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**Commission de l'énergie
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BY E-MAIL

January 24, 2018

Union Gas Limited
Bill Wachsmuth
Senior Administrator, Regulatory Projects
50 Keil Drive North
P.O. Box 2001
Chatham ON N7M 5M1
bwachsmuth@uniongas.com

Dear Mr. Wachsmuth:

**Re: Union Gas Limited
EB-2015-0120 Sudbury Expansion Project
Request to Vary / Change Request No. 6**

The Ontario Energy Board (OEB) is in receipt of your letter dated December 15, 2017 in which Union Gas Limited (Union Gas) requests a variance to the OEB approved Sudbury Expansion Project (Project). In particular, this change request (Change Request 6) pertains to that portion of the Project that provides gas service to the Victoria Mine.

To date, Union Gas has constructed 1,400 meters of pipeline to the Victoria Mine. In Change Request 6, Union Gas proposes to delay the completion of works to Victoria Mine to June 2018. The reason behind the proposed delay is that the City of Greater Sudbury has not yet completed the reconstruction of Crean Hill Road which leads to Victoria Mine; it is not practical for Union Gas to complete its pipeline construction until this road is complete.

Union Gas submits that this change will not modify the Project's originally proposed construction or restoration methods, environmental mitigation measures, or land use requirements. Union Gas has consulted the one impacted customer, Victoria Mine, and it does not object to the delay in gas service. The delay will increase estimated Project costs by approximately \$200,000 as a result of inflationary increases and additional mobilization / demobilization costs. Project costs are also expected to increase as a result of higher construction costs associated with a better understanding of local ground conditions. Union Gas informed the OEB on January 15, 2018 that the \$ 200,000 increase in costs associated with the delay of construction will be covered by Union Gas' contingency fund for this Project.

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As the Manager, Applications Supply and Infrastructure, 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-2015-0120 proceeding. I have been further granted the authority to approve any changes that I have concluded are not material.

Based on my review of the information provided, I find that the described changes do not materially impact the leave granted by the OEB. I hereby approve the proposed change. I note that the actual costs of the project will be reported to the OEB in the Post-Construction Financial Report and will be reviewed in Union Gas' next rebasing rate application.

Yours truly,

Original signed by

Nancy Marconi
Manager, Applications Supply and Infrastructure