Ontario Energy Board P.O. Box 2319 27th Floor 2300 Yonge Street Toronto ON M4P 1E4 Telephone: 416-481-1967 Facsimile: 416-440-7656 Toll free: 1-888-632-6273

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BY E-MAIL

April 25, 2018

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

Dear Mr. Wachsmuth:

Re: Union Gas Limited EB-2015-0179 Community Expansion Project Request to Vary / Change Request Nos. 6, 7 and 8

The Ontario Energy Board (OEB) received your letter dated March 15, 2018, in which Union Gas Limited (Union Gas) requests three variances to the OEB approved Community Expansion Project (Project) - Change Request Nos. 6, 7 and 8. On March 23, 2018, the OEB requested additional information and clarifications. Union Gas filed its responses on March 27, 2018.

Change Request No. 6 pertains to the construction of additional pipeline on Little John Road as part of the Moraviantown portion of the Project. Union Gas confirms that the Environmental Report (ER) for the Project encompassed the location of the proposed main on Little John Road. Union Gas submits that this change will not modify the Project's originally proposed construction and restoration methods, environmental mitigation measures, land use requirements, or schedule. Union Gas has consulted with the Moraviantown First Nation, and they expressed no concerns regarding the proposed change. Union Gas submits that the additional works will result in an increase to the Project budget of approximately \$4,000 but will also increase the number of customers

served and the profitability index of the Project remains greater than 1.0. To the extent that the increase in costs associated with this change results in the Project going over budget, this will be considered when Union Gas seeks to put the assets in rate base.

Change Request No. 7 pertains to Union Gas' inability to complete the Rostock and Wartburg portions of the Project in 2017 due to weather conditions, and its proposal to complete the construction by the fall of 2018. In addition, Union Gas has provided updated maps showing the locations of pipelines that were contemplated in its original leave to construct application but not accurately depicted on the maps filed in that application. Union Gas confirms that the ER for the Project encompassed the locations of the inaccurately depicted pipelines. Union Gas submits that these changes will not modify the Project's originally proposed construction and restoration methods, environmental mitigation measures, land use requirements, project cost or schedule. Union Gas has consulted with the Township of Perth East and the County of Perth, and they expressed no concerns regarding the proposed changes.

Change Request No. 8 pertains to the elimination of three pipeline segments in the Prince Township portion of the Project, and the construction of additional pipeline segments at other locations in that same community. Through additional environmental and engineering reviews, Union Gas has determined that it can avoid two water crossings as well as the installation of pipe on Heywood Road without reducing the number of customers served. In addition, Union Gas has provided updated maps showing the locations of pipelines that were contemplated in its original leave to construct application but not accurately depicted on the maps filed in that application. Union Gas confirms that the ER for the Project encompassed the locations of the inaccurately depicted pipelines. Union Gas submits that these changes will not modify the Project's originally proposed construction and restoration methods, environmental mitigation measures, land use requirements, project cost or schedule. Union Gas has consulted with the Township of Prince, and it expressed no concerns regarding the proposed changes.

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-2015-0179 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.

Yours truly,

Original Signed by

Nancy Marconi Manager, Applications Supply and Infrastructure