

August 17, 2016

RESS

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli,

**Re: Union Gas Limited (“Union”)
Sudbury Expansion Project
Board File # EB-2015-0120**

Please find attached a revised Change Request 5 (**Costs section**), for the above-noted project.

Union believes that this change is not significant and would appreciate your timely review and approval of this request, as construction is in progress.

In the event that you have any questions or would like to discuss in more detail, please do not hesitate to contact me at 519-436-5457.

Sincerely,

W. T. (Bill) Wachsmuth, RPF
Senior Administrator, Regulatory Projects

cc: Ceiran Bishop, OEB
Pascale Duguay, OEB
Zora Crnojacki, OEB
Colin Schuch, OEB

ONTARIO ENERGY BOARD

LEAVE TO CONSTRUCT CHANGE REQUEST

Project Name: Sudbury Expansion Project

OEB File Number: EB-2015-0120

Change Request: # 5

Description and Rationale for Change

In Change Request #4 Union identified that the pipeline to serve the Victoria Mine would not be constructed until 2016. The pipeline is now proposed to be constructed in 2017.

As stated in Union's pre-filed evidence the pipeline to serve the Victoria Mine was to be constructed within the road allowance of the reconstructed Crean Hill Road. It has taken the City of Greater Sudbury, who will be reconstructing the road, longer than anticipated to receive the permits necessary to start reconstruction of the road. As it is not practical for Union to construct the pipeline until the roadwork has been completed, pipeline construction has been deferred until all roadwork has been completed.

Construction and Restoration Practices

There are no changes proposed to the construction and restoration procedures proposed in the original filing.

Environmental

No new environmental mitigation measures will be required.

Consultation

Union has discussed the project with Victoria Mine and they have informed Union that they do not require Natural Gas service until 2017. Attached at Schedule 1 is email correspondence between Union and Victoria Mine.

Lands

There are no changes to the Land requirements to construct the pipeline to the Victoria Mine site.

Costs

Deferring construction until 2017 will result in increase of pipeline costs by approximately \$234,000 and station costs by approximately \$85,000, from the costs filed in Schedule 4 and 5 of Union's Leave to Construct Application approved by the Board July 9, 2015.

The reasons for increased pipeline costs are:

- Construction deferred from 2015 till 2017
- Additional pipeline required when station was moved to new location
- Tie in to existing system was modified

The reasons for the increase in station costs

- Construction deferred from 2015 till 2017
- Location of station was moved at Victoria request

Schedule

The pipeline and customer station will be constructed in 2017.

Maps

A map showing the location of the pipeline to serve Victoria Mine is attached at Schedule 2.

From: [Dino Titon](#)
To: [Bessette, Gaetan](#)
Cc: [Jerzy Woitaszek](#)
Subject: Natural Gas - FNX Mining Company - Victoria Mine
Date: April-13-16 10:27:40 AM
Attachments: [image003.png](#)

Gaetan:

As a follow up to our meeting, this email is to confirm that due to depressed pricing for base metal commodities, the budget for the Victoria Project has been significantly reduced for 2016. As such, the amount of construction activity has been curtailed, resulting in a shift in the project schedule which impacts the date for gas usage on site. While this new in service date is not yet presently known, it is known that natural gas will not be required prior to the 2017-18 winter season. Having said that, the road construction on Crean Hill Road is still scheduled to proceed and details from the City of Sudbury indicate that construction is to restart in September 2016, based on receipt of required permitting. As such, as it presently stands, we would ask Union Gas to proceed with the construction of the 6" line along Crean Hill and Fairbank Road (along with the sales station) in early to mid-2017 to coincide with the road construction schedule. If there is any new developments to this plan, we will inform you as soon as possible.

We appreciate your patience for this project and if you have any questions, please do not hesitate to contact us.

Best regards,

Dino Titon, P.Eng.

Manager, Energy Infrastructure &
Construction
Victoria Mine Project



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