

July 27, 2017

BY RESS & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700, 2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms. Walli:

**Re: Union Gas Limited (“Union”)
2017 Terminus Well Replacement Project
Board File #EB-2017-0162**

The following are Union Gas Limited (“Union”) reply submissions for the 2017 Terminus Well Replacement Project EB-2017-0162. Submissions were received from OEB Board Staff, and the Ministry of Natural Resources and Forestry (“MNRF”). All submissions support Union’s Application. Union’s reply submissions address the issues and requests identified by the parties in their submissions.

OEB Board Staff

Board Staff’s submission invited Union to comment on three items; the preparation of a post construction financial report, an update of Union’s discussions with the Kettle and Stony Point First Nation, and the MNRF review of Union’s compliance with CSA Z341.1-14.

Union agrees to provide a post construction financial report as identified at Condition 5 of the proposed conditions of approval from both the Pipeline and Well Drilling portions of the project.

Since July 7, 2017, Union has made three attempts to meet with the Kettle and Stony Point First Nation. Unfortunately, the Kettle and Stony Point First Nation has not been able to schedule a time to meet with Union. Union will continue discussions with the Kettle and Stony Point First Nation and meet with them at their convenience. The Kettle and Stony Point first Nation has not identified any issues with the project.

The MNRF intervened and actively participated in the proceeding. In the MNRF submission dated July 21, 2017 they concluded:

“MNRF has no objection to the application’s approval as supported by the OEB Staff draft conditions of Approval and MNRF proposed further conditions of approval set of above”

The MNRF has made comments regarding the CSA Z341.1-14 code in its submissions and has stated in their submission that they have no objections and support the project. Union does not expect the MNRF to prepare a second document that specifically discusses compliance with CSA Z341.1-14 code. As discussed below, Union has accepted the proposed conditions the MNRF has suggested.

In all other areas of Board Staff's submissions, Board Staff support, or have no concerns with Unions proposal. Union can also confirm that it has no issues with, and can accept Board Staff's proposed Conditions of Approval.

Ministry of Natural Resources and Forestry

Union is aware of the requirements identified by the MNRF and agrees with the MNRF comments. Union will comply with the Oil, Gas and Salt Resources Act, O.Reg. 245/97, the Provincial Standards, CSA Z341: Storage of Hydrocarbons in Underground Formations, and will adhere to any and all reporting requirements.

The MNRF have suggested that two additional Conditions of Approval be added to the proposed Conditions. Union undertakes to provide the MNRF with 30 days advance notification of any conversion works and will provide the MNRF with a report if the conversion from an Observation well to an Injection/Withdrawal well changes the parameters of the Pool with respect to capacity. Union accepts these two items as either Undertakings, or Conditions of Approval.

Summary

As Board Staff "supports Union's application" and the MNRF "has no objection to approval of the application" Union's position is that it has addressed all of the issues raised in the proceeding and requests that the Ontario Energy Board approve Union's Leave to Construct Application and issue a favourable report to the Minister of Natural Resources and Forestry regarding the proposed well drilling.

If you have any require any additional information or have any questions in regard to these submissions please contact the undersigned.

Sincerely,

[original signed by]

William T. Wachsmuth,
Senior Administrator, Regulatory Projects
:mjp

cc: Nancy Marconi, OEB
Zora Crnojacki, OEB
Demetrius Kappos, MNRF
Andrew Mandyam, Enbridge
Tania Persad. Enbridge