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BY E-MAIL

September 26, 2016

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: 2016 Sudbury Replacement Project – EB-2016-0122 Request to Vary Change Request No. 2

The Ontario Energy Board (OEB) is in receipt of the letter dated September 22, 2016 from Union Gas Limited (Union) advising the OEB of a change to the 2016 Sudbury Replacement Project (Change Request No. 2).

The change relates to Union's proposed modification of the construction method in the area of Junction Creek and a minor change to the pipeline route on the City of Greater Sudbury's land. The route adjustment is required to accommodate the change in the construction method. Union plans to apply directional drilling method instead of a combination of originally planned open cut and directional drilling. Union estimated that this change will increase the costs of the project by about \$9,000.

As the Manager, Application Policy and Climate Change, I have been delegated the authority of the OEB under Section 6 of the *Ontario Energy Board Act, 1998* to determine whether Union's proposal will result in material changes to the leave to construct granted by the OEB in the EB-2016-0122 proceeding. I have been further granted the authority to approve any changes that I have concluded are not material.

I note that Union met with the City of Greater Sudbury regarding the proposed change. No concerns with the modified construction method and minor route adjustment were expressed to Union. I also note that the estimated incremental costs presented therein can be covered by the contingencies contained in the EB-2016-0122 proceeding. I finally note that the actual costs of the project will be reported to the OEB in the Post-Construction Financial Report.

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 proposed change in the construction method and minor route adjustment required to complete directional drilling.

Yours truly,

Original signed by

Pascale Duguay Manager, Application Policy and Climate Change