

June 14, 2016

VIA RESS AND COURIER

Ms. Kirsten Walli
ONTARIO ENERGY BOARD
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File No. T1008355

Dear Ms. Walli:

Re: EB-2016-0122 – Union Gas Limited (Union) 2016 Sudbury Replacement Project.

Final Submissions of Industrial Gas Users Association (IGUA).

As noted in our intervention request letter herein of April 19, 2016, IGUA was an active participant in Union's 2015 application for Sudbury system expansion facilities (EB-2015-0120). In that application, IGUA expressed its interest in the expeditious expansion of Union's distribution capacity in the Sudbury area.

Having considered the record in the instant application, IGUA supports Union's application.

The current project arises from the requirement to bring the pipeline in the City of Greater Sudbury into compliance with class location code requirements. Union states that its proposal to replace the current pipe with upsized (NPS 12) facilities responds to the Board's decision on Union's Panhandle NPS 16 2014 Replacement Project (EB-2013-0420) application, in which the Board found that:¹

"...replacing the pipeline with a larger diameter pipe involves a modest incremental expense, but is an efficient means by which to meet expected incremental demand."

¹ B.Staff.1, page 1.

Union indicates that the cost to upsize the replacement facilities is 5.4% of the total costs of the project (\$117,988.50)² and that this upsizing will add 700 m³/hr of incremental capacity on the Sudbury lateral.³

Union indicates that the current installed capacity of the Sudbury system is 189,363 m³/hr.⁴ Union forecasts that by the winter of 2020/2021, the design day demand on the Sudbury system will be just above this level (190,561 m³/hr), and the average day demand will be well below this level (110,988 m³/hr).⁵ Union further indicates that the facilities for which approval is sought in the instant application will provide approximately 700 m³/hr of incremental capacity on the Sudbury lateral.⁶ As we understand it, this project as proposed will thus increase the capacity on the lateral to 190,063 m³/hr, to within less than 500 m³/hr of forecast 2020/2021 winter design day demand on the lateral.

IGUA further acknowledges the evidence that Union has met with contract customers in the Sudbury area a number of times in the past year to discuss their future natural gas requirements⁷, as confirmed to us by IGUA's members.

Given the increase in Sudbury lateral capacity which the proposed project will provide at minimal incremental cost, and the forecast sufficiency of the system, following this project, through the winter of 2020/2021, IGUA supports Union's proposal.

Yours truly,


Ian A. Mondrow

c: W.T. Wachsmuth (Union)
S. Rahbar (IGUA)
Z. Crnojacki (OEB Staff)
C. Kou (Gowling WLG)

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² B.Staff.1, page 2.

³ B.IGUA.2, part b).

⁴ B.IGUA.5, part d).

⁵ B.IGUA.5, part b).

⁶ B.IGUA.2, part b).

⁷ B.IGUA.6.