

November 9, 2015

RESS, EMAIL & COURIER

Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

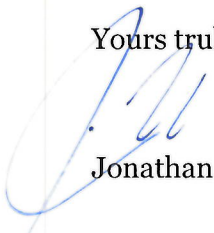
Attention: Ms. K. Walli, Board Secretary

Dear Ms. Walli:

Re: Union Gas Limited - Application for Authority to Expropriate (EB-2015-0230) - Applicant Reply Submissions

We are counsel to Union Gas Limited ("Union"), applicant in the above-referenced proceeding. Enclosed please find Union's Reply Submissions, which have been filed on RESS and served on all parties in the proceeding.

Yours truly,



Jonathan Myers

cc: Ms. Z. Crnojacki, OEB
Mr. M. Murray, Union Gas
Mr. C. Smith, Torys LLP

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Sched. B) as amended (the “**Act**”);

AND IN THE MATTER OF an application by Union Gas Limited (“**Union**”) for an Order pursuant to section 99(5) of the Act granting authority to expropriate certain interests in land for the purposes of constructing, operating and maintaining a natural gas pipeline and ancillary facilities in the City of Hamilton, the City of Burlington, and the Town of Milton.

APPLICANT REPLY SUBMISSIONS

November 9, 2015

Introduction

1. Union Gas Limited (“Union” or the “Applicant”) filed an application (the “Application”) with the Ontario Energy Board (the “Board”), dated July 20, 2015, pursuant to Section 99(1) of the *Ontario Energy Board Act, 1998* (the “OEB Act”), for an order under Section 99(5) of the Act granting Union authority to expropriate certain interests in land in the City of Hamilton, the City of Burlington, and the Town of Milton for the purposes of constructing, operating and maintaining a natural gas pipeline and ancillary facilities as part of Union’s Dawn Parkway 2016 Expansion Project (the “Project”).
2. The Application requests authority to expropriate in respect of eight properties. In letters dated July 24, 2015, August 6, 2015, August 12, 2015, September 1, 2015, September 16, 2015 and September 18, 2015, Union advised the Board that it had reached agreement with the landowners in respect of seven of the affected properties. As such, Union no longer seeks authority to expropriate any interests on the seven properties referenced in the letters. One remaining property (the “Property”) continues to be subject to the Application. The co-owners of the Property have not objected to the Application and opted to not participate in the proceeding.

3. Union first made contact with the co-owners of the Property well before the Application was filed and Union has maintained regular contact since. From May 2014 to the present, Union and the co-owners of the Property have had multiple discussions, including eleven meetings and three telephone calls, as well as the exchange of related fax transmissions. An offer was made and unsuccessful negotiations were held prior to the Application being filed. The issue in those negotiations was compensation related. The co-owners were alerted to Union's intentions to file the Application and were ultimately served with the Notice of Application in late August 2015. At a September 9, 2015 meeting, the co-owners confirmed their receipt of materials from Union pertaining to this Application. Negotiations as to compensation for the requested easements have continued on a regular basis since the Application was filed. However, these negotiations have to date not been successful. As Board staff noted in its submissions, the co-owners did not file a letter of comment nor did they apply for intervenor status in this proceeding.
4. In its pre-filed evidence, the Applicant noted that the Board accepted the Project as being in the public interest in the leave to construct proceeding. Union also noted that the Project cannot be completed without the Hamilton-Milton Pipeline, which in turn cannot be completed without Union acquiring all of the land rights that are needed to construct and operate the pipeline along the approved route for that line. Union indicated that the lands which it seeks to expropriate would permit construction of the Hamilton-Milton Pipeline alongside and immediately adjacent to three existing Union pipelines that traverse the subject property. This location was selected so as to minimize the potential impacts of the proposed takings on the landowners and their properties. For these reasons, it is Union's view that the proposed expropriation is in the public interest.
5. In its submissions, filed on October 29, 2015, Board staff expresses its view that the Board should grant Union authority to expropriate the permanent and temporary easements that have been requested in the Application. Board staff notes that the requested easements are necessary for the construction, operation and maintenance of the Hamilton-Milton Pipeline, which forms part of the Project that has already been found by the Board to be in the public interest. Board staff also notes Union's efforts to negotiate with directly affected landowners, that the remaining co-owners have not made

submissions in this proceeding, and that for the public interest to be served the construction of the Hamilton-Milton Pipeline needs to be completed and all of the remaining required land rights need to be secured.

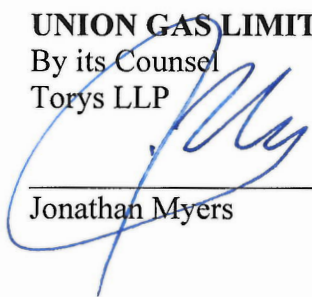
6. In its submission, Board staff agrees with Union that the only issues subject to ongoing negotiation between Union and the remaining co-owners are in respect of compensation, which issues do not fall within the Board's jurisdiction under Section 99 of the OEB Act. As noted by Board staff, to the extent that the parties are unable to agree on compensation, the compensation issues will ultimately be addressed by Union in accordance with the *Expropriations Act*. The process set out in the *Expropriations Act* includes the preparation of an appraisal in order for the parties to reach agreement on the amount of compensation, failing which the matter can be referred for negotiation through the Board of Negotiation and/or arbitration by the Ontario Municipal Board.
7. For the reasons described above, and as set out in the Application, it is Union's submission that the requested expropriation is in the public interest and should therefore be granted as requested. As no party has opposed the Application and to assist Union in keeping to its Project schedule, Union respectfully requests that the Board issue its decision on an expedited basis.

All of which is respectfully submitted this 9th day of November, 2015.

UNION GAS LIMITED

By its Counsel

Torys LLP



Jonathan Myers