

October 9, 2018

RESS & Courier

Ms. Kirsten Walli  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: Union Gas Limited – 2019 Community Expansion Project (EB-2018-0142)/Chatham-Kent Rural Project (EB-2018-0188)/Taylor Mine Project (EB-2018-0189) - Notice**

Further to the letter of August 2, 2018, Union Gas Limited (“Union”) is writing to update the Ontario Energy Board (“the Board”) on the status of the above-noted applications and confirm whether Notice should proceed at this time.

Union was informed on September 26, 2018 by the Ministry of Infrastructure that Natural Gas Grant Program (“NGGP”) funding is no longer available for the above noted projects. In the absence of NGGP funding, the Province has introduced Bill 32, the proposed “Access to Natural Gas Act, 2018” to enable expansion of natural gas to additional communities in Ontario. The Province expects to introduce regulations enabled by this Act in the coming months.

For the 2019 Community Expansion application (EB-2018-0142) as filed, Union requests that the Board not proceed with Notice at this time and hold the application in abeyance until such time as the natural gas expansion legislation and associated regulations are finalized. This will allow clearer direction on how to proceed with this application.

However, Union requests that the Board proceed with issuing Notice for the Chatham-Kent Rural and Taylor Mine economic development projects. Union continues to work with the customers who expect to receive service from these projects to look for solutions to move the projects forward, absent the original NGGP funding. Any further delay in issuing Notice at this point jeopardizes the ability to obtain Board approval and begin construction early enough in 2019 to have the facilities in-service by November 1, 2019, as required by contractual commitments with customers.

Should you have any questions on the above, please contact me at 519-436-5473.

Yours Truly,

*[Original signed by]*

Karen Hockin  
Specialist, Regulatory Initiatives

cc: Bill Wachsmuth, Union  
Charles Keizer, Torys