

**Ontario Energy
Board**

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**Commission de l'énergie
de l'Ontario**

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BY E-MAIL

August 28, 2015

W.T. Wachsmuth
Union Gas Limited
Senior Administrator, Regulatory Projects
P.O. Box 2001, 50 Keil Drive North
Chatham ON N7M 5M1

Dear Mr. Wachsmuth

**Re: Panhandle Replacement 2015 Project – EB-2015-0041
Request to Vary**

The Ontario Energy Board (OEB) is in receipt of your letter dated August 21, 2015 where you informed the OEB of three changes for the Panhandle Replacement 2015 Project.

The first is a change to the Patillo Road and Wallace Line crossing technique, from open cut to directional drilling method. The directional drilling method was requested by the local municipality and adjacent landowner. The second change is a delay of the construction from 2015 to 2016 for the section of the pipeline between Patillo Road and West Puce Road. The delay is due to the requirements for additional archeological surveys and assessments. The third change is that Union requires additional temporary land rights adjacent to the Patillo Road Station.

As the Vice-President, Applications, I have been delegated the authority of the OEB under Section 6 of the *Ontario Energy Board Act, 1998* to determine whether Union's proposals will result in material changes to the leave to construct granted by the OEB in the EB-2015-0041 proceeding. I have been further granted the authority to approve any changes that I have concluded are not material.

You indicated that the change in the road crossing technique would not require new land rights or new environmental mitigation measures and that it would not impact the planned in-service date or the total estimated project costs. As for the construction delay to the 2016 season, you anticipate no impacts except for a small increase in cost, without specifying the estimated amount. The actual project costs and explanation of variances from estimated costs will be reported in the Post-Construction Financial Report and reviewed as part of Union's next re-basing rate application. Regarding the proposed delay of construction, I note that a condition of approval requires that Union start construction prior to June 4, 2016. Union stated that the construction is planned to start on August 28, 2015. Provided that construction commences by June 4, 2016, no vary order is required. For the new temporary land rights in the vicinity of the Patillo Road Station, you have indicated that the temporary land rights have already been obtained.

Based on my review of the information provided, I find that the described changes do not materially impact the leave granted by the OEB to construct the pipeline. I hereby approve the three proposed changes.

Yours truly,

Original Signed By

Lynne Anderson
Vice-President, Applications