

September 27, 2017

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”)
2017 Storage Enhancement Project
Board File # EB-2016-0322**

Please find attached Change Requests 2, 3, and 4, for the above-noted project.

Union would appreciate your timely review and approval of these requests.

Union has discussed the well drilling change request with Mr. Jug Manocha at the Ministry of Natural Resources and Forestry and he has not identified any issues with the proposed changes.

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,

[original signed by]

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

cc: Nancy Marconi, OEB
Zora Crnojacki, OEB
Ritchie Murray, OEB
Jug Manocha, MNRF

REQUEST TO VARY

Project Name: 2017 Storage Enhancement Project

OEB file Number: EB-2016-0322

Request to Vary: 2

Description and Rationale for Change

Union is proposing to change the top-hole location for well UB14. The surface location will be moved approximately 5 metres south from the location identified in Union's pre-filed evidence.

During the drilling of UB14 the drill bit became stuck in the wellbore approximately 290 metres below the surface. Union made a number of attempts to remove the stuck drill bit but was unsuccessful in removing the bit and has subsequently abandoned the well.

Union has had discussions with MNRF regarding re-drilling UB14. Union will submit a Form 1 to the MNRF reflecting the updated name (UB14A) and well location. MNRF has informed Union that it can re-drill the well, utilizing the same drilling program, within 5 metres of the original location it is only required to submit an updated Form 1 not a new application.

Construction and Restoration Practices

Union is proposing to drill UB14A from the same well pad that was used for the original well drilling.

Union will implement additional measures during well drilling to reduce the risk of getting the drill bit stuck again. These include ensuring a good seal around the retrievable intermediate casing, additional monitoring of well cuttings and adding drilling jars earlier in the process.

Environmental

No new environmental mitigation measures will be required.

Consultation

Union has discussed the changes with the MNRF and the directly affected landowner.

Lands

The landowner has not identified any concerns with Union's proposal.

Costs

As this project is part of Union's un-regulated storage business, any costs increase will not be borne by Union's ratepayers. The proposed changes will increase the costs of the project by approximately \$300,000.

Schedule

This change will result in the final in-service date of the project being extended to April 2018.

Attachments

No attachments.

REQUEST TO VARY

Project Name: 2017 Storage Enhancement Project

OEB file Number: EB-2016-0322

Request to Vary: 3

Description and Rationale for Change

Union is proposing to delay the completion of wells D286 and D287 until the April 2018. Construction of the 600 metres of NPS 12 gathering pipeline within the Dawn 156 and Bentpath pool has also been delayed.

The drilling program in the Dawn 156 pool started late and could not be completed in the scheduled timeframe. It was necessary to put the pool back in service so that it could be filled during the normal injection season. As a result well drilling was suspended when the pool pressure exceeded 800 psi and will resume in the spring of 2018 as the pressure drops below this level.

Delivery timelines for suitable pipeline materials were delayed which resulted in a postponement of the installation of the gathering pipeline. The gathering pipeline installation will be completed during the fall pool stabilization and is expected to be completed by December 31, 2017. Final above grade well connections will be completed by April 2018.

Construction and Restoration Practices

There are no proposed changes to Unions construction and restoration practices in regard to well drilling or pipeline construction.

Environmental

No new environmental mitigation measures will be required.

Consultation

Union has discussed the changes with the directly affected landowners.

Lands

The landowners have not identified any concerns with Unions proposal.

Costs

No additional pipeline related costs are associated with the delays.

Schedule

This change will result in the final in-service date of the project being extended to April of 2018.

Attachments

No attachments.

REQUEST TO VARY

Project Name: 2017 Storage Enhancement Project

OEB file Number: EB-2016-0322

Request to Vary: 4

Description and Rationale for Change

In Union's pre-filed evidence it proposed to deepen well UB12 in the Bentpath pool. When UB12 was originally drilled it was not drilled to its proposed depth as a result of the drilling tools becoming stuck in the wellbore. Union had planned to remove the tools from the wellbore and further deepen the well as part of this project.

In 2017 Union attempted to remove this stuck drilling tool but was unsuccessful and therefore was not able to deepen the UB12.

Construction and Restoration Practices

There are no proposed changes to Union's construction and restoration practices in regard to well drilling or pipeline construction.

Environmental

No new environmental mitigation measures will be required.

Consultation

Union has discussed the changes with the directly affected landowners.

Lands

The landowners have not identified any concerns with Union's proposal.

Costs

As this project is part of Union's un-regulated storage business, any costs increase will not be borne by Union's ratepayers. As it was not possible to drill the well to the additional depth there were cost savings for the project.

Schedule

This change will not result in any changes to the in-service date of the project.

Attachments

No attachments.