u>	<u><u>8,208</u></u>	<u><u>8,284</u></u>	<u><u>247</u></u>	<u><u>8,531</u></u>

DRAFT

UNION GAS LIMITED

**Accounting Entries for
Burlington Oakville Project Costs
Deferral Account No. 179-XXX**

Account numbers are from the Uniform System of Accounts for Gas Utilities, Class A prescribed under the Ontario Energy Board Act.

Debit - Account No.179-XXX
 Other Deferred Charges – Burlington Oakville Project Costs

Credit - Account No. 579
 Miscellaneous Operating Revenue

To record, as a debit (credit) in Deferral Account No. 179-XXX, the difference between the actual revenue requirement related to the costs for the Burlington Oakville Project and the revenue requirement included in rates as approved by the Board.

Debit - Account No.179-XXX
 Other Deferred Charges – Burlington Oakville Project Costs

Credit - Account No. 323
 Other Interest Expense

To record, as a debit (credit) in Deferral Account No. 179-XXX, interest on the balance in Deferral Account No. 179-XXX. Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

[illegible]

GENERAL TECHNIQUES AND METHODS OF CONSTRUCTION

1. Pipeline construction is divided into several crews that create a mobile assembly line. Each crew performs a different function, with a finished product left behind when the last crew has completed its work.
2. Union Gas will provide its own inspection staff to ensure the contractor meets its contractual obligations.
3. Where possible, trees are cleared in the winter before construction to avoid avian nesting concerns. If the land cannot be accessed in the winter due to incomplete easement negotiations or other reason, an ornithologist will inspect the site and direct any avian mitigation needed. Logs are stacked at the side of the easement for landowner use, if requested.
4. The contractor's clearing crew braces and cuts all fences crossing the easement and installs any required temporary gates. This crew clears small brush and crops on the easement and temporary working areas.
5. The grading crew constructs approaches through road, highway, and railway ditches to allow equipment onto the working side of the easement. This crew also builds roads through wet areas to allow heavy equipment operation. The grading crew strips a certain width of topsoil with bulldozers and graders so that it will not be mixed with the subsoil later removed from the trench. In hilly terrain, the grade is leveled to provide a stable working surface.
6. The contractor erects safety barricades around excavations adjacent to roads. Flagmen and signs are used for traffic control. The easement is fenced nightly at all access points.
7. The stringing crew then lays pipe on wooden skids on the working side of the easement adjacent to the proposed trench area. Wherever possible, the stringing trucks hauling the pipe travel down the centre of the proposed trench to minimize soil compaction effects.

8. The contractor, by use of a trenching machine or hoe excavator, will excavate a trench approximately 1.1 metre in width for the pipeline, depending on ground conditions at the time. Accesses across the easement including laneways are left unexcavated where requested by the landowner. All tile cut during trench excavation is flagged at the trench and easement limits to signify to the tile repair crew that a repair is required. All utilities that will be crossed or paralleled closely by the pipeline will be located prior to trenching.
9. Bedrock will be removed by mechanical methods such as excavators using a rock bucket or a “hoe ram”.
10. Concurrent to trenching, the contractor will have separate crews to install the pipe at road, railway and large watercourse crossings. This operation will be accomplished by either Jack and Bore (auger) or Horizontal Directional Drill (HDD). These are trenchless technology techniques that do not disrupt the surface features at the crossing site.
11. Next, the pipe between roads, accesses, laneways, and streams is welded into one continuous length. All welds are ultrasonically and/or radiographically inspected and then coated and lowered into the trench. After sections of pipe are lowered into the trench, subsoil is backfilled by a drag line, bulldozer or backhoe. If the excavated material contains too much rock for direct backfilling, it may be sifted to separate the fine parts from the rock. If such separation is not possible due to the consistency of the material or if a large quantity of rock remains, the unsuitable materials will be hauled away and sand brought in for backfilling.
12. The tie-in crew is responsible for the installation of pipe across accesses and laneways to minimize the length of time that these accesses are out of service to the landowner. The tie-in crew is also responsible for the pipeline installation at most river and stream crossings.
13. The pipe is filled with water and hydrostatically tested to prove its integrity. After the test water is removed and the line dried, an electronic sizing tool is run through the pipeline to check for ovality and dents. Cathodic protection is applied to the completed pipeline.

14. After the trench is backfilled, any cut cross-easement tile is repaired. Union undertakes that it is responsible for the tile repair resulting from construction and will stand good for the tile repairs at any further date after construction of the pipeline. Union retains the services of a tile consultant to determine if it is better to repair individual tiles crossing the easement or install a header system. .
15. The clean-up crew is the last crew on the property. On farmland, it prepares the subsoil on the stripped portion of the easement by subsoiling or deep chisel ploughing to break up compaction and picking all stones down to 100 millimetres in diameter. The trench line is crowned with enough subsoil to allow for trench settlement. Excess subsoil is removed to an acceptable location on the landowner's property or hauled to a disposal site. Topsoil is then replaced using a drag line or backhoe and small bulldozers to minimize compaction. The working side of the easement is then chisel ploughed and stone picked. The clean-up crew will also repair fences, pick up debris, replace sod in landscaped areas and reseed sensitive areas such as woodlots, ditch banks and stream crossings.
16. When the clean-up is completed, the landowner is asked by a Company representative to sign a clean-up acknowledgement form if satisfied with the clean-up. This form, when signed, allows release of payment for the clean-up to the contractor. This form in no way releases the Company from its obligation for tile repairs, compensation for damages and/or further clean-up as required due to erosion or subsidence directly related to pipeline construction.

Filed: 2014-12-12
EB-2014-0182
Exhibit A
Tab 11
Schedule 2

Summary of Comments

TO BE FILED WHEN RECEIVED

TOTAL ESTIMATED ENVIRONMENTAL COSTS

**BURLINGTON OAKVILLE PIPELINE
PROJECT**

Pre-Construction

Environmental Assessment	\$	350,000
Infrastructure Ontario Class EA		50,000
Archaeology		50,000
Cultural Heritage Assessment		10,000
Hearing Costs (Environmental Consultant)		10,000
Terrestrial & Aquatic Field Assessments		100,000
Soil Testing		10,000
Permits		<u>50,000</u>

Total Pre-Construction \$ **630,000**

Construction

Environmental Inspection	\$	50,000
Water Well Sampling		30,000
Topsoil Stripping/Replacement		1,800,000
Wet Soil Shut Down		<u>1,700,000</u>

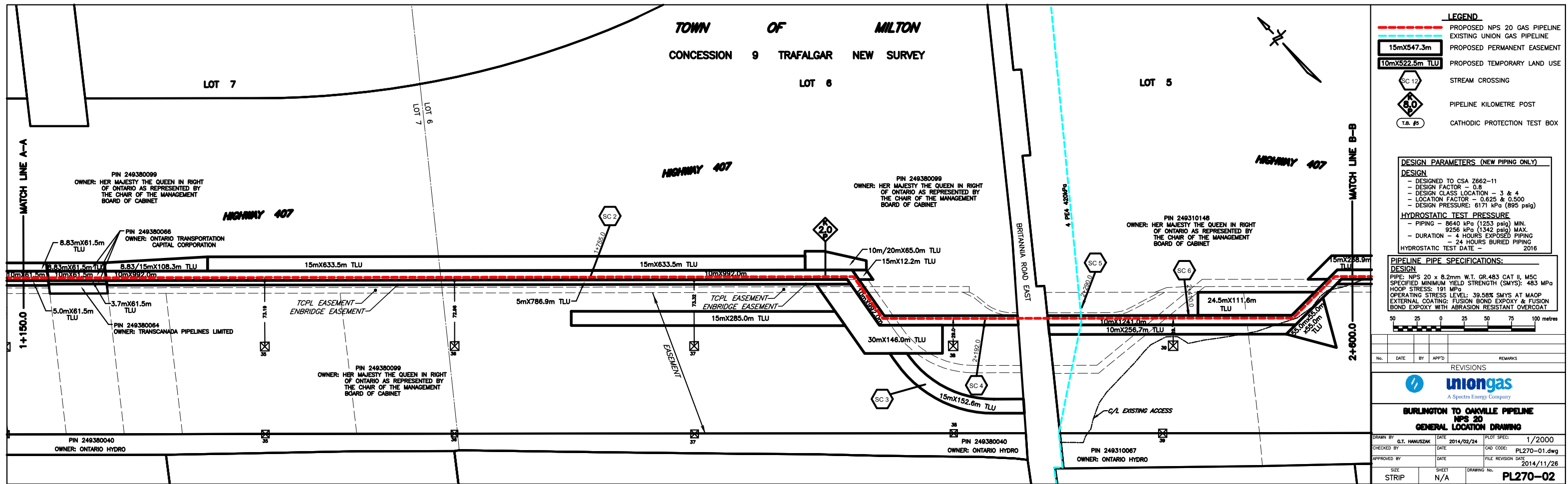
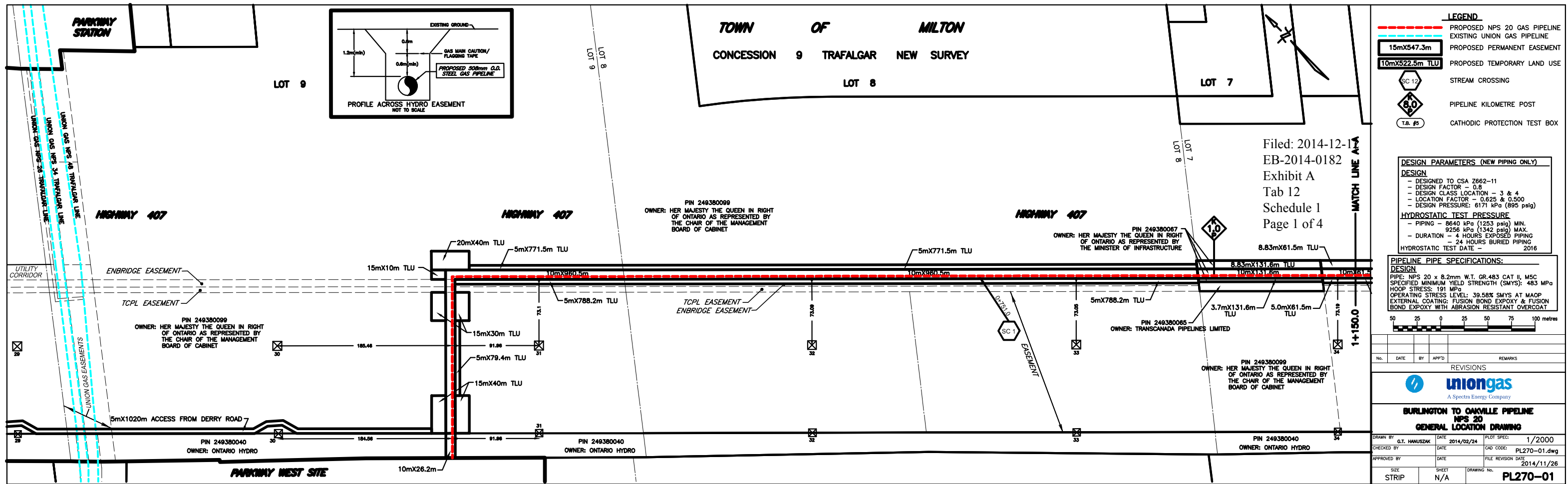
Total Construction \$ **3,580,000**

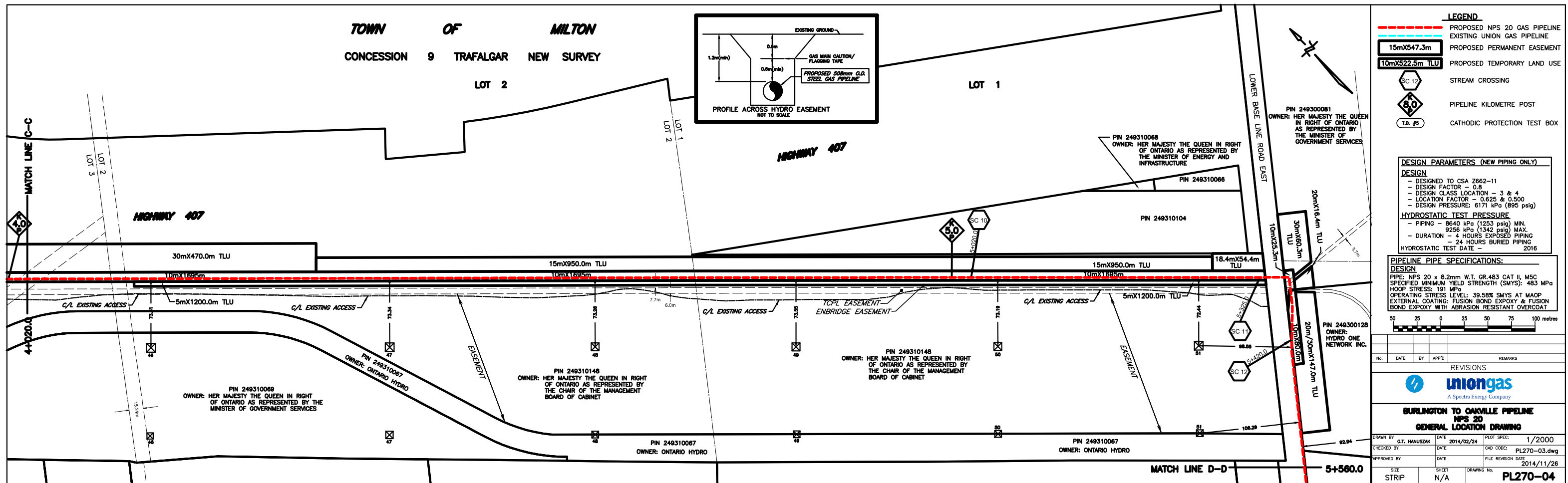
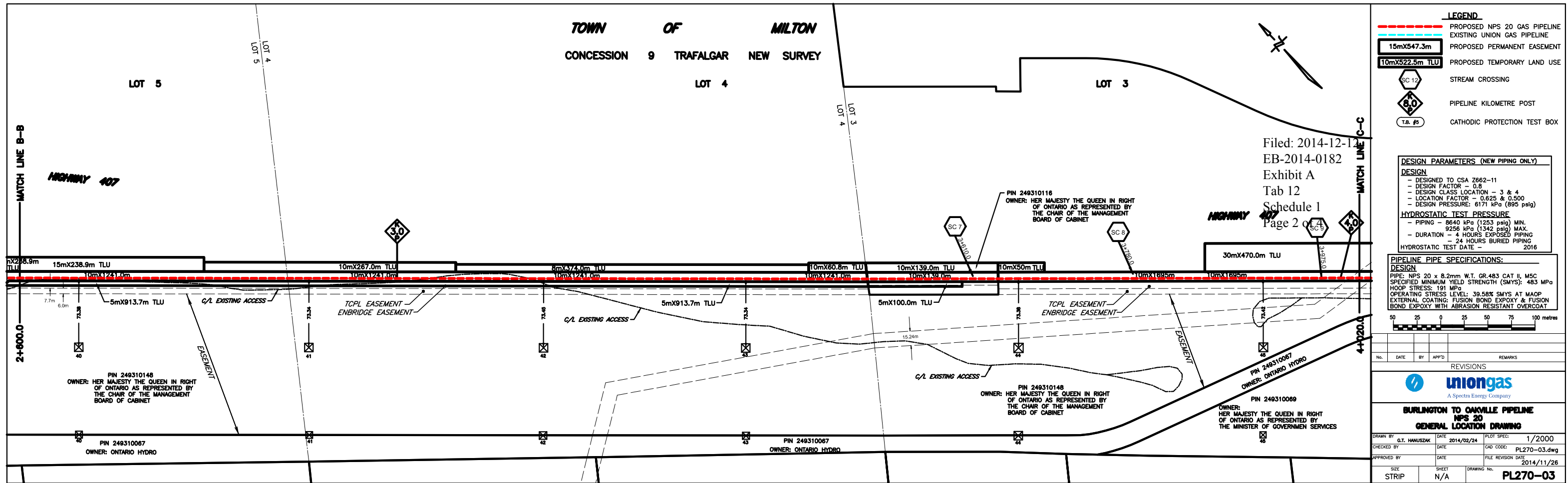
Post Construction

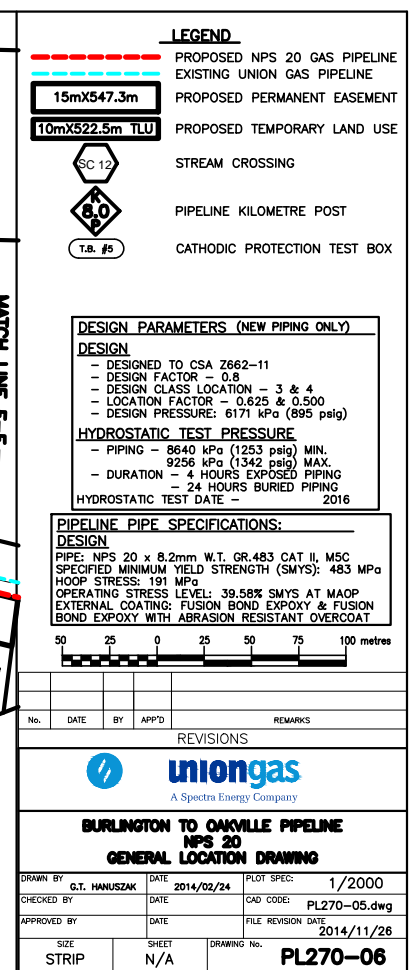
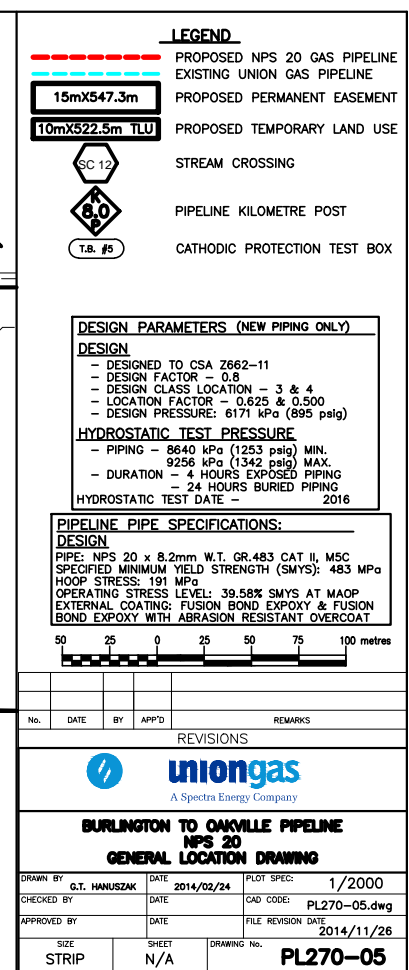
Tree Preservation & Replacement	\$	50,000
Wet Soil Shut Down		200,000
Restoration		840,000
Environmental Inspection/Monitoring		<u>5,000</u>

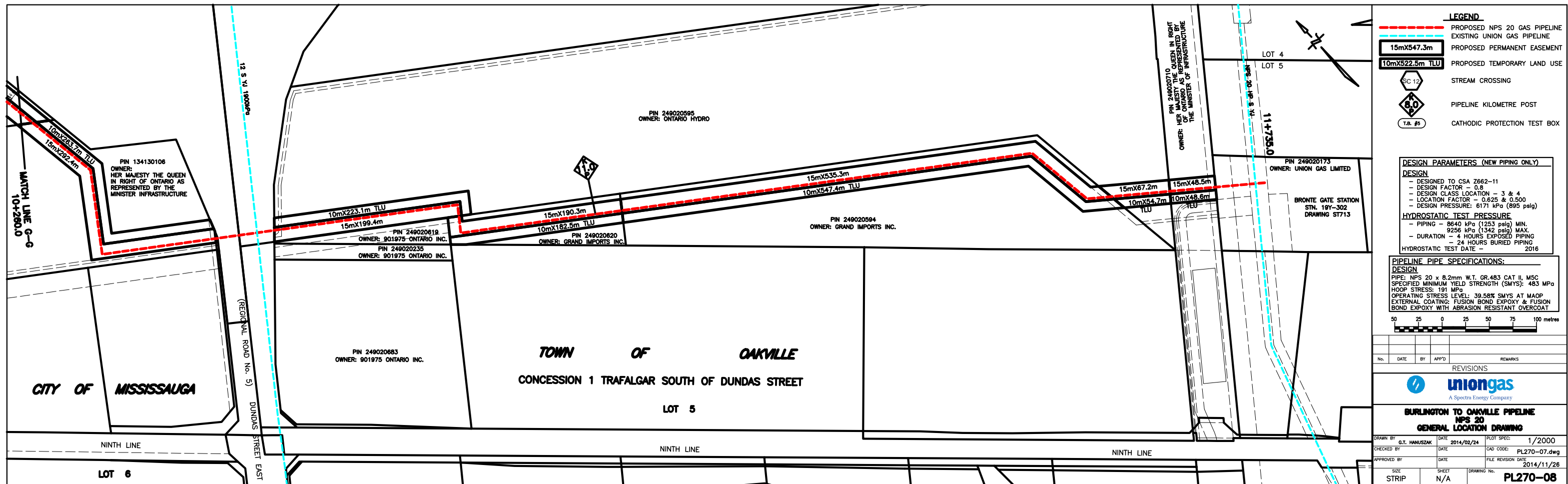
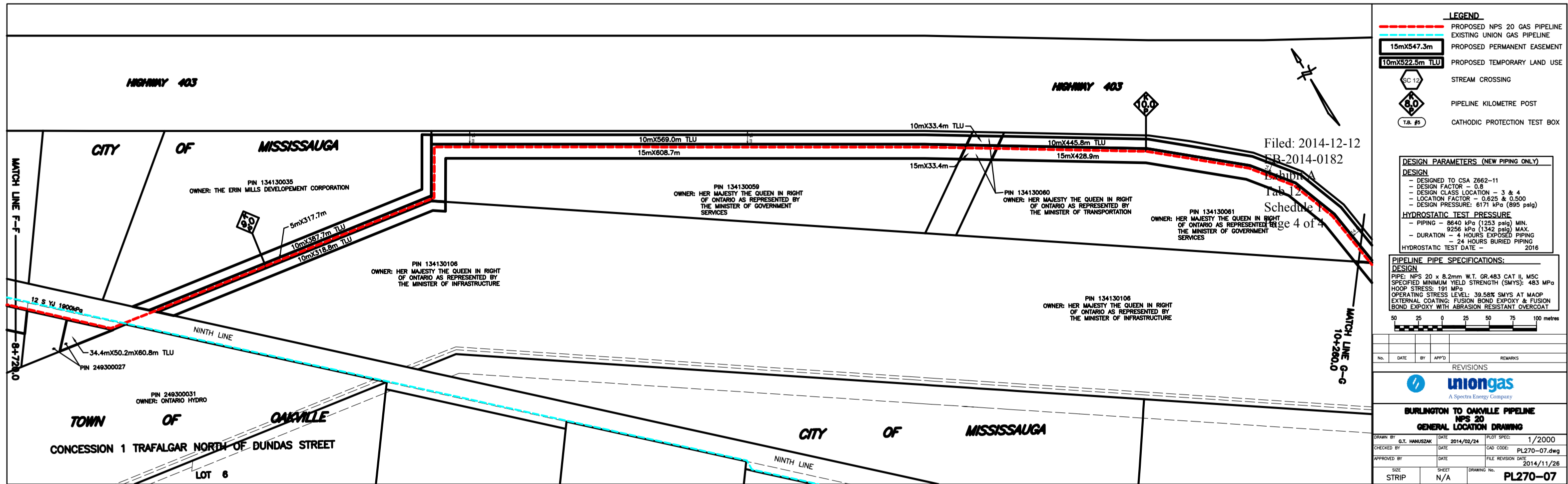
Total Post Construction \$ **1, 095,000**

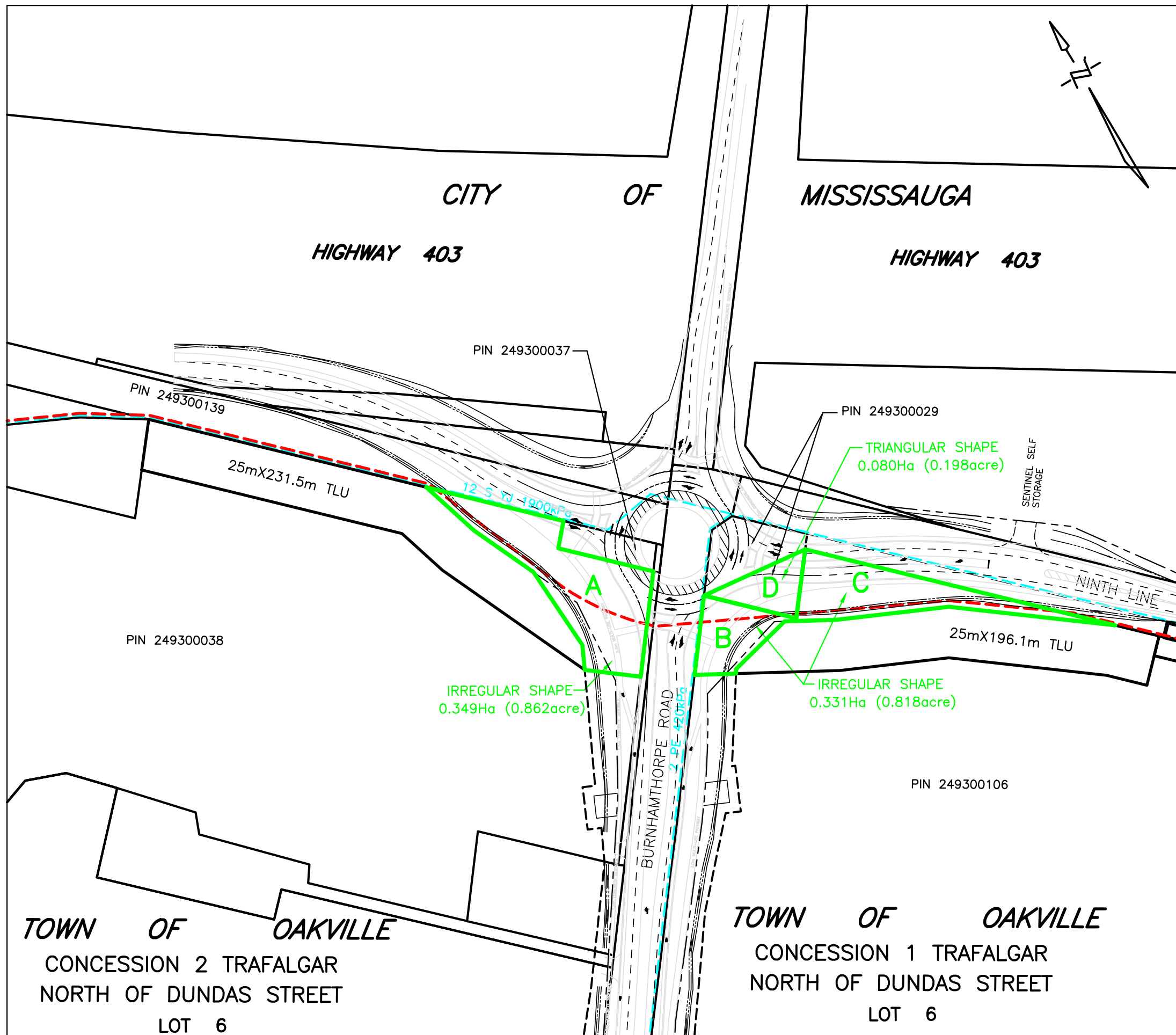
Total Estimated Environmental Costs \$ **5,305,000**







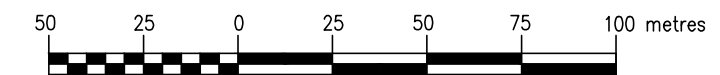




LEGEND

- PROPOSED NPS 20 GAS PIPELINE
- EXISTING UNION GAS PIPELINE
- 15mX547.3m FUTURE ROAD ALLOWANCE
- 10mX522.5m TLU PROPOSED TEMPORARY LAND USE

Filed: 2014-12-12
EB-2014-0182
Exhibit A
Tab 12
Schedule 2
Page 1 of 1



No.	DATE	BY	APP'D	REMARKS

REVISIONS



**BURLINGTON TO OAKVILLE PIPELINE
NPS 20
NINTH LINE AT BURNHAMTHORPE ROAD**

DRAWN BY G.T. HANUSZAK	DATE 2014/12/01	PLOT SPEC: 1/2000
CHECKED BY	DATE	CAD CODE: PL270-D01.dwg
APPROVED BY	DATE	FILE REVISION DATE 2014/00/00
SIZE DETAIL	SHEET N/A	DRAWING No. PL270-D01

FILE NO.	NAME & ADDRESS	PROPERTY DESCRIPTION	PERMANENT EASEMENT Dimensions (Metres) Area		TEMPORARY EASEMENT Dimensions (Metres) Area		
			Length	Width	Length	Width	
				(Hectares)		(Hectares)	
BOP1		PIN 24938-0099 LT PT LT 6, CON 9 TRAF NS, PT 1 20R2369 EXCEPT PT 2 20R4030; PT LT 7, CON 9 TRAF NS, AS IN 435082 EXCEPT PT 2 20R4036 ; AS IN 421698 EXCEPT PT 2, 20R4031 ; AS IN 471815 EXCEPT PT 2 20R4031 ; AS IN 436054 EXCEPT PT 2 20R4035; AS IN 435082, 435083, 541401, 547140 EXCEPT PT 2 20R4033; PT LT 8, CON 9 TRAF NS, AS IN 435185 EXCEPT PT 2 20R4037 ; PTS 1-3 20R2669 ; PT 1 20R2671 EXCEPT PT 1 20R4038; PT LT 9, CON 9 TRAF NS, PTS 1-3 20R594 EXCEPT PTS 2-4 20R4039, PT 2 20R7726, PT 1 20R8265; PT LT 10, CON 9 TRAF NS, AS IN 436207 EXCEPT PT 1 20R5074, PT 2 20R4041, PT 1 20R7726, PT 2 20R8535 ; AS IN 435086 LYING NE OF PT 2 20R40; PT LT 7, CON 9 TRAF NS, PTS 1-3 PL PM242 ; PTS 1-3 PL PM243 ; ALL LANDS PREVIOUSLY DESCRIBED EXCEPT PT LTS 6-7, CON 9 TRAF NS BEING PTS 2& 4 20R13225; PT LT 8, CON 9 NS BEING PT 2 20R13224; PT LT 9, CON 9 NS BEING PT 3 20R13224 & PT LT 10, CON 9 NS BEING PT 4 20R13221; MILTON. S/T 555217, 557485, 679196, 692111, 814467, 815828, 829107, 835595. S/T EASE HR364012 OVER PTS 1 - 4 20R12214 & MISSISSAUGA.	960.5	x 10	0.96	1020 x 5 40 x 15 40 x 15 79.4 x 5 30 x 15 30 x 15 10 x 15 40 x 20 771.5 x 5 788.2 x 5 61.5 x 5 61.5 x 8.83 108.3 x 15 633.5 x 15 786.9 x 5 65 x 20 12.2 x 15 146 x 30 285 x 15 200 x 15	0.51 0.06 0.06 0.04 0.05 0.05 0.02 0.08 0.39 0.39 0.03 0.05 0.16 0.95 0.39 0.13 0.02 0.44 0.43 0.30
BOP2		PIN 24938-0040 LT PT LT 6, CON 9 TRAFALGAR NEW SURVEY , PART 2 , 20R4030 ; PT LT 7, CON 9 TRAFALGAR NEW SURVEY , PART 2 , 20R4031 ; PT LT 7, CON 9 TRAFALGAR NEW SURVEY, PART 2, 20R4032 ; PT LT 7, CON 9 TRAFALGAR NEW SURVEY, PART 2, 20R4033 ; PT LT 7, CON 9 TRAFALGAR NEW SURVEY, PART 1, 20R4034 ; PT LT 7, CON 9 TRAFALGAR NEW SURVEY, PART 2, 20R4035 ; PT LT 7, CON 9 TRAFALGAR NEW SURVEY, PART 2, 20R4036 ; PT LT 8, CON 9 TRAFALGAR NEW SURVEY, PART 2, 20R4037 ; PT LT 8, CON 9 TRAFALGAR NEW SURVEY, PART 1, 20R4038 ; PT LT 9, CON 9 TRAFALGAR NEW SURVEY, PART 2, 3, 4 , 20R4039 ; PT LT 10, CON 9 TRAFALGAR NEW SURVEY, PART 2, 20R4040 ; PT LT 10, CON 9 TRAFALGAR NEW SURVEY, PART 2, 20R4041 ; T/W 557485 ; S/T 74903, 776858, R81, R82 MILTON/TRAFALGAR	26.2	x 10	0.03		
BOP3		PIN 24938-0067 LT Pt LT 7, CON 9 TRAFALGAR NEW SURVEY DES AS PTS 1,2, ON 20R18790; S/T 762908 MILTON/TRAFALGAR	131.6	10	0.13	131.6 x 8 131.6 x 3.7	0.11 0.05
BOP4		PIN 24938-0066 LT Pt Lt 7, Con 9 Trafalgar New Survey , Parts 1 & 2, 20R12355 ; ; S/T 762907 Milton/Trafalgar	61.5	10	0.06	61.5 x 8.83 61.5 x 3.7	0.05 0.02
Britannia Road East							
BOP5	PIN 24931-0148 LT Pt Lt 5, Con 9 Traf Ns, As In 579888, 612755 T/W 326471, 655313	1241	x 10	1.24	256.7 x 10 111.6 x 24.5	0.26 0.27	

		T/W 219010, Pe163, Pe174, 436059 Except Pt 2 20R4029, Pe241 Except Pt 3 20R4029, Pe170; Pt Lt 4, Con 9 Traf Ns, As In 408996 Except Pts 2-4 20R4028 & Pts 1,3,7 & 8 20R12622, S/T Ease H769187 & H769188; Pt Lt 3,Con 9 Traf Ns, As In Pe240,Pe153, 431231 Being Those Land Lying Ne Of 20R4027, 435114 Being Those Land Lying Ne Of 20R4027; Pt Lt 2, Con 9 Traf Ns, As In 436055 Lying Ne Of 20R4027 Except Pt 1 20R7131, 435084 Lying Ne Of 20R4027 Except Pt 1 20R7131, 435075 Except Pts 4-5 20R4027; Pt Lt 1, Con 9 Traf Ns, As In Pe239 Except Pt 2 20R4026, 435076, Pe156, Pe164, Pe166, Pe167, Pe168, Pe171 ; All Lands Previously Described Save & Except Pt Lts 2 & 3, Con 9 Ns Being Pts 2,4,6 & 8 20R13223; Milton. S/T Tw29072 Assigned By 63512 & Amended By 92636. S/T 550834, 555217, 557485, 692111, 815828, Tw17220.T/W Row 515207 & Mississauga						55 x 55 238.9 x 15 913.7 x 5 267 x 10 374 x 8 60.8 x 10 50 x 10 470 x 30 1200 x 5 950 x 15 54.4 x 18																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
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BOP11		PIN 24930-0050 LT Pt Lt 8, Con 2 Trafalgar, North Of Dundas Street , Part 1 , 20R8443 ; Oakville	29	x	20	0.06	59	x	10	0.06
BOP12		PIN 24930-0049 LT Pt Lt 7, Con 2 Trafalgar, North Of Dundas Street , As In 837069 ; Oakville	223.4	x	15	0.34	223.4	x	10	0.22
BOP13		PIN 24930-0047 LT Pt Lts 6 & 7, Con 2 Trafalgar, North Of Dundas Street , Part 1,4 , 20R5348 ; Oakville	160.6	x	15	0.24	160.6	x	10	0.16
BOP14		PIN 24930-0043 LT Pt Lt 10, Con 2 Trafalgar, North Of Dundas Street , Part 3,4,5,6,8,9,10 , 20R6208 , T/W 158253, 250612 ; Pt Lts 8 & 9, Con 2 Trafalgar, North Of Dundas Street , Part 1,2 , 20R199 , T/W 214249 ; Pt Lt 8, Con 2 Trafalgar, North Of Dundas Street , Part 1 , Pe85 ; Pt Lt 7, Con 2 Trafalgar, North Of Dundas Street , Part 1 , 20R2548 , Pt Lt 7, Con 2 Trafalgar, North Of Dundas Street , Part 1 , R42 , Except Pt 1,5, 20R5348; T/W 166133 ; Pt Lt 7, Con 2 Trafalgar, North Of Dundas Street , Part 1,3 , 20R6129 , Pt Lt 7, Con 2 Trafalgar, North Of Dundas Street , Part 6,7 , 20R6153 , Pt Lt 7, Con 2 Trafalgar, North Of Dundas Street , Part 1,3 , 20R6536 ; Pt Lt 6, Con 2 Trafalgar, North Of Dundas Street , Part 1,3,4,5 , 20R2134 , Except Pt 2,4, 20R3287 , Pt 4, 20R5348, Pt 6, 20R7686, T/W 167304 ; Pt Lt 6, Con 2 Trafalgar, North Of Dundas Street , Part 1 , 20R1980 , Pt Lt 6, Con 2 Trafalgar, North Of Dundas Street , Part 1 , 20R6006 , Pt Lt 6, Con 2 Trafalgar, North Of Dundas Street , Part 1 To 16 , Pe84 , Pt Lt 6, Con 2 Trafalgar, North Of Dundas Street , Part 1 , Pl1274 ; Pt Lt 6, Con 2 Trafalgar, North Of Dundas Street , Part 1 , 20R5052 , Pt Lt 6, Con 2 Trafalgar, North Of Dundas Street , Part 1,2 , Pe83 , Except Pt 5,6, 20R7686 ; S/T 502868, 550566, 555217, 618683 (Except Pt 1,Ex198), 619501, 815828, Tw19808, Tw198 12,Tw19836,Tw23609,Tw23695,Tw26403,Tw26407; Milton/Oakville & Mississauga	328.2	x	15	0.49	184.7 153.3	x x	10 25	0.18 0.38
BOP15		PIN 24930-0038 LT Pt Lt 6, Con 2 Trafalgar, North Of Dundas Street , As In 251634 Except Pt 1, 20R5052, Pts 1 & 2, Pe83, Pm468; S/T 178010 ; Oakville	irr	irr	0.35		288.2 231.5	x x	25 25	0.72 0.58
Burnhamthorpe Road										
BOP16		PIN 24930-0029 LT Pt Lt 6, Con 1 Trafalgar, North Of Dundas Street , As In 812734 ; Oakville/Trafalgar	irr	irr	0.08					
BOP17		PIN 24930-0106 LT Pt Lt 6, Con 1 Trafalgar, North Of Dundas Street; Oakville/Trafalgar	irr 91.3	irr 7.4	0.33 0.07		196.1 106.1	x x	25 10	0.49 0.11

					172.4 x 25	0.43
BOP18			PIN 24930-0027 LT Pt Lt 6, Con 1 Traf Nds, Pt 5 20R5349 Except Pt 2 20R6407; Oakville. T/W 593925.		60.8 34.4	0.10
BOP19			PIN 13413-0035 LT Pcl 14-1, Sec 43-1542, Pt Lt 9, Rcp 1542, Pt 3, 43R11840 ; Mississauga	317.7 x 5	387.7 x 10	0.39
BOP20			PIN 13413-0106 LT Pt Lt 9 Registrar'S Compiled Plan 1542 Mississauga Pts 1 & 4, 43R9144, Save And Except Pts 12, 14, 16, Pl 43R32759 Subject To An Easement As In Ro723951 City Of Mississauga	292.4 x 15	318.8 x 10 263.7 x 10	0.32 0.26
BOP21			PIN 13413-0059 LT PT LT 9 Registrar's Compiled Plan 1542 MISSISSAUGA PT 5 43R6722 ; MISSISSAUGA	608.7 x 15	569 x 10	0.57
BOP22			PIN 13413-0060 LT Pt Lt 9 Registrar'S Compiled Plan 1542 Mississaugaa Pt 4 43R6722 ; Mississauga	33.4 x 15	33.4 x 10	0.03
BOP23	0		PIN 13413-0061 LT Pt Lt 9 Registrar'S Compiled Plan 1542 Mississaugaa Pt 3 43R6722 ; Mississauga	428.9 x 15	445.8 x 10	0.45
Dundas Street East						
BOP24			PIN 24902-0595 LT Pt Lts 4 & 5, Con 1 Traf. Sds, Parts 3, 4, 5, 8 & 9, 20R5350 ; Oakville ; S/T 140875 & 624755	199.4 x 15 67.2 x 15	223.1 x 10 54.7 x 10	0.22 0.05
BOP25	0		PIN 24902-0620 LT Pt Lt 5, Con 1 Sds Traf, Parts 1 & 3, 20R13374 ; Oakville ; S/T 555217	190.3 x 15	182.5 x 10	0.18

BOP26		PIN 24902-0594 Pt Lt 5", Con 1 Traf. Sds, Part 10, 20R5350 ; Oakville ; S/T 555217. "	535.3 x 15	0.80	547.4 x 10	0.55
BOP27		PIN 24902-0710 Pt Lt 5, Con 1 Traf. Sds, As In Tw12338, Tw12388, Tw28477, Tw28882, 60868, 62940, 127070 & 215846 Except 227540 & Except Pts 7 To 18, 20R19148; Pt Lt 4, Con 1 Traf. Sds, As In Tw12340, Tw12417 & Tw28768, Lying Between Ninth Line & Hwy 403 & Tw29485 Lying North Pt 4, 20R4180 & North Pt 10, 20R5347 Subject To An Easement As In 598243 Subject To An Easement As In 624755 Subject To An Easement As In 822963 Subject To An Easement As In 822964 Town Of Oakville	48.5 x 15	0.07	48.6 x 10	0.05
BOP28		PIN 24902-0173 Pt Lt 5, Con 1 Trafalgar, South Of Dundas Street , Part 1-8 , 20R10385 ; S/T 51491,609724,64276,65843,794575,95200 Oakville/Trafalgar				

PIPELINE EASEMENT

(the "Easement")

Between

(hereinafter called the "Transferor")

and

UNION GAS LIMITED

(hereinafter called the "Transferee")

This easement is an Easement in Gross

WHEREAS the Transferor is the owner in fee simple of those lands and premises more particularly described as: **PIN:** **Legal Description:** (hereinafter called the "Transferor's Lands").

The Transferor does hereby GRANT, CONVEY, TRANSFER AND CONFIRM unto the Transferee, its successors and assigns, to be used and enjoyed as appurtenant to all or any part of the lands, the right, liberty, privilege and easement on, over, in, under and/or through a strip of the Transferor's Lands more particularly described as: Choose an item. **PIN:** **Legal Description:** Click here to enter text. (hereinafter called the "Lands") to survey, lay, construct, maintain, brush, clear trees and vegetation, inspect, patrol, alter, remove, replace, reconstruct, repair, move, keep, use and/or operate one pipeline for the transmission of Pipeline quality natural gas as defined in The Ontario Energy Board Act S.O. 1998 (hereinafter called the "Pipeline") including therewith all such buried attachments, equipment and appliances for cathodic protection which the Transferee may deem necessary or convenient thereto, together with the right of ingress and egress at any and all times over and upon the Lands for its servants, agents, employees, those engaged in its business, contractors and subcontractors on foot and/or with vehicles, supplies, machinery and equipment for all purposes necessary or incidental to the exercise and enjoyment of the rights, liberty, privileges and easement hereby granted. The Parties hereto mutually covenant and agree each with the other as follows:

1. In consideration of the sum of **TWO Dollars** (\$2.00) of lawful money of Canada (hereinafter called the "Consideration"), which sum is payment in full for the rights and interest hereby granted and for the rights and interest, if any, acquired by the Transferee by expropriation, including in either or both cases payment in full for all such matters as injurious affection to remaining lands and the effect, if any, of registration on title of this document and where applicable, of the expropriation documents, subject to Clause 12 hereof to be paid by the Transferee to the Transferor within 90 days from the date of these presents or prior to the exercise by the Transferee of any of its rights hereunder other than the right to survey (whichever may be the earlier date), the rights, privileges and easement hereby granted shall continue in perpetuity or until the Transferee, with the express written consent of the Transferor, shall execute and deliver a surrender thereof. Prior to such surrender, the Transferee shall remove all debris as may have resulted from the Transferee's use of the Lands from the Lands and in all respects restore the Lands to its previous productivity and fertility so far as is reasonably possible, save and except for items in respect of which compensation is due under Clause 2, hereof. Transferor and Transferee hereby agree that nothing herein shall oblige Transferee to remove the Pipeline from the Lands as part of Transferee's obligation to restore the Lands.
2. The Transferee shall make to the Transferor (or the person or persons entitled thereto) due compensation for any damages to the Lands resulting from the exercise of any of the rights herein granted, and if the compensation is not agreed upon by the Transferee and the Transferor, it shall be determined by arbitration in the manner prescribed by the Expropriations Act, R.S.O. 1990, Chapter E-26 or any Act passed in amendment thereof or substitution therefore. Any gates, fences and tile drains curbs, gutters, asphalt paving, lockstone, patio tiles interfered with by the Transferee shall be restored by the Transferee at its expense as closely as reasonably possible to the condition and function in which they existed immediately prior to such interference by the Transferee and in

the case of tile drains, such restoration shall be performed in accordance with good drainage practice and applicable government regulations.

3. The Pipeline (including attachments, equipment and appliances for cathodic protection but excluding valves, take-offs and fencing installed under Clause 9 hereof) shall be laid to such a depth that upon completion of installation it will not obstruct the natural surface run-off from the Lands nor ordinary cultivation of the Lands nor any tile drainage system existing in the Lands at the time of installation of the Pipeline nor any planned tile drainage system to be laid in the Lands in accordance with standard drainage practice, if the Transferee is given at least thirty (30) days notice of such planned system prior to the installation of the Pipeline; provided that the Transferee may leave the Pipeline exposed in crossing a ditch, stream, gorge or similar object where approval has been obtained from the Ontario Energy Board or other Provincial Board or authority having jurisdiction in the premises. The Transferee agrees to make reasonable efforts to accommodate the planning and installation of future tile drainage systems following installation of the Pipeline so as not to obstruct or interfere with such tile installation.
4. As soon as reasonably possible after the construction of the Pipeline, the Transferee shall level the Lands and unless otherwise agreed to by the Transferor, shall remove all debris as may have resulted from the Transferee's use of the Lands therefrom and in all respects restore the Lands to its previous productivity and fertility so far as is reasonably possible, save and except for items in respect of which compensation is due under Clause 2 hereof.
5. It is further agreed that the Transferee shall assume all liability and obligations for any and all loss, damage or injury, (including death) to persons or property that would not have happened but for this Easement or anything done or maintained by the Transferee hereunder or intended so to be and the Transferee shall at all times indemnify and save harmless the Transferor from and against all such loss, damage or injury and all actions, suits, proceedings, costs, charges, damages, expenses, claims or demands arising therefrom or connected therewith provided that the Transferee shall not be liable under the clause to the extent to which such loss, damage or injury is caused or contributed to by the gross negligence or wilful misconduct of the Transferor.
6. In the event that the Transferee fails to comply with any of the requirements set out in Clauses 2, 3, or 4 hereof within a reasonable time of the receipt of notice in writing from the Transferor setting forth the failure complained of, the Transferee shall compensate the Transferor (or the person or persons entitled thereto) for any damage, if any, necessarily resulting from such failure and the reasonable costs if any, incurred in the recovery of those damages.
7. Except in case of emergency, the Transferee shall not enter upon any of the Transferor's Lands, other than the Lands, without the consent of the Transferor. In case of emergency the right of entry upon the Transferor's Lands for ingress and egress to and from the Lands is hereby granted. The determination of what circumstances constitute an emergency, for purposes of this paragraph is within the absolute discretion of the Transferee, but is a situation in which the Transferee has a need to access the Pipeline in the public interest without notice to the Transferor, subject to the provisions of Clause 2 herein. The Transferee will, within 72 hours of entry upon such lands, advise the Transferor of the said emergency circumstances and thereafter provide a written report to Transferor with respect to the resolution of the emergency situation. The Transferee shall restore the lands of the Transferor at its expense as closely as reasonably practicable to the condition in which they existed immediately prior to such interference by the Transferee and in the case of tile drains, such restoration shall be performed in accordance with good drainage practice.
8. The Transferor shall have the right to fully use and enjoy the Lands except for planting trees over the lesser of the Lands or a six (6) metre strip centered over the Pipeline, and except as may be necessary for any of the purposes hereby granted to the Transferee, provided that without the prior written consent of the Transferee, the Transferor shall not excavate, drill, install, erect or permit to be excavated, drilled, installed or erected in, on, over or through the Lands any pit, well, foundation, pavement, building, mobile homes or other structure or installation. Notwithstanding the foregoing the Transferee upon request shall consent to the Transferor erecting or repairing fences, hedges, pavement, lockstone constructing or repairing tile drains and domestic sewer pipes, water pipes, and utility pipes and constructing or repairing lanes, roads, driveways, pathways, and walks across, on and in the Lands or any portion or portions thereof, provided that before commencing any of the work referred to in this sentence the Transferor shall (a) give the Transferee at least (30) clear days notice in writing describing the work desired so as to enable the Transferee to evaluate and comment on the work proposed and to have a representative inspect the site and/or be present at any time or times during the performance of the work, (b) shall follow the instructions of such representative as to the performance of such work without damage to the Pipeline, (c) shall

exercise a high degree of care in carrying out any such work and, (d) shall perform any such work in such a manner as not to endanger or damage the Pipeline as may be required by the Transferor.

9. The rights, privileges and easement herein granted shall include the right to install, keep, use, operate, service, maintain, repair, remove and/or replace in, on and above the Lands any valves and/or take-offs subject to additional agreements and to fence in such valves and/or take-offs and to keep same fenced in, but for this right the Transferee shall pay to the Transferor (or the person or persons entitled thereto) such additional compensation as may be agreed upon and in default of agreement as may be settled by arbitration under the provisions of The Ontario Energy Board Act, S.O. 1998, or any Act passed in amendment thereof or substitution therefore. The Transferee shall keep down weeds on any lands removed from cultivation by reason of locating any valves and/or take-offs in the Lands.
10. Notwithstanding any rule of law or equity and even though the Pipeline and its appurtenances may become annexed or affixed to the realty, title thereto shall nevertheless remain in the Transferee.
11. Neither this Agreement nor anything herein contained nor anything done hereunder shall affect or prejudice the Transferee's rights to acquire the Lands or any other portion or portions of the Transferor's lands under the provisions of The Ontario Energy Board Act, S.O. 1998, or any other laws, which rights the Transferee may exercise at its discretion in the event of the Transferor being unable or unwilling for any reason to perform this Agreement or give to the Transferee a clear and unencumbered title to the easement herein granted.
12. The Transferor covenants that he has the right to convey this Easement notwithstanding any act on his part, that he will execute such further assurances of this Easement as may be requisite and which the Transferee may at its expense prepare and that the Transferee, performing and observing the covenants and conditions on its part to be performed, shall have quiet possession and enjoyment of the rights, privileges and easement hereby granted. If it shall appear that at the date hereof the Transferor is not the sole owner of the Lands, this Easement shall nevertheless bind the Transferor to the full extent of his interest therein and shall also extend to any after-acquired interest, but all moneys payable hereunder shall be paid to the Transferor only in the proportion that his interest in the Lands bears to the entire interest therein.
13. In the event that the Transferee fails to pay the consideration as hereinbefore provided, the Transferor shall have the right to declare this Easement cancelled after the expiration of 15 days from personal service upon the Manager, Land Services of the Transferee at its Executive Head Office in Chatham, Ontario, (or at such other point in Ontario as the Transferee may from time to time specify by notice in writing to the Transferor) of notice in writing of such default, unless during such 15 day period the Transferee shall pay the said consideration; upon failing to pay as aforesaid, the Transferee shall forthwith after the expiration of 15 days from the service of such notice execute and deliver to the Transferor at the expense of the Transferee, a valid and registrable release and discharge of this Easement.
14. All payments under these presents may be made either in cash or by cheque of the Transferee and may be made to the Transferor (or person or persons entitled thereto) either personally or by mail. All notices and mail sent pursuant to these presents shall be addressed to:

the Transferor at:

and to the Transferee at: Union Gas Limited
P.O. Box 2001
50 Keil Drive North
Chatham, Ontario N7M 5M1
Attention: Manager, Land Services

or to such other address in either case as the Transferor or the Transferee respectively may from time to time appoint in writing.

15. The rights, privileges and easement hereby granted are and shall be of the same force and effect as a covenant running with the Transferor's Land and this Easement, including all the covenants and conditions herein contained, shall extend to, be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the Parties hereto respectively; and, wherever the singular or masculine is used it shall, where necessary, be construed as if the plural, or feminine or neuter had been used, as the case may be.

16. (a) The Transferee represents that it is registered for the purposes of the Harmonized Sales and Services Tax (hereinafter called "HST") in accordance with the applicable provisions in Part IV of the Excise Tax Act, (R.S.C., 1985, c. E-15), (hereinafter called "Excise Tax Act"), as amended.
- (b) The Transferee covenants to deliver a Statutory Declaration, Undertaking and Indemnity confirming its HST registration number, which shall be conclusive evidence of such HST registration, and shall preclude the Transferor from collection of HST from the Transferee.
- (c) The Transferee shall undertake to self-assess the HST payable in respect of this transaction pursuant to subparagraphs 221(2) and 228(4) of the Excise Tax Act, and to remit and file a return in respect of HST owing as required under the said Act for the reporting period in which the HST in this transaction became payable.
- (d) The Transferee shall indemnify and save harmless the Transferor from and against any and all claims, liabilities, penalties, interest, costs and other legal expenses incurred, directly or indirectly, in connection with the assessment of HST payable in respect of the transaction contemplated by this Easement. The Transferee's obligations under this Clause shall survive this Easement.
17. The Transferor hereby acknowledges that this Easement will be registered electronically.

DATED this day of Choose an item. 20

Signature (Transferor)
Insert name here
Print Name(s) (and position held if applicable)
Choose an item.
Enter Text here
Address (Transferor)

Signature (Transferor)
Insert name here
Print Name(s) (and position held if applicable)
Choose an item.
Enter Text here
Address (Transferor)

UNION GAS LIMITED

Signature (Transferee)
Insert name here, Choose an item.
Name & Title (Union Gas Limited)
I have authority to bind the Corporation.
Telephone Number (Union Gas Limited)

Municipality of Chatham-Kent

Province of Ontario

DECLARATION REQUIRED UNDER
SECTION [Choose an item.](#) OF THE PLANNING
ACT, R.S.O. 1990, as amended

I, [Click here to enter text.](#) , of the [Click here to enter text.](#), in the Province of Ontario.

DO SOLEMNLY DECLARE THAT

1. I am a Manager, Land Services, Lands Department of Union Gas Limited, the Transferee in the attached Grant of Easement and as such have knowledge of the matters herein deposed to.
2. The use of or right in the land described in the said Grant of Easement is being acquired by Union Gas Limited for the purpose of a [Choose an item.](#) line within the meaning of Part VI of the Ontario Energy Board Act, 1998.

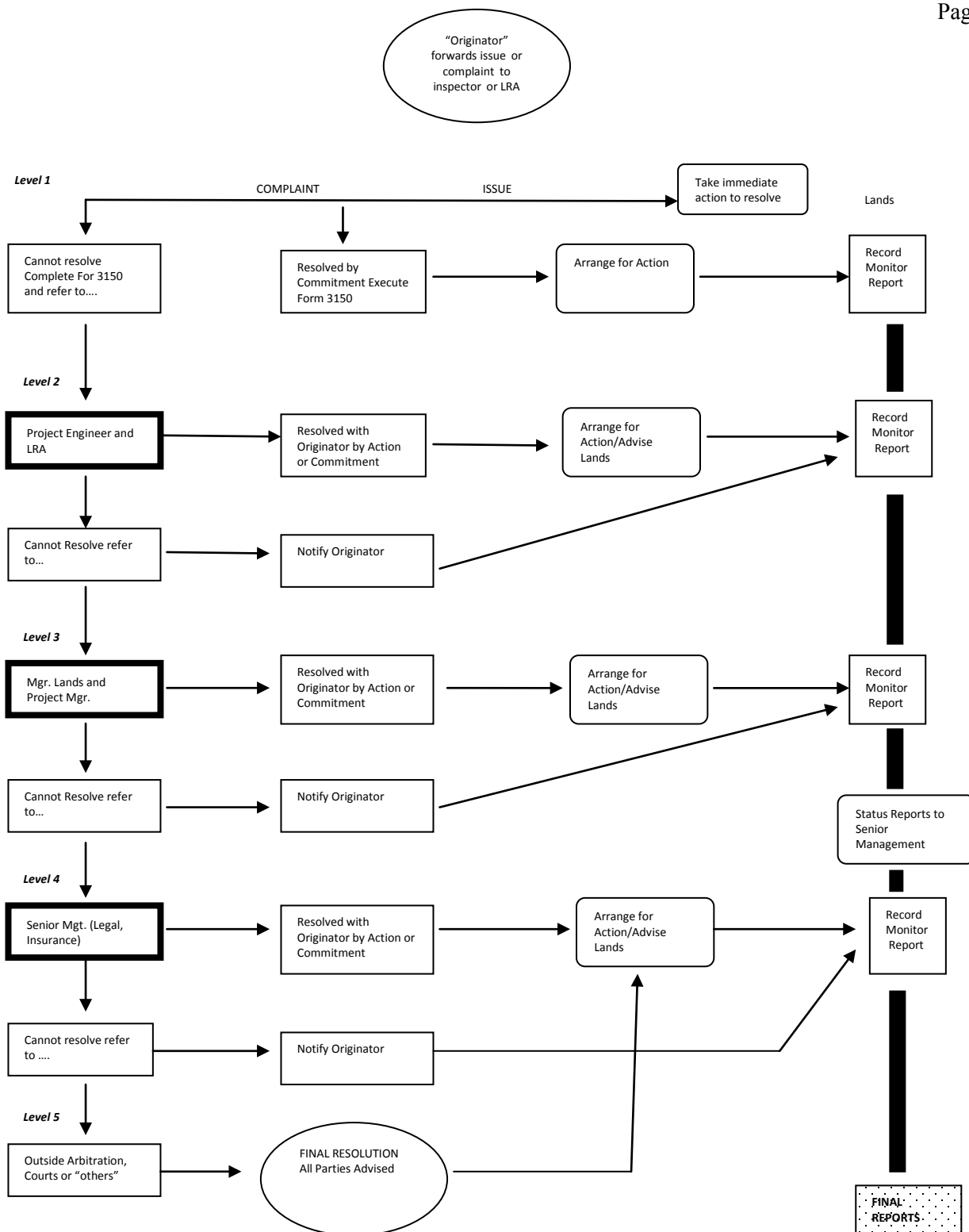
AND I make this solemn declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath, and by virtue of The Canada Evidence Act.

DECLARED before me at the
[Click here to enter text.](#),
in the Province of Ontario

This day of [Choose an item.](#) 20

A Commissioner, etc.

Landowner Complaint Resolution System Process Chart



1. “originator” of complaint or issue may be landowner or company representative
2. Parties indicated in heavy outlined boxes shall assume responsibility for actions subsequently required in the resolution process. Parties identified in brackets may only be required for resolution or specific technical concerns
3. “L.R.A.” refers to Landowner Relations Agent

LANDOWNER COMPLAINT RESOLUTION SYSTEM EXPLANATION OF PROCESS CHART

Key Definitions

Originator – The originator of a complaint or issue is the landowner or Union Gas personnel who initiates a complaint or issue by making it known to the Landowner Relations Agent or a company inspector.

Landowner Relations Agent (LRA) – A person assigned on a full time or part time basis to record, monitor, and ensure follow-up on any complaint or issue received by Union related to construction, to address questions and concerns of the landowners, and to act as a liaison between landowners and the contractor and engineering personnel.

Issue – A concern of a landowner which can be resolved within three (3) working days. Immediate action is taken to resolve such matters.

Complaint – A concern of a landowner which cannot be resolved within three (3) working days.

Commitment – If an issue or complaint is resolved at any level of the Complaint Resolution system through the efforts and liaison activities of the Landowner Relations Agent or other personnel, the resolution is recorded to ensure proper future follow-up.

Outside Arbitration – includes the Board of Negotiation, O.M.B., and O.E.B.

Others – refers to other regulatory bodies and tribunals

Levels of the Complaint Resolution System

Level 1: The LRA or company inspector receives issues or complaints, and the following can happen:

- a) Immediate action could be arranged by the LRA or inspector to resolve the issue or complaint; or
- b) A complaint can be resolved by a commitment in which case the LRA is responsible for arranging for the committed action and having the commitment recorded in the Complaint Resolution system; or
- c) If a complaint cannot be resolved through the efforts of the LRA or inspector, the applicable form (Form 3150) is completed and then recorded, and the complaint is referred to **Level 2**.

Level 2: The LRA and the Construction Supervisor work together to develop a resolution for the complaint, and the following can happen:

- a) the complaint may be resolved with the originator by action or commitment and the action or commitment is recorded in the Complaint Resolution System; or
- b) if the complaint cannot be resolved, the originator is notified, the non-resolution is recorded, and the complaint is referred to **Level 3**.

Level 3: The Manager, Lands and the Project Manager work together to develop a resolution for the complaint, and the following can happen:

- a) complaint may be resolved with the originator by action or commitment and the action or commitment is recorded in the Complaint Resolution System; or
- b) if the complaint cannot be resolved, the originator is notified, the non-resolution is recorded, and the complaint is referred to **Level 4**;

When complaints reach this level, status reports are generated through the Complaint Resolution System and are forwarded to Senior Management.

Level 4: Senior Management (with possible input from the Legal and Risk and Claims Departments) attempts to develop a resolution to the complaint, and the following can happen:

- a) the complaint may be resolved with the originator by action or commitment and the action or commitment is recorded in the Complaint Resolution System; or
- b) if the complaint cannot be resolved, the originator is notified, the non-resolution is recorded, and the complaint is referred to **Level 5**;

Level 5: Involves the resolution of a complaint by outside arbitration or others, and the following will happen:

A final resolution will occur, all parties will be advised, and any action required will be arranged by the LRA or other Lands Department personnel.

Note: the Complaint Resolution System is used to generate final reports to the Ontario Energy Board



April 5, 2013
File: 160960763

Six Nations of the Grand River
1695 Chiefswood Road
Ohsweken ON N0A 1M0

Attention: Chief William Montour,

Dear Chief Montour,

Reference: Union Gas Limited – Burlington-Oakville Pipeline Project – Initiation of Environmental Study

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its Burlington Pipeline System. The exact location of the proposed pipeline has not yet been determined. The pipeline will be located within a Study Area that is roughly bounded by Highway 25, Highway 407, Derry Road and Upper Middle Road. Please see the attached map for the exact location of the Study Area.

As part of the planning process, Union Gas has hired Stantec Consulting Ltd. (Stantec) to undertake an environmental study of the construction and operation of the natural gas pipeline. The environmental study will fulfill the requirements of the Ontario Energy Board's (OEB) *"Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario (2011)"*.

The environmental study process will include consultation and engagement with landowners, First Nations, the Métis Nation of Ontario, government agencies and other local parties. Consultation and engagement will be instrumental in various aspects of the environmental study including the evaluation of various pipeline route alternatives; the selection of the preferred pipeline route; and the various protection and mitigation measures used to minimize the effects of constructing and operating the proposed pipeline.

It is anticipated that the Environmental Report for the study will be completed in the summer of 2013 at which time Union Gas will file an application for the proposed pipeline to the OEB. The OEB's review and approval is required before the proposed natural gas pipeline project can proceed. If approved, construction of the pipeline would begin in the spring of 2015.

Six Nations of the Grand River is invited to provide comments regarding the proposed pipeline. Specifically, Stantec is seeking information about any adverse impacts that the project may have on constitutionally protected aboriginal or treaty rights and any measures for mitigating those adverse impacts.

Stantec is also seeking background environmental and socio-economic information that may be useful in compiling an inventory of the Study Area. Information regarding other proposed developments in the Study Area is also requested to be provided, for incorporation into the environmental study as a component of a cumulative effects assessment. Please contact us to discuss the most efficient way to obtain this information.

Stantec

For any questions or concerns regarding the Project, please do not hesitate to contact the undersigned or John Bonin, Union Gas Limited, JBonin@uniongas.com, 519-539-8509, Extension 5021063.

Sincerely,

STANTEC CONSULTING LTD.

Mark Knight, MA, MCIP, RPP
Environmental Planner
Tel: (519) 836-6050 ext. 218
Fax: (519) 836-2493
mark.knight@stantec.com

Attachment: Study Area Map

c. John Bonin, Union Gas



April 5, 2013
File: 160960763

Six Nations of the Grand River
1695 Chiefswood Road
Ohsweken ON N0A 1M0

Attention: Lonny Bomberry, Director of Lands and Resources

Dear Lonny Bomberry,

Reference: Union Gas Limited – Burlington-Oakville Pipeline Project – Initiation of Environmental Study

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its Burlington Pipeline System. The exact location of the proposed pipeline has not yet been determined. The pipeline will be located within a Study Area that is roughly bounded by Highway 25, Highway 407, Derry Road and Upper Middle Road. Please see the attached map for the exact location of the Study Area.

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Six Nations of the Grand River is invited to provide comments regarding the proposed pipeline. Specifically, Stantec is seeking information about any adverse impacts that the project may have on constitutionally protected aboriginal or treaty rights and any measures for mitigating those adverse impacts.

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mark.knight@stantec.com

Attachment: Study Area Map

c. John Bonin, Union Gas



April 5, 2013
File: 160960763

Mississaugas of New Credit
2789 Mississauga Road RR # 6
Hagersville ON N0A 1H0

Attention: Chief Bryan LaForme,

Dear Chief LaForme,

Reference: Union Gas Limited – Burlington-Oakville Pipeline Project – Initiation of Environmental Study

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its Burlington Pipeline System. The exact location of the proposed pipeline has not yet been determined. The pipeline will be located within a Study Area that is roughly bounded by Highway 25, Highway 407, Derry Road and Upper Middle Road. Please see the attached map for the exact location of the Study Area.

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Mississaugas of New Credit is invited to provide comments regarding the proposed pipeline. Specifically, Stantec is seeking information about any adverse impacts that the project may have on constitutionally protected aboriginal or treaty rights and any measures for mitigating those adverse impacts.

Stantec is also seeking background environmental and socio-economic information that may be useful in compiling an inventory of the Study Area. Information regarding other proposed developments in the Study Area is also requested to be provided, for incorporation into the environmental study as a component of a cumulative effects assessment. Please contact us to discuss the most efficient way to obtain this information.

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c. John Bonin, Union Gas



April 5, 2013
File: 160960763

Mississaugas of New Credit
2789 Mississauga RoadRR#6
Hagersville ON N0A 1H0

Attention: Caroline King, Environmental Assessment Coordinator

Dear Caroline King,

Reference: Union Gas Limited – Burlington-Oakville Pipeline Project – Initiation of Environmental Study

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its Burlington Pipeline System. The exact location of the proposed pipeline has not yet been determined. The pipeline will be located within a Study Area that is roughly bounded by Highway 25, Highway 407, Derry Road and Upper Middle Road. Please see the attached map for the exact location of the Study Area.

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Mississaugas of New Credit is invited to provide comments regarding the proposed pipeline. Specifically, Stantec is seeking information about any adverse impacts that the project may have on constitutionally protected aboriginal or treaty rights and any measures for mitigating those adverse impacts.

Stantec is also seeking background environmental and socio-economic information that may be useful in compiling an inventory of the Study Area. Information regarding other proposed developments in the Study Area is also requested to be provided, for incorporation into the environmental study as a component of a cumulative effects assessment. Please contact us to discuss the most efficient way to obtain this information.

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mark.knight@stantec.com

Attachment: Study Area Map

c. John Bonin, Union Gas



April 5, 2013
File: 160960763

Métis Nation of Ontario
500 Old St. Patrick St., Unit D
Ottawa ON K1N 9G4

Attention: Mark Bowler, Director of Lands Resources and Consultation

Dear Mark Bowler,

Reference: Union Gas Limited – Burlington-Oakville Pipeline Project – Initiation of Environmental Study

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its Burlington Pipeline System. The exact location of the proposed pipeline has not yet been determined. The pipeline will be located within a Study Area that is roughly bounded by Highway 25, Highway 407, Derry Road and Upper Middle Road. Please see the attached map for the exact location of the Study Area.

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It is anticipated that the Environmental Report for the study will be completed in the summer of 2013 at which time Union Gas will file an application for the proposed pipeline to the OEB. The OEB's review and approval is required before the proposed natural gas pipeline project can proceed. If approved, construction of the pipeline would begin in the spring of 2015.

Métis Nation of Ontario is invited to provide comments regarding the proposed pipeline. Specifically, Stantec is seeking information about any adverse impacts that the project may have on constitutionally protected aboriginal or treaty rights and any measures for mitigating those adverse impacts.

Stantec is also seeking background environmental and socio-economic information that may be useful in compiling an inventory of the Study Area. Information regarding other proposed developments in the Study Area is also requested to be provided, for incorporation into the environmental study as a component of a cumulative effects assessment. Please contact us to discuss the most efficient way to obtain this information.

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Attachment: Study Area Map

c. John Bonin, Union Gas



April 5, 2013
File: 160960763

Haudenosaunee Development Institute
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Attention: Hazel Hill, Executive Director

Dear Hazel Hill,

Reference: Union Gas Limited – Burlington-Oakville Pipeline Project – Initiation of Environmental Study

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its Burlington Pipeline System. The exact location of the proposed pipeline has not yet been determined. The pipeline will be located within a Study Area that is roughly bounded by Highway 25, Highway 407, Derry Road and Upper Middle Road. Please see the attached map for the exact location of the Study Area.

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Haudenosaunee Development Institute is invited to provide comments regarding the proposed pipeline. Specifically, Stantec is seeking information about any adverse impacts that the project may have on constitutionally protected aboriginal or treaty rights and any measures for mitigating those adverse impacts.

Stantec is also seeking background environmental and socio-economic information that may be useful in compiling an inventory of the Study Area. Information regarding other proposed developments in the Study Area is also requested to be provided, for incorporation into the environmental study as a component of a cumulative effects assessment. Please contact us to discuss the most efficient way to obtain this information.

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Attachment: Study Area Map

c. John Bonin, Union Gas



April 5, 2013
File: 160960763

Haudenosaunee Confederacy Chiefs Council
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Attention: Chief Allen MacNaughton,

Dear Chief MacNaughton,

Reference: Union Gas Limited – Burlington-Oakville Pipeline Project – Initiation of Environmental Study

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its Burlington Pipeline System. The exact location of the proposed pipeline has not yet been determined. The pipeline will be located within a Study Area that is roughly bounded by Highway 25, Highway 407, Derry Road and Upper Middle Road. Please see the attached map for the exact location of the Study Area.

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Haudenosaunee Confederacy Chiefs Council is invited to provide comments regarding the proposed pipeline. Specifically, Stantec is seeking information about any adverse impacts that the project may have on constitutionally protected aboriginal or treaty rights and any measures for mitigating those adverse impacts.

Stantec is also seeking background environmental and socio-economic information that may be useful in compiling an inventory of the Study Area. Information regarding other proposed developments in the Study Area is also requested to be provided, for incorporation into the environmental study as a component of a cumulative effects assessment. Please contact us to discuss the most efficient way to obtain this information.

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Sincerely,

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Environmental Planner
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Attachment: Study Area Map

c. John Bonin, Union Gas



April 5, 2013
File: 160960763

Chippewas of Georgina Island
RR2, PO Box 13
Sutton West ON L0E 1R0

Attention: Chief Donna Big Canoe,

Dear Chief Big Canoe,

Reference: Union Gas Limited – Burlington-Oakville Pipeline Project – Initiation of Environmental Study

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its Burlington Pipeline System. The exact location of the proposed pipeline has not yet been determined. The pipeline will be located within a Study Area that is roughly bounded by Highway 25, Highway 407, Derry Road and Upper Middle Road. Please see the attached map for the exact location of the Study Area.

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Chippewas of Georgina Island is invited to provide comments regarding the proposed pipeline. Specifically, Stantec is seeking information about any adverse impacts that the project may have on constitutionally protected aboriginal or treaty rights and any measures for mitigating those adverse impacts.

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Attachment: Study Area Map

c. John Bonin, Union Gas



May 3, 2013
File: 160960763

Six Nations of the Grand River
1695 Chiefswood Road
Ohsweken ON N0A 1M0

Attention: Chief William Montour

Dear Chief Montour:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Information Session**

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its existing Burlington-Oakville Pipeline System. The exact location of the proposed pipeline has not yet been determined.

As part of the planning process, Union Gas has hired Stantec Consulting Ltd. (Stantec) to undertake an environmental study of the construction and operation of the natural gas pipeline. The environmental study will fulfill the requirements of the Ontario Energy Board's (OEB) *"Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario (2011)"*.

As part of the study process, several Route Options for the proposed natural gas pipeline have been identified. The routes follow existing linear features where feasible, such as hydro corridors, road right-of-ways and property lines. Please see the attached map.

An Information Session regarding the Project and Route Options is being held on May 23rd, 2013. Please see the attached Notice. We hope that you can attend the Information Session. Alternatively, for any questions or concerns regarding the Project, please do not hesitate to contact the undersigned or John Bonin, Union Gas Limited, JBonin@uniongas.com, 519-539-8509, extension 5021063.

Sincerely,

STANTEC CONSULTING LTD.

Mark Knight, MA, MCIP, RPP
Environmental Planner
Mark.Knight@stantec.com

Attachments: Proposed Project Facilities (Map); Notice of Information Session
c. John Bonin, Union Gas Limited



May 3, 2013
File: 160960763

Six Nations of the Grand River
1695 Chiefswood Road
Ohsweken ON N0A 1M0

Attention: Lonny Bomberry, Director of Lands and Resources

Dear Lonny Bomberry:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Information Session**

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its existing Burlington-Oakville Pipeline System. The exact location of the proposed pipeline has not yet been determined.

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c. John Bonin, Union Gas Limited



May 3, 2013
File: 160960763

Mississaugas of New Credit
2789 Mississauga Road RR # 6
Hagersville ON N0A 1H0

Attention: Chief Bryan LaForme

Dear Chief LaForme:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Information Session**

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c. John Bonin, Union Gas Limited



May 3, 2013
File: 160960763

Mississaugas of New Credit
2789 Mississauga RoadRR#6
Hagersville ON N0A 1H0

Attention: Caroline King, Environmental Assessment Coordinator

Dear Caroline King:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Information Session**

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Environmental Planner
Mark.Knight@stantec.com

Attachments: Proposed Project Facilities (Map); Notice of Information Session
c. John Bonin, Union Gas Limited



May 3, 2013
File: 160960763

Métis Nation of Ontario
500 Old St. Patrick St., Unit D
Ottawa ON K1N 9G4

Attention: Mark Bowler, Director of Lands Resources and Consultation

Dear Mark Bowler:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Information Session**

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its existing Burlington-Oakville Pipeline System. The exact location of the proposed pipeline has not yet been determined.

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Environmental Planner
Mark.Knight@stantec.com

Attachments: Proposed Project Facilities (Map); Notice of Information Session
c. John Bonin, Union Gas Limited



May 3, 2013
File: 160960763

Haudenosaunee Development Institute
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Attention: Hazel Hill, Executive Director

Dear Hazel Hill:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Information Session**

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its existing Burlington-Oakville Pipeline System. The exact location of the proposed pipeline has not yet been determined.

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Environmental Planner
Mark.Knight@stantec.com

Attachments: Proposed Project Facilities (Map); Notice of Information Session

c. John Bonin, Union Gas Limited
Chief Allen MacNaughton, Haudenosaunee, Confederacy Chiefs Council



May 3, 2013
File: 160960763

Haudenosaunee Confederacy Chiefs Council
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Attention: Chief Allen MacNaughton

Dear Chief MacNaughton:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Information Session**

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Environmental Planner
Mark.Knight@stantec.com

Attachments: Proposed Project Facilities (Map); Notice of Information Session

c. John Bonin, Union Gas Limited
Hazel Hill, Haudenosaunee Development Institute



May 3, 2013
File: 160960763

Chippewas of Georgina Island
RR2, PO Box 13
Sutton West ON L0E 1R0

Attention: Chief Donna Big Canoe

Dear Chief Big Canoe:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Information Session**

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 12-14 kilometre up to 24 inch (610-millimeter) diameter natural gas pipeline. The proposed pipeline would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its existing Burlington-Oakville Pipeline System. The exact location of the proposed pipeline has not yet been determined.

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c. John Bonin, Union Gas Limited



August 23, 2013
File: 160960763

Six Nations of the Grand River
1695 Chiefswood Road
Ohsweken ON N0A 1M0

Attention: Chief William Montour

Dear Chief Montour:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Second Information Session and Preliminary Preferred Route**

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new natural gas pipeline approximately 13.3 kilometres in length. The proposed pipeline, 16 and 20 inches in diameter (406.4 and 508 millimetres) would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its existing Burlington-Oakville Pipeline System.

As part of the planning process, Union Gas has hired Stantec Consulting Ltd. (Stantec) to undertake an environmental study of the construction and operation of the natural gas pipeline. The environmental study will fulfill the requirements of the Ontario Energy Board's (OEB) "*Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario (2011)*".

As part of the study process, several route options for the proposed natural gas pipeline were presented at an Information Session held May 23, 2013. A Preliminary Preferred Route has been identified based on feedback received to-date, as well as environmental, socio-economic and constructability criteria used to evaluate the route options. The Preliminary Preferred Route is located in the Parkway Belt from the proposed Parkway West Compressor Station to Lower Baseline, travels west to Trafalgar Road, and then travels south on Trafalgar Road to the existing Burlington Pipeline System.

An Information Session regarding the Project and Preliminary Preferred Route is being held on September 9, 2013. Please see the attached Notice. We hope that you can attend the Information Session. Maps of the Preliminary Preferred Route are being made available at local review locations (please see attached). For your reference, maps of the Preliminary Preferred Route are enclosed.

For any questions or concerns regarding the environmental study process or this project, please do not hesitate to contact the undersigned or John Bonin, Union Gas Limited, JBonin@uniongas.com, 519-539-8509, extension 5021063.

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Environmental Planner
Mark.Knight@stantec.com

Attachments: Notice of Second Information Session; Preliminary Preferred Route map booklet

cc. John Bonin, Union Gas Limited



August 23, 2013
File: 160960763

Six Nations of the Grand River
1695 Chiefswood Road
Ohsweken ON N0A 1M0

Attention: Lonny Bomberry, Director of Lands and Resources

Dear Lonny Bomberry:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Second Information Session and Preliminary Preferred Route**

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new natural gas pipeline approximately 13.3 kilometres in length. The proposed pipeline, 16 and 20 inches in diameter (406.4 and 508 millimetres) would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its existing Burlington-Oakville Pipeline System.

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August 23, 2013
File: 160960763

Mississaugas of New Credit
2789 Mississauga Road RR # 6
Hagersville ON N0A 1H0

Attention: Chief Bryan LaForme

Dear Chief LaForme:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Second Information Session and Preliminary Preferred Route**

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August 23, 2013
File: 160960763

Mississaugas of New Credit
2789 Mississauga RoadRR#6
Hagersville ON N0A 1H0

Attention: Caroline King, Environmental Assessment Coordinator

Dear Caroline King:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
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August 23, 2013
File: 160960763

Métis Nation of Ontario
500 Old St. Patrick St., Unit D
Ottawa ON K1N 9G4

Attention: Mark Bowler, Director of Lands Resources and Consultation

Dear Mark Bowler:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Second Information Session and Preliminary Preferred Route**

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new natural gas pipeline approximately 13.3 kilometres in length. The proposed pipeline, 16 and 20 inches in diameter (406.4 and 508 millimetres) would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its existing Burlington-Oakville Pipeline System.

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August 23, 2013
File: 160960763

Haudenosaunee Development Institute
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Attention: Hazel Hill, Executive Director

Dear Hazel Hill:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Second Information Session and Preliminary Preferred Route**

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new natural gas pipeline approximately 13.3 kilometres in length. The proposed pipeline, 16 and 20 inches in diameter (406.4 and 508 millimetres) would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its existing Burlington-Oakville Pipeline System.

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Chief Allen MacNaughton, Haudenosaunee, Confederacy Chiefs Council



August 23, 2013
File: 160960763

Haudenosaunee Confederacy Chiefs Council
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Attention: Chief Allen MacNaughton

Dear Chief MacNaughton:

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
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Hazel Hill, Haudenosaunee Development Institute



August 23, 2013
File: 160960763

Chippewas of Georgina Island
RR2, PO Box 13
Sutton West ON L0E 1R0

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Notice of Second Information Session and Preliminary Preferred Route**

To ensure the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new natural gas pipeline approximately 13.3 kilometres in length. The proposed pipeline, 16 and 20 inches in diameter (406.4 and 508 millimetres) would begin at Union Gas' existing Dawn-Parkway Pipeline System and travel south to its existing Burlington-Oakville Pipeline System.

As part of the planning process, Union Gas has hired Stantec Consulting Ltd. (Stantec) to undertake an environmental study of the construction and operation of the natural gas pipeline. The environmental study will fulfill the requirements of the Ontario Energy Board's (OEB) "*Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario (2011)*".

As part of the study process, several route options for the proposed natural gas pipeline were presented at an Information Session held May 23, 2013. A Preliminary Preferred Route has been identified based on feedback received to-date, as well as environmental, socio-economic and constructability criteria used to evaluate the route options. The Preliminary Preferred Route is located in the Parkway Belt from the proposed Parkway West Compressor Station to Lower Baseline, travels west to Trafalgar Road, and then travels south on Trafalgar Road to the existing Burlington Pipeline System.

An Information Session regarding the Project and Preliminary Preferred Route is being held on September 9, 2013. Please see the attached Notice. We hope that you can attend the Information Session. Maps of the Preliminary Preferred Route are being made available at local review locations (please see attached). For your reference, maps of the Preliminary Preferred Route are enclosed.

For any questions or concerns regarding the environmental study process or this project, please do not hesitate to contact the undersigned or John Bonin, Union Gas Limited, JBonin@uniongas.com, 519-539-8509, extension 5021063.

Sincerely,

STANTEC CONSULTING LTD.

Mark Knight, MA, MCIP, RPP
Environmental Planner
Mark.Knight@stantec.com

Attachments: Notice of Second Information Session; Preliminary Preferred Route map booklet

cc. John Bonin, Union Gas Limited

From: Bonin, John
Sent: September 25, 2013 11:42 AM
To: hazelehill@gmail.com
Subject: Projects Update
Attachments: Burl Oak Route Maps from Google.pptx

Here is an update on the 4 projects that I wanted to provide the HDI on September 18th:

Brantford Kirkwall:

- 1) The project has been submitted to the OEB for approval with the hearing currently underway for this project and the Parkway West project simultaneously
- 2) Approval is expected later this fall, depending on when the OEB delivers a decision following the hearing.
- 3) We would then move to obtaining land rights, completing engineering and ordering materials during 2014 for construction in 2015.
- 4) Also underway now is environmental field studies, we are in the third season of the three season species at risk observations
- 5) Archeology work: there will be more field survey work this fall after the crops are off and land has been plowed.

Owen Sound Pipeline Replacement Project:

- 1) Arch site work is complete, most of pipe is installed on the Schlegel property and tie-ins at Bleam's Rd will be completed this week.
- 2) Project is approximately 70% completed
- 3) Currently working by Fischer Hallman and at the GEXR railway beginning next week
- 4) We have a Stantec environmental inspector on site when open cutting or have concerns when drilling near areas of concern
- 5) Expected completion by end of November

Burlington Oakville Pipeline Project:

- 1) Held another open house on September 9th on the Preferred running Line. Maps of the running lines are attached. The running line is down the utility corridor from Parkway West (new station site) to the 407 and then along the Infrastructure Ontario land along the 407 to Trafalgar road. It then goes down the road allowance to the end point at intersection of Trafalgar and Glenashton. There is a station planned for the corner of 407 and Trafalgar on Infrastructure Ontario land.
- 2) Working with Town of Milton and Region of Halton regarding future road expansions and approvals
- 3) We are planning to file evidence with the OEB later this year. Construction is not slated until Q2 of 2015 with in service date of Nov 1 2015.

Parkway West Project:

- 1) Currently in the OEB hearings process
- 2) Approval is expected later this fall, depending on when the OEB delivers a decision following the hearing.
- 3) Working on procurement of long lead time items like pipe, valves and compressor
- 4) A detailed design is in progress
- 5) Kayanase (Tom Claus) is part of the landscaping team with Stantec for site restoration and planting of a healing garden
- 6) Construction will take a full 2 years (2014 and 2015)

Other projects:

Parkway West Extension Project: emails sent notifying the HDI that an agreement has been reached with TCPL, Gas Metro, Enbridge and Union so the project has been cancelled

Hwy 6 replacement of 48”:

- 1) Approval from OEB received on August 30th to replace the section under Hwy 6
- 2) Archeology work completed with Wayne Hill in attendance
- 3) Boring under Hwy 6 scheduled for first 2 weeks of October
- 4) Project expected to be completed by end of October

If you have any questions regarding this update, please let me know...I will be sending a draft agreement in a separate email to discuss at our next meeting

Thanks!

John









April 11, 2014
File: 160960763

Attention: Chief Donna Big Canoe
Chippewas of Georgina Island
RR2, PO Box 13
Sutton West ON L0E 1R0

Reference: Burlington-Oakville Pipeline Project, Environmental Report

To support the continued reliable, safe delivery of natural gas and serve an increased demand in the fast growing communities of Burlington and Oakville, Union Gas proposes to construct a new natural gas pipeline connecting their Dawn-Parkway Pipeline System to their Burlington-Oakville Pipeline System. The pipeline is a new 20 inch (508 mm) diameter steel pipeline approximately 13.5 kilometres long. The project will also require two stations: one for metering and odourization, and one for pressure regulation and metering. Construction is planned for 2016.

Union Gas has hired Stantec Consulting Ltd. to undertake an environmental study of the project. The resultant Environmental Report is enclosed. If you wish to receive a hard copy of the Environmental Report please feel free to contact the undersigned.

Please forward any comments you may have regarding the Report and project to Ms. Zora Crnojacki, Chairperson, Ontario Pipeline Coordination Committee, Ontario Energy Board, 2300 Yonge St., 27th Floor, P.O. Box 2319, Toronto Ontario M4P 1E4 or by email at Zora.Crnojacki@OntarioEnergyBoard.ca and to the undersigned. Your comments would be appreciated by June 16, 2014.

Sincerely,

John Bonin

John Bonin
Manager First Nations and Métis Affairs
Union Gas
Box 5353 Station A
109 Commissioners Rd
London Ont. N6A 4P1
Phone: 519-539-8509 ext 5021063
Email: jbonin@uniongas.com

Attachment: CD – Burlington-Oakville Pipeline Project Environmental Report

C. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.

April 11, 2014
File: 160960763

Attention: Lonny Bomberly, Director of Lands and Resources
Six Nations of the Grand River
1695 Chiefswood Road
Ohsweken ON N0A 1M0

Reference: Burlington-Oakville Pipeline Project, Environmental Report

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C. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.

April 11, 2014
File: 160960763

Attention: Mark Bowler, Director of Lands Resources and Consultation
Métis Nation of Ontario
500 Old St. Patrick St., Unit D
Ottawa ON K1N 9G4

Reference: Burlington-Oakville Pipeline Project, Environmental Report

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C. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.

April 11, 2014
File: 160960763

Attention: Hazel Hill, Executive Director
Haudenosaunee Development Institute
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Reference: Burlington-Oakville Pipeline Project, Environmental Report

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Attachment: CD – Burlington-Oakville Pipeline Project Environmental Report

C. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.

April 11, 2014
File: 160960763

Attention: Caroline King, Environmental Assessment Coordinator
Mississaugas of New Credit
2789 Mississauga Road RR#6
Hagersville ON N0A 1H0

Reference: Burlington-Oakville Pipeline Project, Environmental Report

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109 Commissioners Rd
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Attachment: CD – Burlington-Oakville Pipeline Project Environmental Report

C. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.

April 11, 2014
File: 160960763

Attention: Chief Bryan LaForme
Mississaugas of New Credit
2789 Mississauga Road RR # 6
Hagersville ON N0A 1H0

Reference: Burlington-Oakville Pipeline Project, Environmental Report

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C. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.

April 11, 2014
File: 160960763

Attention: Chief Allen MacNaughton
Haudenosaunee Confederacy Chiefs Council
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Reference: Burlington-Oakville Pipeline Project, Environmental Report

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Attachment: CD – Burlington-Oakville Pipeline Project Environmental Report

C. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.

April 11, 2014
File: 160960763

Attention: Chief William Montour
Six Nations of the Grand River
1695 Chiefswood Road
Ohsweken ON N0A 1M0

Reference: Burlington-Oakville Pipeline Project, Environmental Report

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Union Gas
Box 5353 Station A
109 Commissioners Rd
London Ont. N6A 4P1
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Email: jbonin@uniongas.com

Attachment: CD – Burlington-Oakville Pipeline Project Environmental Report

C. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



September 26, 2014
File: 160960763

Attention: Chief Donna Big Canoe
Chippewas of Georgina Island
RR2, PO Box 13
Sutton West ON L0E 1R0

Dear Chief Big Canoe,

Reference: Union Gas Limited – Burlington Oakville Pipeline Project - Update

To secure the continued reliable and affordable transportation of natural gas for the communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new natural gas pipeline and related pressure station facilities in the area. The proposed 11-13 kilometre pipeline (depending on the route) will connect the existing Dawn Parkway Pipeline to the existing Burlington Oakville distribution system.

An integral part of this project is an environmental study of the construction and operation of the natural gas pipeline, conducted by Stantec Consulting Ltd. An Environmental Report, summarizing the results of the environmental study, was completed on April 9, 2014 and was submitted to the Ontario Pipeline Coordinating Committee and other stakeholders for review. Based on feedback received as part of that review, the study area has been expanded to assess additional route options in the area of Ninth Line. Please see the attached maps identifying the original and expanded study areas, including the area of focus to assess additional route options.

The environmental study process will continue to include consultation and engagement with landowners, First Nations, the Métis Nation of Ontario, government agencies and other local parties. It is anticipated that an Information Session will be held in late fall 2014, after which a revised Environmental Report will be completed and included in an application to the Ontario Energy Board (OEB). The OEB's review and approval is required before the project can proceed. If approved, construction of the pipeline would begin in the spring of 2016.

For any questions regarding the update or this project, please do not hesitate to contact the undersigned.

Sincerely,

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Manager Economic Development
First Nations and Métis Affairs
Union Gas
Box 5353 Station A
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Attachment: Overview Map; Study Areas Map
c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



September 26, 2014
File: 160960763

Attention: Lonny Bomberry, Director of Lands and Resources
Six Nations of the Grand River
1695 Chiefswood Road
Ohsweken ON N0A 1M0

Dear Lonny Bomberry,

Reference: Union Gas Limited – Burlington Oakville Pipeline Project - Update

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September 26, 2014
File: 160960763

Attention: Chief Ava Hill
Six Nations of the Grand
1695 Chiefswood Rd, PO Box 5000
Ohsweken ON N0A 1M0

Dear Chief Hill,

Reference: Union Gas Limited – Burlington Oakville Pipeline Project - Update

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September 26, 2014
File: 160960763

Attention: Joanne Thomas, Consultation Manager
Six Nations of the Grand
1695 Chiefswood Rd, PO Box 5000
Ohsweken ON N0A 1M0

Dear Joanne Thomas,

Reference: Union Gas Limited – Burlington Oakville Pipeline Project - Update

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September 26, 2014
File: 160960763

Attention: Aly N. Alibhai, Director Lands Resource and Consultation
Métis Nation of Ontario
75 Sherbourne St, Suite 311
Toronto ON M5A 2P9

Dear Aly N. Alibhai,

Reference: Union Gas Limited – Burlington Oakville Pipeline Project - Update

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Attachment: Overview Map; Study Areas Map
c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



September 26, 2014
File: 160960763

Attention: Hazel Hill, Executive Director
Haudenosaunee Development Institute
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Dear Hazel Hill,

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c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.
P.O. Box 2001, 50 Keil Drive North, Chatham, ON, N7M 5M1 www.uniongas.com
Union Gas Limited

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File: 160960763

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Haudenosaunee Confederacy Chiefs Council
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Dear Chief MacNaughton,

Reference: Union Gas Limited – Burlington Oakville Pipeline Project - Update

To secure the continued reliable and affordable transportation of natural gas for the communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new natural gas pipeline and related pressure station facilities in the area. The proposed 11-13 kilometre pipeline (depending on the route) will connect the existing Dawn Parkway Pipeline to the existing Burlington Oakville distribution system.

An integral part of this project is an environmental study of the construction and operation of the natural gas pipeline, conducted by Stantec Consulting Ltd. An Environmental Report, summarizing the results of the environmental study, was completed on April 9, 2014 and was submitted to the Ontario Pipeline Coordinating Committee and other stakeholders for review. Based on feedback received as part of that review, the study area has been expanded to assess additional route options in the area of Ninth Line. Please see the attached maps identifying the original and expanded study areas, including the area of focus to assess additional route options.

The environmental study process will continue to include consultation and engagement with landowners, First Nations, the Métis Nation of Ontario, government agencies and other local parties. It is anticipated that an Information Session will be held in late fall 2014, after which a revised Environmental Report will be completed and included in an application to the Ontario Energy Board (OEB). The OEB's review and approval is required before the project can proceed. If approved, construction of the pipeline would begin in the spring of 2016.

For any questions regarding the update or this project, please do not hesitate to contact the undersigned.

Sincerely,

John Bonin

John Bonin
Manager Economic Development
First Nations and Métis Affairs
Union Gas
Box 5353 Station A
109 Commissioners Rd
London Ont. N6A 4P1
Phone: 519-539-8509 ext 5021063
Email: jbonin@uniongas.com

Attachment: Overview Map; Study Areas Map
c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



September 26, 2014
File: 160960763

Attention: Caroline King, Consultation Manager
Mississauga of New Credit
8545 Townline Rd, RR 1
Hagersville ON N0A 1H0

Dear Caroline King,

Reference: Union Gas Limited – Burlington Oakville Pipeline Project - Update

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September 26, 2014
File: 160960763

Attention: Chief Bryan LaForme
Mississauga of New Credit
8545 Townline Rd, RR 1
Hagersville ON N0A 1H0

Dear Chief LaForme,

Reference: Union Gas Limited – Burlington Oakville Pipeline Project - Update

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First Nations and Métis Affairs
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Box 5353 Station A
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Attachment: Overview Map; Study Areas Map
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A Spectra Energy Company

November 4, 2014
File: 160960763

Chippewas of Georgina Island
RR2, PO Box 13
Sutton West ON L0E 1R0

Attention: Chief Donna Big Canoe

Dear Chief Donna Big Canoe,

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Third Information Session and revised Preliminary Preferred Route**

To secure the continued reliable and affordable transportation of natural gas for the communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 11.7km natural gas pipeline and related pressure station facilities in the area. The proposed 20- inch diameter pipeline will connect the existing Dawn-Parkway Transmission System to the existing Burlington-Oakville distribution system.

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An Information Session regarding the project and the revised Preliminary Preferred Route will be held on November 13, 2014. Please see the attached Notice. We hope you are able to attend the Information Session.

If you have any questions or comments regarding the environmental study process or this project please do not hesitate to contact the undersigned.

Sincerely,

John Bonin
Manager Economic Development
First Nations and Métis Affairs
Union Gas
Box 5353 Station A
109 Commissioners Rd
London Ont. N6A 4P1
Phone: 519-539-8509 ext 5021063
Email: jbonin@uniongas.com

Attachments: Notice of Information Session; Mapbook of Revised Preliminary Preferred Route

c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



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A Spectra Energy Company

November 4, 2014

File: 160960763

Six Nations of the Grand River

1695 Chiefswood Road
Ohsweken ON N0A 1M0

Attention: Lonny Bomberry, Director of Lands and Resources

Dear Lonny Bomberry,

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Third Information Session and revised Preliminary Preferred Route**

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Attachments: Notice of Information Session; Mapbook of Revised Preliminary Preferred Route

c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



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A Spectra Energy Company

November 4, 2014

File: 160960763

Six Nations of the Grand

1695 Chiefswood Rd, PO Box 5000

Ohswegen ON N0A 1M0

Attention: Chief Ava Hill

Dear Chief Ava Hill,

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Third Information Session and revised Preliminary Preferred Route**

To secure the continued reliable and affordable transportation of natural gas for the communities of Milton, Oakville and Burlington, Union Gas is proposing to construct a new 11.7km natural gas pipeline and related pressure station facilities in the area. The proposed 20- inch diameter pipeline will connect the existing Dawn-Parkway Transmission System to the existing Burlington-Oakville distribution system.

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Manager Economic Development

First Nations and Métis Affairs

Union Gas

Box 5353 Station A

109 Commissioners Rd

London Ont. N6A 4P1

Phone: 519-539-8509 ext 5021063

Email: jbonin@uniongas.com

Attachments: Notice of Information Session; Mapbook of Revised Preliminary Preferred Route

c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



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A Spectra Energy Company

November 4, 2014

File: 160960763

Six Nations of the Grand

1695 Chiefswood Rd, PO Box 5000

Ohswéken ON N0A 1M0

Attention: Joanne Thomas, Consultation Manager

Dear Joanne Thomas,

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Third Information Session and revised Preliminary Preferred Route**

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Sincerely,

John Bonin

Manager Economic Development

First Nations and Métis Affairs

Union Gas

Box 5353 Station A

109 Commissioners Rd

London Ont. N6A 4P1

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Email: jbonin@uniongas.com

Attachments: Notice of Information Session; Mapbook of Revised Preliminary Preferred Route

c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



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A Spectra Energy Company

November 4, 2014
File: 160960763

Métis Nation of Ontario
75 Sherbourne St,
Suite 311
Toronto ON M5A 2P9

Attention: Aly N. Alibhai, Director Lands Resource and Consultation

Dear Aly N. Alibhai,

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Third Information Session and revised Preliminary Preferred Route**

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Attachments: Notice of Information Session; Mapbook of Revised Preliminary Preferred Route

c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



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A Spectra Energy Company

November 4, 2014
File: 160960763

Haudenosaunee Development Institute
16 Sunrise Court Suite 417
Ohsweken ON N0A 1M0

Attention: Hazel Hill, Executive Director

Dear Hazel Hill,

**Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Third Information Session and revised Preliminary Preferred Route**

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Attachments: Notice of Information Session; Mapbook of Revised Preliminary Preferred Route

c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



uniongas
A Spectra Energy Company

November 4, 2014
File: 160960763

Haudenosaunee Confederacy Chiefs Council
16 Sunrise Court Suite 417
Ohsweken ON **N0A 1M0**

Attention: Chief Allen MacNaughton,

Dear Chief Allen MacNaughton,

Reference: Union Gas Limited – Burlington Oakville Pipeline Project
Notice of Third Information Session and revised Preliminary Preferred Route

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Attachments: Notice of Information Session; Mapbook of Revised Preliminary Preferred Route

c. Doug Schmidt, Union Gas Limited; Mark Knight, Stantec Consulting Ltd.



uniongas

A Spectra Energy Company

November 4, 2014

File: 160960763

Mississaugas of New Credit

8545 Townline Rd,

RR 1

Hagersville ON N0A 1H0

Attention: Caroline King, Consultation Manager

Dear Caroline King,

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November 4, 2014
File: 160960763

Mississaugas of New Credit
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Attention: Chief Bryan LaForme

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