

March 28, 2018

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”)
Kingsville Transmission Reinforcement Project
Board File Number EB-2018-0013**

As per the Board’s Letter of Direction dated March 21, 2018, please find attached the Affidavit of Service proving completion of the matters in paragraphs 1,2 and 3 of the referenced project above.

Sincerely,

[original signed by]

Shelley Bechard
Administrative Analyst, Regulatory Projects

Encl.

cc. Zora Crnojacki, Project Advisor

ONTARIO ENERGY BOARD

IN THE MATTER OF The Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B, and in particular, S.90 (1) thereof;

AND IN THE MATTER OF The Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B, and in particular, S. 36 thereof;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities in the Town of Lakeshore and the Town of Kingsville in the County of Essex;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders for approval of recovery of the cost consequences of all facilities associated with the development of the proposed Kingsville Transmission Reinforcement Pipeline Project.

AFFIDAVIT OF SERVICE

I, Shelley Bechard of Municipality of Chatham-Kent, in the Province of Ontario,

MAKE OATH AND SAY:

That I am an employee in the Registered Office of Union Gas Limited and, as such, have knowledge of the matters herein deposed to.

1. On March 21, 2018, I did cause to have a search of title forthwith, sufficient to determine the current registered property owners and encumbrancers with lands or interest in the lands directly affected by the proposed pipeline and related facilities conducted.
2. On March 26, 2018, I arranged for the service of the Notice, the Application with Schedule A and Project Summary accompanied with a cover letter with a link to the evidence, attached hereto as Exhibit "A" to the following by email/courier:
 - a. all property owners and encumbrancers with lands or interest in lands identified in the search of title referred to in paragraph 1 above
 - b. the Clerks of the Town of Lakeshore and the Town of Kingsville
 - c. the Chief Administration Officer of the County of Essex

- d. all Indigenous communities that have been consulted and all Indigenous communities with lands or interest in the lands directly affected by the proposed wells, pipeline and related facilities as determined by the Ministry of Energy
- e. the Métis Nations of Ontario, Lands, Resources and Consultation Office, 75 Sherbourne St., Suite 222, Toronto, Ontario M5A 2P9
- f. all affected utilities and railway companies
- g. members of the Ontario Pipeline Coordinating Committee

Attached hereto as Exhibit “B” are the confirmations of email/courier delivery receipts to the above.

- 3. On March 26, 2018, I did cause to make a copy of the Notice, the application and the evidence, and any amendments thereto, available for public review at Union’s office and in a prominent place on Union’s website.
- 4. On March 28, 2018 I filed with the OEB an affidavit in both electronic and paper forms proving completion of the matters in paragraphs 1, 2 and 3 of the Letter of Direction.

I make this Affidavit in good faith and for no improper purpose.

SWORN BEFORE ME in the)
Municipality of Chatham-Kent) <i>[original signed by]</i>
Province of Ontario,) _____
this 28st day of March, 2018.) Shelley Bechard
	Administrative Analyst, Regulatory Projects

[original signed by]

A Commissioner, etc.

March 26, 2018

Address Block

Re: Union Gas Limited ("Union")
Kingsville Transmission Reinforcement Project
Board File Number EB-2018-0013

Dear _____,

Union has filed an Application with the Ontario Energy Board for approval of the Kingsville Transmission Reinforcement Project.

In accordance with the Letter of Direction issued by the Ontario Energy Board on March 21, 2018, Union Gas has been instructed to serve you with a copy of the Notice of Hearing, Application and Project Summary. The complete evidence and environmental report is posted on Union Gas' website at (www.uniongas.com/about-us/company-overview/regulatory/rate-cases/eb-2018-0013-kingsville-transmission-reinforcement-project). Union Gas will send at no cost to you a paper copy of the evidence and environmental report upon request. To request a paper copy please contact Shelley Bechard directly by phone at 519-436-4600 ext. 5002075 or email at sbechard@uniongas.com.

If you have any questions or require additional information regarding the project, please contact me by phone at 519-436-5473 or by email at khockin@uniongas.com.

Yours truly,

Karen Hockin
Manager, Regulatory Initiatives

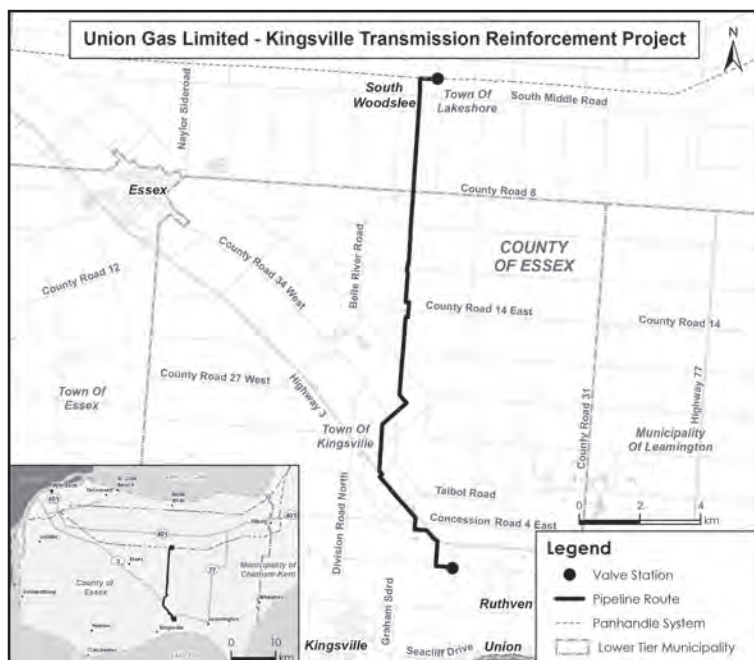
ONTARIO ENERGY BOARD NOTICE

Union Gas Limited has applied to the Ontario Energy Board for approval to construct a natural gas transmission pipeline and associated facilities in the Town of Lakeshore and the Town of Kingsville in the County of Essex

Learn more. Have your say.

If approved, the proposed 19 kilometre natural gas transmission pipeline would run from an interconnection point on Union Gas Limited's existing Panhandle Transmission System pipeline in the Town of Lakeshore to a new station in the Town of Kingsville, both in the County of Essex, as shown on the map below.

The application indicates that the construction of the proposed pipeline will allow Union Gas Limited to serve the growing market in the Kingsville-Leamington area as well as the broader market served by Union Gas Limited's Panhandle Transmission System.



THE ONTARIO ENERGY BOARD IS HOLDING A PUBLIC HEARING

The Ontario Energy Board (OEB) will hold a public hearing to consider the application filed by Union Gas. During the hearing, we will question Union Gas on the case. We will also hear questions and arguments from individual consumers, municipalities and others whose interests would be affected. At the end of this hearing, the OEB will decide whether to approve the application.

The OEB has determined that it will not consider Union Gas' proposal to recover the cost of the natural gas transmission pipeline through an Incremental Capital Module at this time because of the on-going hearing on Union Gas' Rate Setting Mechanism application (EB-2017-0307).

As part of its review of this application, the OEB will assess Union Gas' compliance with the OEB's Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario.

The OEB advises Indigenous communities that the OEB's process for this application may serve as a component of the Crown's duty to consult for this project.

The OEB is an independent and impartial public agency. We make decisions that serve the public interest. Our goal is to promote a financially viable and efficient energy sector that provides you with reliable energy services at a reasonable cost.

BE INFORMED AND HAVE YOUR SAY

You have the right to information regarding this application and to be involved in the process.

- You can review the application filed by Union Gas on the OEB's website now.
- You can file a letter with your comments, which will be considered during the hearing.
- You can become an active participant (called an intervenor). Apply by **April 9, 2018** or the hearing will go ahead without you and you will not receive any further notice of the proceeding.
- At the end of the process, you can review the OEB's decision and its reasons on our website.

LEARN MORE

Our file number for this case is **EB-2018-0013**. To learn more about this hearing, find instructions on how to file letters or become an intervenor, or to access any document related to this case, please select the file number **EB-2018-0013** from the list on the OEB website: <http://www.oeb.ca/noticelc>. You can also phone our Consumer Relations Centre at 1-877-632-2727 with any questions.

ORAL VS. WRITTEN HEARINGS

There are two types of OEB hearings – oral and written. The OEB intends to proceed with this application by way of a written hearing. If you think an oral hearing is needed, you can write to the OEB to explain why by **April 9, 2018**.

PRIVACY

If you write a letter of comment, your name and the content of your letter will be put on the public record and the OEB website. However, your personal telephone number, home address and email address will be removed. If you are a business, all your information will remain public. If you apply to become an intervenor, all information will be public.

This hearing will be held under section 90(1) of the Ontario Energy Board Act, 1998, S.O. 1998, c.15 (Schedule B).



Ontario Energy Board
Commission de l'énergie
de l'Ontario

ONTARIO ENERGY BOARD

IN THE MATTER OF The Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B, and in particular, S.90 (1) thereof;

AND IN THE MATTER OF The Ontario Energy Board Act, 1998, S.O. 1998, c.15, Schedule B, and in particular, S. 36 thereof;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities in the Town of Lakeshore and the Town of Kingsville in the County of Essex;

AND IN THE MATTER OF an Application by Union Gas Limited for an Order or Orders for approval of recovery of the cost consequences of all facilities associated with the development of the proposed Kingsville Transmission Reinforcement Pipeline Project.

UNION GAS LIMITED

1. Union Gas Limited (the “Applicant” or “Union”) hereby applies to the Ontario Energy Board (the “Board”), pursuant to Section 90 (1) of the Act, for an Order or Orders granting leave to construct approximately 19 kilometres of NPS 20 pipeline from an interconnect at Union’s existing Panhandle NPS 20 pipeline in the Town of Lakeshore to a new station in the Town of Kingsville located in the County of Essex (“the Proposed Pipeline” or “the Project”).
2. The Applicant also hereby applies to the Board, pursuant to Section 36 of the Act, for an Order or Orders granting:
 - a) approval of recovery of the cost consequences of the net revenue requirement for the period 2019 through 2028 of all facilities associated with the development of the Project from ratepayers in accordance with the Board’s Incremental Capital Module mechanism as

described in Union and Enbridge Gas Distribution's Rate Setting Mechanism (EB-2017-0307)
; and

- b) approval of an accounting order to establish the Kingsville Transmission Reinforcement Project Costs Deferral Account.
3. A map showing the general location of the Proposed Pipeline, and associated facilities and the municipalities, and highways through, under, over, upon or across which the pipeline will pass is presented at Schedule A.
4. The parties affected by this Application are the owners of lands, government agencies and municipalities over which the pipeline will be constructed, and Union's distribution customers with respect to quality of service and security of supply. The persons affected by this Application are the customers resident or located in the Municipalities, the First Nation Reserves and Métis organizations served by Union, together with those to whom Union sells gas, or on whose behalf Union distributes, transmits or stores gas. It is impractical to set out in this Application the names and addresses of such persons because they are too numerous.
5. The Applicant now therefore applies to the Board for an Order or Orders for approval of recovery of the cost consequences and granting leave to construct the Proposed Pipeline as described above.
6. The address for service for Union is:
- Union Gas Limited
P.O. Box 2001
50 Keil Drive North
Chatham, Ontario N7M 5M1

Attention: Karen Hockin
Manager, Regulatory Initiatives

Telephone: 519-436-5473
Fax: 519-436-4641
Email: khockin@uniongas.com
-and-

Torys LLP
Suite 3000, 79 Wellington Street West
P.O. Box 270, Toronto Dominion Centre
Toronto, Ontario M5K 1N2

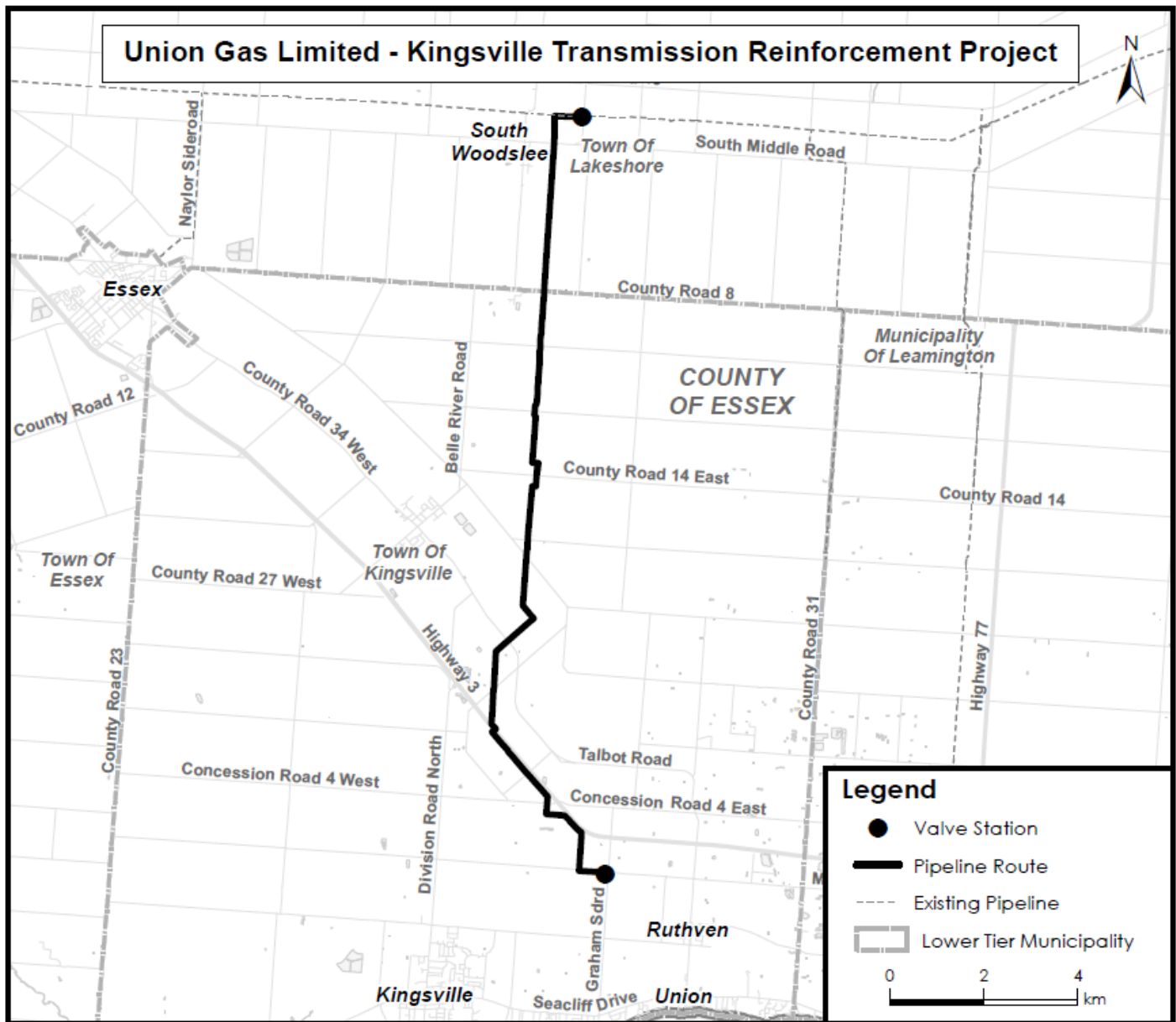
Attention: Charles Keizer
Telephone: 416-865-7512
Fax: 416-865-7380
Email: ckeizer@torys.com

Dated: January 25, 2018

UNION GAS LIMITED

[original signed by]

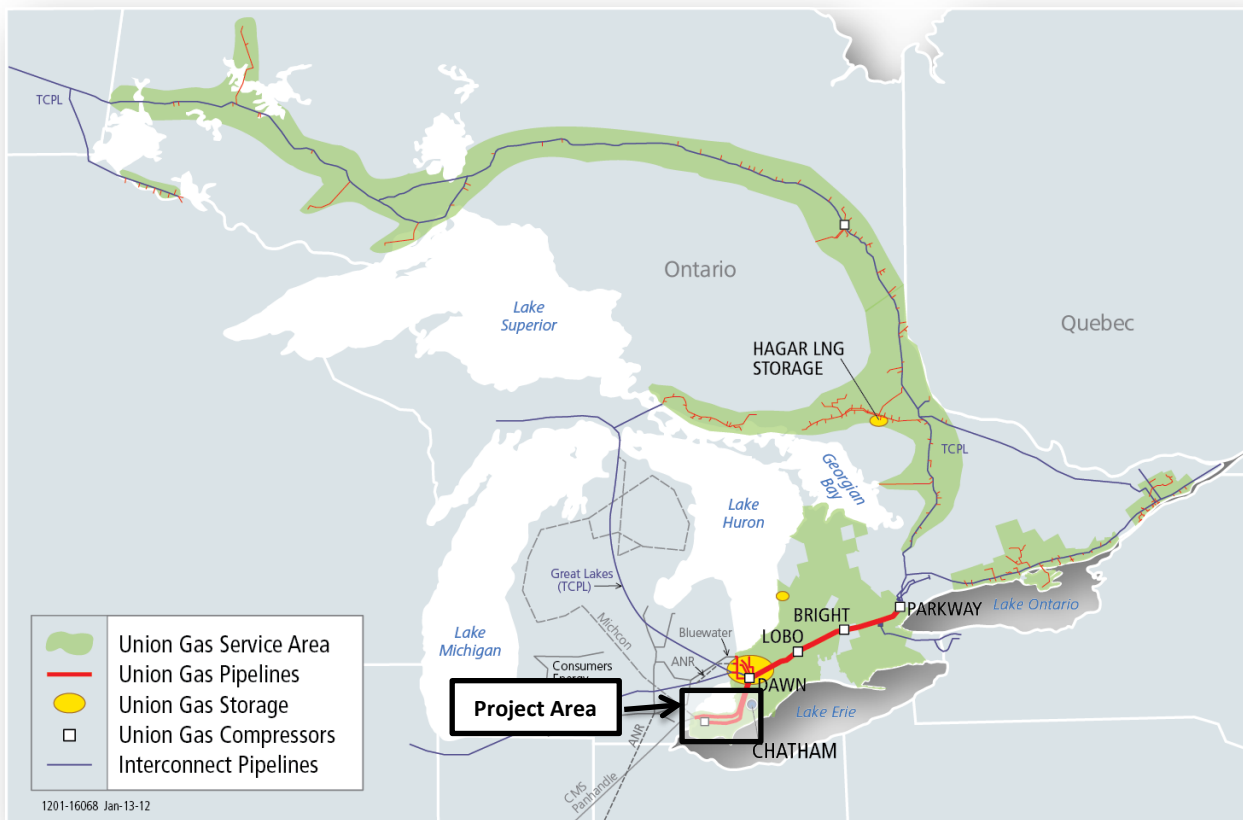
Karen Hockin, Manager, Regulatory Initiatives



SUMMARY OF APPLICATION

In response to increasing natural gas demand growth in the Kingsville-Leamington market area as well as increasing demand on the overall Panhandle Pipeline System (“Panhandle System”), Union is proposing to construct approximately 19 km of NPS 20 pipeline from an interconnect at the existing NPS 20 Panhandle Line in the Town of Lakeshore to a new station in the Town of Kingsville – the Kingsville Transmission Reinforcement Project (“the Project”). The proposed in-service for the Project is November 1, 2019. Figure 3-1 illustrates the Project area.

Figure 3-1



1 The Panhandle System represents the primary transmission pipeline asset to transport natural gas
2 from Union's Dawn Compressor Station ("Dawn") and the Ojibway Valve Site ("Ojibway") in
3 Windsor to distribution systems serving residential, commercial and industrial in-franchise
4 markets in the municipalities of Chatham-Kent, Windsor, Lakeshore, Leamington, Kingsville,
5 Essex, Amherstburg, LaSalle, and Tecumseh ("Panhandle System Market" or "the Market").
6

7 Prior to November, 2017, the Panhandle System was comprised of two pipelines, an NPS 16 and
8 NPS 20 pipeline. These pipelines moved natural gas to distribution systems which supplied
9 natural gas to in-franchise customers. For decades Union served the Panhandle System Market
10 with these two pipelines with limited pipeline reinforcement. However, in response to significant
11 growth in the Panhandle System Market, particularly in the greenhouse sector, Union recently
12 completed a reinforcement of the Panhandle System (EB-2016-0186). This reinforcement
13 involved the construction of approximately 40 kilometres of NPS 36 pipeline from Dawn in the
14 Township of Dawn-Euphemia to the Dover Transmission Station ("Dover Transmission") in the
15 Municipality of Chatham-Kent. To complete the installation of the new NPS 36 pipeline, the
16 existing section of NPS 16 pipeline was removed and replaced with NPS 36 pipeline primarily in
17 the same easement. The EB-2016-0186 reinforcement was placed in service in November, 2017.
18 For a more detailed illustration of the Panhandle System Market as well as the Kingsville-
19 Leamington market area please see Exhibit A, Tab 4, Figure 4-1.
20

21 As proposed, the Project is designed to relieve the system constraints resulting from the
22 accelerated natural gas demand in the Kingsville-Leamington market area and meet the

1 increasing demand for firm service in the Panhandle System Market. Union continues to receive
2 requests for firm natural gas service from general service customers, consisting of residential,
3 commercial and small industrial customers, and contract rate customers across the Panhandle
4 System Market, including greenhouse operators located in the Kingsville-Leamington and
5 Chatham-Kent market areas.

6
7 As detailed at Exhibit A, Tab 6, Tab 7 and Tab 8, the Panhandle System is forecast to reach its
8 Design Day capacity earlier than forecast in EB-2016-0186. The increased forecast of demand
9 growth accelerates the timing of the Project from 2022 (estimated in EB-2016-0186) to 2020. In
10 addition to the increased demand, there is a constraint within the Leamington–Kingsville high
11 pressure distribution system (“distribution system”) preventing customers from attaching even
12 though Panhandle System capacity is available. Moving the Project’s in-service date from 2020
13 to 2019 will alleviate the distribution constraint and avoid the need to install significant
14 distribution system reinforcement in 2019.

15
16 The Project as proposed is designed to reliably serve these increased forecast demands for firm
17 service not only in the Kingsville-Leamington market area but across the Panhandle System
18 Market. This is very important for the continued economic well-being of the Market. The
19 additional capacity of 71 TJ/d resulting from the Project will help support the continued reliable
20 and secure delivery of natural gas to residential, commercial and industrial customer segments
21 within the Market.

22

1 The Project reinforces the high pressure Panhandle System from which not only customers
2 located in the Kingsville-Leamington market area can be served but future development in the
3 Panhandle System Market can be met. Without the availability of this incremental natural gas
4 capacity on the Panhandle System, there is a risk businesses will delay or cancel plans to expand,
5 or may establish their operations in different jurisdictions where reliable, affordable energy is
6 available. Further, without the availability of this incremental capacity, residential developments,
7 schools, hospitals as well as other small volume customers in the Panhandle System Market may
8 require an alternative (more expensive and less clean burning) energy source. In doing so, this
9 will put additional pressure on the finances and operating budgets of the residents and businesses
10 within the Market. If the Kingsville Transmission Reinforcement Project (the Project) is not
11 constructed, economic development in this region of Ontario may be significantly impacted. To
12 further illustrate this point, Letters of Support are included at Exhibit A, Tab 5, Schedule 2.

13
14 The economic benefits natural gas provides are also significant. Such benefits include, but are
15 not limited to:

- 16 • residential energy savings enabling more consumer spending at local businesses and
17 across the community (e.g. charitable organizations);
- 18 • energy savings supporting the ability of new businesses to be competitive;
- 19 • enhanced ability to attract new residents and new businesses to the community;
- 20 • enhanced ability for existing businesses to grow and expand;
- 21 • increased housing values and resulting property tax assessments; and

- 1 • municipal energy cost savings in municipal buildings such as arenas and community
2 centres.

3
4 This application by Union is brought in response to new forecast market demands in the
5 Kingsville-Leamington market area as well as the overall Panhandle System Market. The
6 Application consists of the following requests:

- 7 1) Section 90 (1) of the Ontario Energy Board Act (“the Act”) granting leave to
8 construct approximately 19 kilometres of NPS 20 pipeline from the existing NPS 20
9 Panhandle Line in the Town of Lakeshore to a new station in the Town of Kingsville
10 in the County of Essex; and
- 11 2) Section 36 of the Act granting approval of recovery of cost consequences of the net
12 revenue requirement for the period 2019 through 2028 of all facilities associated with
13 the development of the Project from ratepayers in accordance with the Board’s
14 Incremental Capital Module (“ICM”) Mechanism as described in Union and
15 Enbridge Gas Distribution’s (“Enbridge”) Rate Setting Mechanism (EB-2017-
16 0307) ¹; and
- 17 3) Section 36 of the Act granting approval of an accounting order to establish the
18 Kingsville Transmission Reinforcement Project Costs Deferral Account.

19 As detailed at Exhibit A, Tab 9, Schedule 1, the total capital cost of the Project is estimated to be
20 \$105.7 million, consisting of:

21

¹ EB-2017-0307 Union and Enbridge’s Rate Setting Mechanism filed November 23, 2017

1 1) Construction of the proposed pipeline at a cost of \$96.1 million; and

2 2) Station costs of \$9.6 million.

3
4 As identified in Union and Enbridge's Rate Setting Mechanism pre-filed evidence (EB-2017-
5 0307), during the deferred rebasing period, the amalgamated company ("Amalco") will apply for
6 rate adjustments using the Board's ICM to recover costs associated with qualifying incremental
7 capital investments beyond what is normally funded through Union's Board-approved rates.
8 Although these proceedings overlap, the evidence filed in this application (EB-2018-0013) is
9 premised upon the assumption that the Board approves Union and Enbridge's Rate Setting
10 Mechanism application that allows the ICM funding module as set out in the Rate Setting
11 Mechanism application. The Project meets the need, materiality and prudence eligibility criteria
12 for ICM treatment.

13
14 As part of EB-2018-0013, Union is requesting pre-approval of the cost consequences of the net
15 revenue requirement of the Project in rates for the period of 2019 through 2028. Union is
16 requesting approval of the Project through ICM, subject to finalization of the 2019 ICM
17 threshold calculation in the 2019 Rates application. The specifics along with the eligibility
18 criteria for the ICM are detailed at Exhibit A, Tab 10.

19
20 The annual revenue requirement associated with the Project is approximately \$0.3 million in
21 2019 and \$8.3 million in 2028. The revenue requirements represent the costs associated with the

1 Project facilities deemed to be in service in each year of the deferred rebasing period from 2019
2 to 2028.

3
4 The net revenue requirement associated with the Project is approximately \$0.2 million in 2019
5 and \$5.0 million in 2028, with the largest net revenue requirement of \$7.2 million in 2021. The
6 net revenue requirement represents the revenue deficiency of the Project and is calculated as the
7 total annual Project revenue requirement less the incremental Project revenue. Union has
8 provided the bill impacts of the Project based on the largest net revenue requirement of \$7.2
9 million in 2021. To illustrate the change to the bill impacts over the deferred rebasing period,
10 Union has also provided the bill impacts of the Project for the final year of the deferred rebasing
11 period, based on a net revenue requirement of \$5.0 million in 2028.

12
13 In comparison to Board-approved rates per EB-2017-0087 (Union's 2018 Rates), the annual bill
14 impacts for the average Rate M1 residential customer in Union South consuming 2,200 m³ per
15 year is an increase of \$2.28 in 2021. By the final year of the deferred rebasing period, the Rate
16 M1 bill impact decreases by \$1.01, for a total bill increase of \$1.27 in 2028.

17
18 For the average Rate 01 residential customer in Union North consuming 2,200 m³ per year, the
19 annual bill impact is a decrease of \$0.92 in 2021. By the final year of the deferred rebasing
20 period, the Rate 01 bill impact increases by \$0.61, for a total bill decrease of \$0.31 in 2028.

1 The estimated delivery bill impacts for Union South in-franchise rate classes in years 2021 and
2 2028 are provided in Table 3-1 below.

Table 3-1
Union South In-franchise Delivery Bill Impacts

Line No.	Rate Class	Year 2021 (a)	Change (b) = (c - a)	Year 2028 (c)
1	Rate M1	0-1%	(0%)	0-1%
2	Rate M2	1-2%	(1%)	0-1%
3	Rate M4	4-5%	1-2%	5-7%
4	Rate M5	(0-1%)	0%	(0-1%)
5	Rate M7	6-8%	3%	9-11%
6	Rate M9	4-5%	(2%)	2-3%
7	Rate M10	9-10%	(5%)	4-5%
8	Rate T1	2-4%	(1-2%)	1-2%
9	Rate T2	4-5%	(2%)	2-3%
10	Rate T3	5-6%	(3%)	2-3%

3
4 The Discounted Cash Flow (“DCF”) of the Project has been assessed using methodologies
5 consistent with E.B.O. 134 – Filing Guidelines on the Economic Tests For Transmission Pipeline
6 Applications (“EBO 134”). Stage 1 economics were completed for the Project and results of the
7 Stage 1 DCF analysis are shown at Exhibit A, Tab 9, Schedule 4. The results indicate a
8 cumulative NPV of (\$59.2) million and a PI of 0.44 over the DCF term. Consistent with the
9 requirements of E.B.O. 134, since the Project’s NPV is less than \$0 and/or the PI is less than 1.0,
10 a Stage 2 benefit/cost analysis was undertaken in order to quantify benefits and costs accruing to
11 Union’s customers as a result of the Project. The NPV of quantified benefits to customers
12 resulting from the Stage 2 analysis is added to the Project NPV from Stage 1 and then discounted
13 at a social discount rate in order to calculate the direct net benefit of the Project to Union’s
14 customers. A Stage 3 analysis considers other quantifiable benefits and costs related to the

1 construction of the proposed facilities that are not included in the Stage 2 analysis, and other
2 non-quantifiable public interest considerations. A summary of the findings from the Stage 1-3
3 analysis that shows the Project is in the Public Interest is provided in Exhibit A, Tab 9.

4
5 As detailed in Exhibit A, Tab 6 and as noted above, the Panhandle System is currently forecast to
6 reach its Design Day capacity earlier than that forecast in EB-2016-0186. This increased
7 forecasted demand growth accelerates the timing of additional required reinforcement from 2022
8 to 2020. In addition to the increased demand, there is a constraint within the distribution system
9 located in the Kingsville-Leamington market area thus preventing customers from attaining
10 natural gas service even though Panhandle System capacity is available. Constructing the Project
11 into the Kingsville-Leamington market area will allow natural gas to move more efficiently to
12 the distribution system therefore alleviating the system constraint and allowing for further
13 growth over the entire transmission system. Please see Exhibit A, Tab 8 for more detail. An
14 additional lateral into the Town of Kingsville will also have the added benefit of avoiding
15 significant distribution reinforcement.

16
17 In response to the system constraints and increased demand growth, Union reviewed and
18 compared a number of Project alternatives. These alternatives are discussed in Exhibit A, Tab 8.
19 These alternatives included the construction of incremental pipeline (distribution and
20 transmission) facilities, Liquefied Natural Gas (“LNG”), Compressed Natural Gas (“CNG”) and
21 commercial alternatives including contracting for incremental deliveries at Ojibway through
22 Panhandle Eastern Pipeline Company L.P. (“Panhandle Eastern”) firm transportation service

1 contracts. The preferred alternative (the Project) involves the construction of approximately 19
2 km of NPS 20 pipeline from the existing NPS 20 Panhandle Line in the Town of Lakeshore to a
3 new station in the Town of Kingsville. As detailed in Exhibit A, Tab 8 the preferred alternative
4 provides a number of benefits including:

- 5 1. Provides capacity to meet the growing near term firm demands along the Panhandle
6 System for the next five years;
- 7 2. Positions the Panhandle System and the distribution system to meet the long term
8 growth in the most efficient manner;
- 9 3. Offsets costly distribution reinforcement projects that will no longer be required once
10 the Project is built; and
- 11 4. Provides the necessary incremental capacity without the increased reliance on third
12 party gas supply transportation services, which contain price, term and capacity risk
13 at a cost premium.

14
15 Union is proposing to construct the Project in 2019 following its standard construction practices
16 which have been in place for many years. The design of the pipeline will meet or exceed all
17 CSA code requirements. Experienced contractors familiar with Union's design and construction
18 practices are available to construct the proposed facilities.

19
20 The permanent and temporary land rights necessary for the construction of the Project will be
21 acquired from individual landowners. The majority of the proposed pipeline will be constructed
22 in agricultural land within new easement. Union will be required to obtain approximately 93

1 acres of new permanent easement and approximately 82 acres of Temporary Land Use (“TLU”)
2 area for construction and top soil storage purposes. Union has initiated meetings with the
3 landowners from whom either permanent easements or TLU rights are required and will continue
4 to meet with those landowners to acquire the necessary land rights. Union has secured options
5 for over 80% of the necessary land rights.

6
7 An Environmental Report (“ER”) has been prepared for the Project. The ER was prepared to
8 identify the preferred route of the proposed pipeline and identified related mitigation measures
9 for construction of the proposed pipeline. Union believes that by following its standard
10 construction practices and adhering to the recommendations and mitigation identified in the ER,
11 there will be no significant environmental impacts resulting from the construction of the
12 Proposed Project. The cumulative effects assessment completed as part of the ER indicates that
13 no significant cumulative effects are anticipated from the development of the Project.

14
15 To ensure area residents and other key stakeholders were made aware of the Project, Union
16 implemented a consultation outreach plan. As part of this plan, Union mailed affected
17 individuals a Project-specific information letter and held four separate Information Sessions
18 within the Project area. The primary purpose of these Information Sessions was to engage with
19 and solicit input from landowners, tenants and the general public with respect to the Project.
20 In addition to meeting with landowners, Union followed the new environmental guidelines in
21 relation to Indigenous Consultation. Union has worked with the Ministry of Energy to ensure
22 that the affected Indigenous communities are aware of the Project and that their concerns and

1 issues have been identified and addressed. Union also met with municipal officials and a number
2 of industry and agricultural associations. Union will continue its commitment to public
3 consultation throughout the completion of the Project.

4
5 Construction of the Project is scheduled to commence in the spring of 2019. The construction
6 schedule utilizes the favourable summer construction weather thereby minimizing the impact of
7 construction on agricultural lands and other features such as watercourses.

8
9 The proposed in-service date for the Project is November 1, 2019. Union is filing now to provide
10 sufficient time to allow for the ordering of long-lead construction materials and ensure the
11 required permits and necessary land rights are secured in advance of construction.

12
13 In summary, the Project is critical to meet the immediate needs of customers in Kingsville-
14 Leamington market area and to provide additional capacity on the Panhandle System for growth
15 in the remainder of the Panhandle System Market. This, combined with the fact natural gas
16 offers a competitive advantage for commercial and industrial customers, helps to ensure
17 economic growth not only in the Panhandle System Market but Ontario as a whole. As further
18 detailed at Exhibit A, Tab 5, if the Project is not constructed, economic development in this
19 region of Ontario may be significantly impacted.

Exhibit B

Provided to Ontario Energy Board