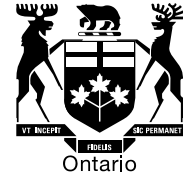


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BY E-MAIL

February 01, 2017

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: Panhandle 2014 Replacement Project – EB-2015-0041
Request to Vary
Change Request No. 5**

The Ontario Energy Board (OEB) is in receipt of your letter dated January 23, 2017 where Union Gas limited (Union) advised the OEB of a change to the Panhandle 2015 Replacement Project (Change Request No. 5).

The change relates to Union's hydrostatic testing of the pipeline. Union is required to adhere to all requirements of the CSA Standards Z662 for Oil and Gas Pipelines Systems (CSA Z662). In the pre-filed evidence, Union proposed that the pipeline be tested to a pressure of 1.5 times the maximum operating pressure, which is above the pressure set in the CSA Z662. The CSA Z662 requires that a pipeline in this site specific situation be tested to a pressure of 1.4 times the maximum operating pressure of the pipeline. Union's change request indicates that the hydrostatic testing for this project will be changed a pressure of 1.4 times the maximum operating pressure of the pipeline as required by the CSA Z662.

As the Manager, Applications 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 proposals will result in material changes to the leave to construct granted by the OEB in the EB-2015-0041 proceeding. I have been further granted the authority to approve any changes that I have concluded are not material.

Union stated that this change will not modify the construction methods, or environmental mitigation measures and consultation. Union also noted that no additional lands will be needed, and the total cost to the project and the in-service date will remain as planned.

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. I note that this change requested by Union is no. 4 and not no. 5, as indicated by Union.

Yours truly,

Original Signed by

Pascale Duguay
Manager, Applications Policy and Climate Change