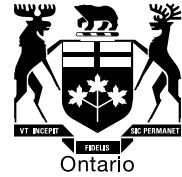


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BY E-MAIL

July 15, 2016

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

Dear Mr. Wachsmuth:

**Re: Bay of Quinte Replacement Project
Board File No. EB-2014-0350**

The Ontario Energy Board (OEB) is in receipt of your letter dated June 22, 2016 where Union Gas limited (Union) informed the OEB that due to construction delays, the removal of the existing pipeline that is attached to the Skyway Bridge has been deferred from 2015 to 2017. The Ministry of Transportation (MTO) has given Union a new move order which requires that the abandoned pipeline be removed by the end of 2017. The OEB requested additional information from you on June 24, 2016, which you then provided on June 28, 2016. Union clarified that the original estimate to remove the pipeline was \$230,000, and now the current estimate to remove the pipeline is \$471,000, which is an increase of \$241,000. Union noted the reasons for the increased costs are an additional mobilization and demobilization of the construction crew, inflationary costs arising from 2015 to 2017, and the enhanced traffic control plan requested by the MTO. Union noted that the additional costs to remove the pipeline in 2017 could go against the original contingency estimate.

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-2014-0350 proceeding. I have been further granted the authority to approve any changes that I have concluded are not material.

Union stated that it will remove the pipeline from the Skyway Bridge in April to June of 2017. Union has also noted that the costs of removing the pipeline from the bridge will increase by approximately \$241,000. I note that the actual costs of the project will be reported to the OEB in the Post-Construction Financial Report and will be reviewed in the next Union re-basing rate application.

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

Yours truly,

Original signed by

Lynne Anderson
Vice President, Applications