

November 1, 2018

BY RESS & Courier

Ms. Kirsten Walli Board Secretary Ontario Energy Board Suite 2700, 2300 Yonge Street Toronto, Ontario M4P 1E4

Dear Ms. Walli:

Re: Union Gas Limited ("Union") Sudbury Expansion Project Board File # EB-2015-0120

Pursuant to Condition 6.(a) i-v. of the Board's Conditions of Approval for the abovenoted project, enclosed is the Post Construction Report.

Sincerely,

[original signed by]

Shelley Bechard Administrative Analyst, Regulatory Projects

cc: Z. Crnojacki N. Marconi Regulatory Library

SUDBURY EXPANTION PROJECT POST CONSTRUCTION REPORT EB-2015-0120

Prepared by: Union Gas Limited Environmental Planning October 2018

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1.0 **INTRODUCTION**

This Post Construction Report is provided in compliance with the Ontario Energy Board ("Board") Order EB-2015-0120 granting Union Gas Limited ("Union") "Leave to Construct" the Sudbury Expansion Project consisting of approximately 1.55 kilometers of NPS 12 inch natural gas pipeline, 2 kilometers of NPS 10 inch natural gas pipeline and 2.3 kilometers of NPS 6 inch natural gas pipeline in the City of Greater Sudbury.

These new pipelines are in response to a request from KGHM International to provide natural gas service to the new FNX Victoria Mine and to meet the growing demands for natural gas ensuring the continued safe operation of the Union Gas Limited (Union) Sudbury pipeline system. A map of the pipeline routes is included in Appendix A.

Due to an unanticipated delay by the Greater City of Sudbury to acquire the permits necessary to begin the reconstruction of Crean Hill Rd. which was necessary for the operation of the Victoria Mine, the pipeline construction schedule was divided into two phases. Phase 1 was separated into two sections consisting of Section 1 which included 1.55 kilometers of NPS 12 inch from Frood Rd. to a new station south of LaSalle Rd. looping the Sudbury lateral system and Section 2 which included 2.0 kilometers of NPS 10 inch from a new station south of the Town of Azilda to a new station north of Azilda looping the existing undersized NPS 6 natural gas pipeline.

Phase 2 which consisted of approximately 2.3 kilometers of a new NPS 6 inch natural gas pipeline was required to supply the FNX Victoria Mine and was installed over a two year period. Approximately 1400 metres of pipeline was installed in 2017 with the remainder installed in 2018.

The requirements for and details of this report are outlined in the specific conditions issued by the Board in its Order dated March 11, 2015 as listed below. The Conditions of Approval can be found in Appendix B.

Accordingly, the purpose of this Post Construction Report is to fulfill these conditions.

- **1.0** Union Gas Limited ("Union") shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2015-0041 and these Conditions of Approval.
- **2.0** Union shall implement all the recommendations of the Environmental Report filed in the proceeding and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
- **4.0** Union shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Union shall not make such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.
- 6.0 Both during and after construction, Union shall monitor the impacts of construction, and shall file with the OEB one paper copy and one electronic (searchable PDF) version of each of the following reports:
 - *a) a post construction report, within three months of the in-service date, which shall:*
 - *i.* provide a certification, by a senior executive of the company, of Union's adherence to Condition 1;
 - *ii. described any impact or outstanding concerns identified during construction;*
 - *iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of the construction;*
 - *iv. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rational for taking such actions and:*
 - v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences and certificates required to construct, operate and maintain the proposed project.

- b) a final monitoring report, no later than fifteen months after the in-service date or where the deadline falls between December 1 and May 31, following June 1, which shall:
 - *i.* provide a certification, by a senior executive of the company, of Union's adherence to Condition 3;
 - *ii. describe the condition of any rehabilitated land;*
 - *iii. describe the effectiveness of any actions taken to prevent or mitigate and identified impacts of construction.*
 - *iv. include the results of any analyses and monitoring programs and any recommendations arising therefrom; and*
 - v. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rational for taking such actions.

2.0 BACKGROUND

Union was granted approval to construct the Sudbury Expansion Project on March 11, 2015. Phase 1 construction began with Section 1 (Frood Rd.) on July 27, 2015 and Section 2 (Azilda) on August 24, 2015 with the pipelines placed into service on December 15, 2015 and cleanup for the year completed on December 15, 2015.

For Section 1 (Phase 1) construction progressed from the Frood TBS in a westerly direction with the following order of operations: topsoil removal, stringing, welding, joint coating, trenching, loweringin, tie-ins, backfilling, testing and year end clean-up. There was no cleanup necessary in the spring of 2016.

Construction was initiated for Section 2 (Phase 1) on August 24, 2015 from the new station south of Azilda in a westerly direction to the new station north of Azilda with the following order of operations: topsoil removal, stringing, welding, joint coating, directional drilling, trenching, lowering-in, tie-ins, backfilling, testing and clean-up.

Union returned to the right-of-way of Section 2 in the spring of 2016 to complete the following activities: repair subsidence on the right-of-way, perform a general overview of the right-of-way and complete any additional clean-up that was required.

Work on Phase 2 was first initiated on July 24, 2017 with construction for the year completed on December 1, 2017. Construction was initiated from a new station at the south end of Crean Rd. and progressed north on the west side of the road to a new customer station located on the Victoria Mine property. Due to a delay with the City of Greater Sudbury obtaining permits for the road construction, only approximately 1400 metres of the pipeline was installed in 2017 with the remainder deferred until 2018. Construction on the remaining portion of the pipeline was initiated on May 28th, 2018 and completed on July 28th, 2018. Union will return to the right-of-way in spring 2019 to complete the following activities: repair any subsidence on the right-of-way, perform a general overview of the right-of-way and complete any additional clean-up that is required.

3.0 POTENTIAL IMPACTS AND MITIGATION

3.1 <u>Condition 1.0</u>

Union Gas Limited ("Union") shall construct the facilities and restore the land in accordance with the Board's Decision and Order in EB-2015-0041 and these Conditions of Approval.

Except for the changes indicated in Condition 4.0, Union has complied with all conditions imposed by the Board during construction of the pipeline and has restored the land according to the evidence in support of its application.

3.2 <u>Condition 3.0</u>

Union shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review. Union has implemented all recommendations and mitigation measures outlined in the Environmental Study Report (ER) along with all directives identified by the OPCC.

3.3 <u>Condition 4.0</u>

Union shall advise the Board of any proposed change to Board-approved construction or restoration procedures. Except in an emergency, Union shall not make such change without prior notice to and written approval of the Board. In the event of an emergency, the Board shall be informed immediately after the fact.

There were six "Change Requests" issued during the project. These include:

In a letter dated August 21, 2015 sent to the OEB, Union Gas indicated two "Requests to Vary" for the project. The changes included;

- Union proposed to extend the looping of Azilda lateral by approximately160 meters. This
 extension allowed for an easier tie-in to the existing pipelines and provided a location
 where launcher/receiver facilities could be constructed.
- 2) Union proposed to change the pipeline route where it crosses Notre Dame Avenue. During discussion with the City of Greater Sudbury it was agreed that moving the pipeline to the proposed location would result in fewer disturbances to other utilities, and vehicles using Notre Dame Avenue and Regional Road 35 (formerly Highway 144). The changes moved the pipeline from adjacent to the limits of Regional Road 35 to a location away from other utilities and resulted in a more direct directional drill for the Notre Dame Avenue crossing.

In a letter dated November 17, 2015 sent to the OEB, Union Gas indicated two "Change Requests" for the project. The changes included;

Union deferred construction of the proposed pipeline to serve the Victoria Mine until 2016.
 As described in Unions pre-filed evidence, the Municipality of Greater Sudbury was

planning to make improvements to the Crean Hill Road. The original schedule for these improvements to be completed was the summer /fall of 2015. Due to unforeseen delays the road improvements were not completed, and were then proposed to be completed by the spring of 2016. As Union had proposed to construct the pipeline in the shoulder of the improved road, construction was not possible in 2015. Final road improvements were completed in late 2017.

4) The location of the Victoria Mine customer station and northern terminus of the pipeline had been changed. Based on discussions between Union and Victoria Mine it was determined that moving the customer station from its original location would allow for better and more efficient site planning of the Victoria Mine site. The customer station was completed in 2017.

In a letter dated August 17, 2016 sent to the OEB, Union Gas indicated one "Change Request" for the project. The change included;

5) In Change Request #4 Union identified that the pipeline to serve the Victoria Mine would not be constructed until 2016. The pipeline installation was delayed and then proposed to be constructed in 2017. As stated in Union's pre-filed evidence the pipeline to serve the Victoria Mine was to be constructed within the road allowance of the reconstructed Crean Hill Road. It had taken the City of Greater Sudbury, who was reconstructing the road, longer than anticipated to receive the permits necessary to begin reconstruction of the road. As it was not practical for Union to construct the pipeline until the roadwork had been completed, pipeline construction was deferred until all roadwork had been completed.

In a letter dated December 15, 2017 sent to the OEB, Union Gas indicated one "Change Request" for the project. The change included;

6) In Change Request #4 Union identified that the pipeline to serve the Victoria Mine would not be constructed until 2016. In Change Request #5 Union deferred construction until

2017. In 2017 Union constructed approximately 1400 metres of the Project but was unable to complete construction in 2017. Union proposed to complete construction in 2018. It took the City of Greater Sudbury until mid-2017 to obtain the species at risk permits necessary to start reconstruction of the road. As it was not practical for Union to construct the pipeline until the roadwork had been completed, pipeline construction had been deferred until all roadwork has been completed.

Copies of all the letters sent to the Ontario Energy Board informing them of the changes and letters of response from the OEB can be found in Appendix C.

3.4 <u>Condition 6.0</u>

Both during and after construction, Union shall monitor the impacts of construction, and shall file with the Board one paper copy and one electronic (searchable PDF) version of each of the following reports:

a) post construction report, within three months of the in-service date, which shall:

i. provide a certification, by a senior executive of the company, of Union's adherence to Condition;

One paper copy and one electronic (searchable PDF) version of this Post Construction Report is provided to the Board. This report is certified by Mike Shannon, Vice President of Engineering, Construction and STO, confirming that Union has constructed the facilities and restored the land in accordance with the Board's Decision and the Conditions of Approval in Order EB-2015-1020. The letter of certification can be found in Appendix D.

- *ii. described any impact or outstanding concerns identified during construction*
- *iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of the construction;*

Table 1 summarizes the construction effects and general mitigation measures carried out during construction. All mitigation techniques used throughout construction will also be implemented during cleanup activities as required.

3.4.1 <u>Monitoring Programs</u>

3.4.1.1 Archaeological Assessment

Union retained the services of Woodland Heritage Services to conduct a Stage 1 archaeological assessment study along the pipeline routes. The survey identified no archaeological potential in the areas of Phase 1 and Phase 2 with the recommendation that no further archaeology assessment work required.

3.4.2.1 <u>Watercourse Monitoring</u>

During the project it was necessary to cross one (1) watercourse during Phase 1 and one (1) watercourse during Phase 2 both of which are regulated by the Conservation Sudbury. Both crossings were performed using the horizontal directional drill (HDD) method under permits acquired from Conservation Sudbury.

Watercourses were protected prior to, during and following construction by installing sediment fencing and erosion control matting where necessary. Disturbed areas adjacent to the watercourses were seeded immediately following the installation of the pipeline. Watercourses that were susceptible to erosion were checked after excessive rainfall to verify the effectiveness of the sediment control devices. The watercourses affected during Phase 2 construction will be reviewed in the spring of 2018.

iv. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rational for taking such actions and:

Union's Complaint Tracking System which identifies the current status of landowner complaints received as a result of pipeline construction, was in effect. A complaint is identified as a concern raised by a landowner that has not been resolved to the landowner's satisfaction within three (3) working days.

During construction, a few concerns were raised to Union and their Contractor. These issues were minor in nature and were dealt with by Union and the Contractor in an expeditious manner. Union will continue to monitor the state of the land and environment and will address any additional landowner concerns if they should arise.

v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences and certificates required to construct, operate and maintain the proposed project.

Mike Shannon, Vice President Engineering Construction and STO, has certified that the company has obtained all approvals, permits, licences, and certificates required to obstruct, operate and maintain the project and is confirmed by their signed letter of approval found in Appendix D.

Union Gas obtained the following environmental permits for construction:

* Conservation Sudbury - Watercourse Crossings

• For Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Ontario Regulation 148/06.

Phase 1

• Application for Permit - Watercourse Crossings Acquired July 8, 2015

Phase 2

Due to delays encountered by the Greater City of Sudbury, it was necessary to renew the permit for the project.

- Application for Permit Watercourse Crossings
 - Original Permit Acquired June 8, 2015
 - Renewal Permit File # 32586
 - Renewal Permit File # 3186
- Ministry of Tourism, Culture and Sport
 - Letter of Compliance File Number P208-0127-2015
- *b)* a final monitoring report, no later than fifteen months after the in-service date or where the deadline falls between December 1 and May 31, following June 1, which shall:
 - *i.* provide a certification, by a senior executive of the company, of Union's adherence to Condition 3;
 - *ii. describe the condition of any rehabilitated land;*
 - *iii. describe the effectiveness of any actions taken to prevent or mitigate and identified impacts of construction.*
 - *iv. include the results of any analyses and monitoring programs and any recommendations arising therefrom; and*
 - v. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rational for taking such actions and:

A final monitoring report will be prepared to evaluate the success of the monitoring programs and if necessary outline areas in need of additional restoration as well as any outstanding issues if they should arise.

4.0 SUMMARY

This Post Construction Report has been prepared as per conditions in the Board Order EB-2015-1020. The report provides an outline of Unions' compliance with the commitments of its witnesses, the measures implemented during construction to minimize disturbance to the environment and a description of Unions' monitoring programs. It is anticipated that these measures will effectively eliminate any long-term impacts to the environment.

"Table 1"

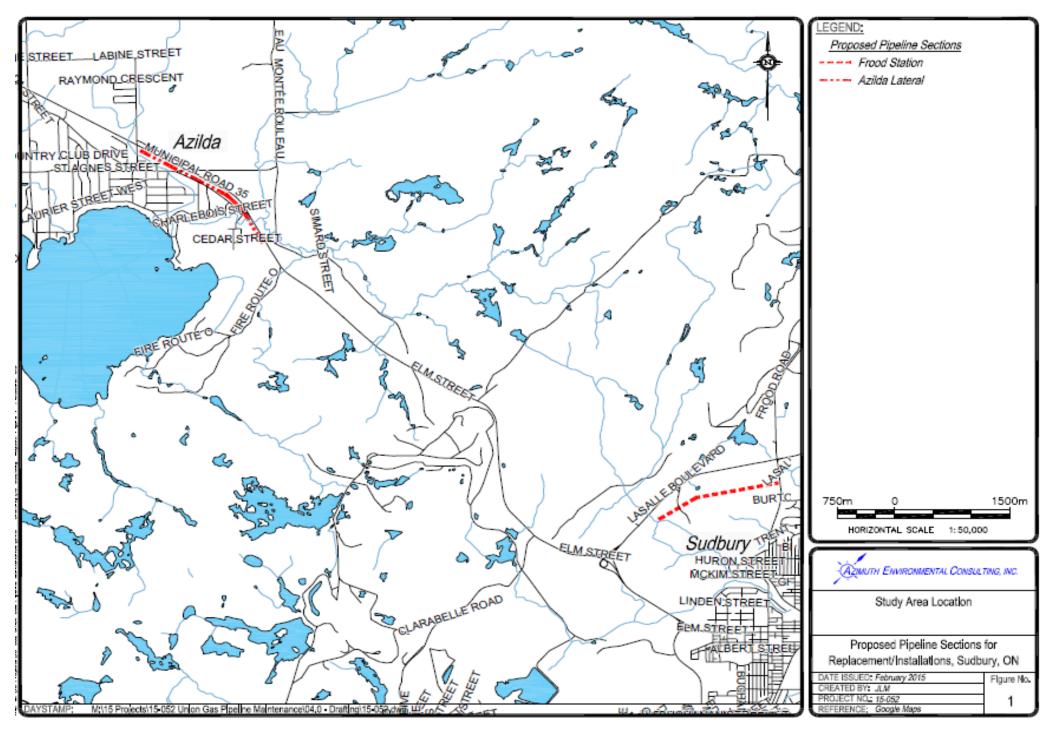
Potential Impacts and Mitigation Measures

T		IGATION SUMMARY
Issue	Potential Impact	Proposed Mitigation
a) Archaeology	Disturbance to cultural heritage resources.	• Prior to any activities associated with the project, an archaeological survey was completed. No artifacts were found during the survey or construction.
b) Species At Risk (SAR)	Encountering SAR	 Phase 2 -Followed recommendations as outlined in the conditions imposed by the Ministry of Natural Resources and Forestry for the City of Sudbury road construction. There were no SAR concerns with Phase 1
c) Landowner Concerns	Disruption to landowners	 Union provided the landowners with the telephone numbers of Company personnel. A Landowner Relations Program was established to track complaints during construction. To date there have been no complaints entered into the complaint tracking system.
d) Watercourses	Water quality concerns	 Union adhered to Company specifications for watercourse crossings. Union obtained permits from Conservation Sudbury for all watercourse crossings.
e) Road Side Ditches	Water quality concerns	• Ensured ditches were returned to pre-construction condition as quickly as possible.
f) Roadways	Disruption to local citizens and businesses	 At least one lane of traffic was maintained at all times. Flag persons and warning devices were used to notify traffic of the construction zone.
g) Public Safety	Public safety concerns	 Company inspectors ensured public safety on construction site. Ensured proper signage and flag persons if required.
h) Construction Equipment	Disruption to landowners and tenants	• Equipment was stored well off road shoulders when not in use.
i) Construction Noise	Disturbance to landowners and tenants	 Construction was carried out during daylight hours whenever possible. Ensured equipment was properly muffled.
j) Fuel Storage and Handling	Improper fuel storage and handling may cause spillage and possible contamination of soil	 Fuel was not stored near watercourses (i.e. Within 50 metres) Spill clean-up materials were stored on site and available in the event of a spill. Spills or leakage were to be reported to the appropriate authority immediately (Ministry of the Environment Spills Action Centre at 1-800-268-6060) No reportable spills were recorded during construction

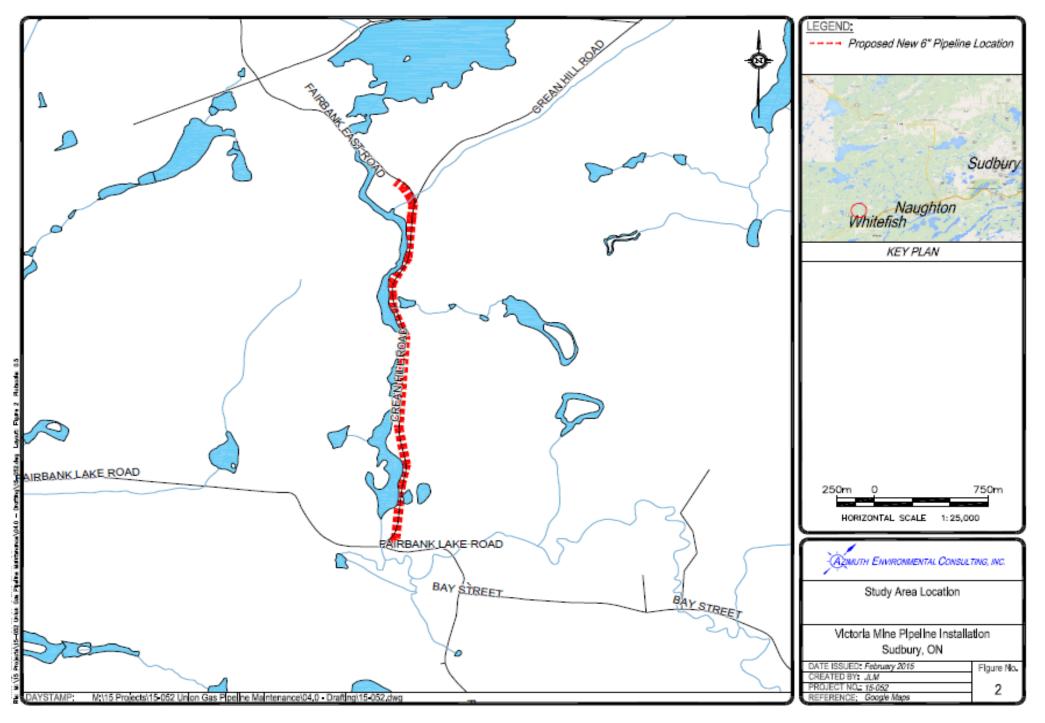
Appendix A

Location Map

GENERAL LOCATION MAP PHASE 1 - SUDBURY EXPANSION PROJECT



GENERAL LOCATION MAP PHASE 2 - SUDBURY EXPANSION PROJECT



Appendix B

Conditions of Approval

Leave to Construct Conditions of Approval

Application under Section 90 of the OEB Act

Union Gas Limited

EB-2015-0120

- 1. Union Gas Limited (Union) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2015-0120 and these Conditions of Approval.
- 2. (a) Authorization for leave to construct shall terminate 12 months after the decision is issued, unless construction has commenced prior to that date.
 - (b) Union shall give the OEB notice in writing:
 - i. of the commencement of construction, at least ten days prior to the date construction commences;
 - ii. of the planned in-service date, at least ten days prior to the date the facilities go into service;
 - iii. of the date on which construction was completed, no later than 10 days following the completion of construction; and
 - iv. of the in-service date, no later than 10 days after the facilities go into service.
- 3. Union shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
- 4. Union shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Union shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.
- 5. Union shall file, in the proceeding where the actual capital costs of the project are proposed to be included in rate base, a Post Construction Financial Report, which shall indicate the actual capital costs of the project and shall provide an explanation for any significant variances from the cost estimates filed in this proceeding.
- 6. Both during and after construction, Union shall monitor the impacts of construction, and shall file with the OEB one paper copy and one electronic (searchable PDF) version of each of the following reports:
 - a) a post construction report, within three months of the in-service date, which shall:
 - i. provide a certification, by a senior executive of the company, of Union's adherence to Condition 1;

- ii. describe any impacts and outstanding concerns identified during construction;
- iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction;
- iv. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions; and
- v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project.
- b) a final monitoring report, no later than fifteen months after the inservice date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:
 - i. provide a certification, by a senior executive of the company, of Union's adherence to Condition 3;
 - ii. describe the condition of any rehabilitated land;
 - iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction;
 - iv. include the results of analyses and monitoring programs and any recommendations arising therefrom; and
 - v. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions.

Appendix C

Letters to the OEB – Change to Construction



August 21, 2015

Ms. Pascale Duguay Facilities Applications Ontario Energy Board 2300 Yonge Street, Suite 2700 Toronto, Ontario M4P 1E4

Dear Ms. Duguay:

Re: Union Gas Limited ("Union") Sudbury Expansion Project Board File # EB-2015-0120

Please find attached two Requests to Vary for the above-noted project.

Union believes that these changes are not significant and would appreciate your timely review and approval of these requests, as construction is in progress.

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,

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

cc: Zora Crnojacki, OEB Project Advisor

REQUEST TO VARY

Project Name: Sudbury Expansion Project

1

OEB file Number: EB-2015-0120

Request to Vary:

Description and Rationale for Change

Union is proposing to extend the looping of Azilda lateral by approximately160 meters. This extension will allow for an easier tie-in to the existing pipelines and provide a location where launcher/receiver facilities can be constructed.

Construction and Restoration Practices

The proposed pipeline would be constructed within the road allowance of Regional Road 35 (formerly Highway 144) and include a crossing of the Canadian Pacific Railway ("CPR"). The extension would terminate at a property owned by Union Gas.

Construction along Regional Road 35 would be conventional open cut techniques. Road Crossings and the Railway crossing would be completed by directional drilling.

Environmental

No new environmental mitigation measures will be required.

Consultation

Union has discussed the extension with the City of Greater Sudbury and they have not identified any concerns.

Lands

No additional permanent land rights would be required to complete this addition. The pipeline on Regional Road 35 would be constructed under the Franchise Agreement Union has with the City of Greater Sudbury. The Railway crossing would be completed following Union's Master Agreement with the CPR. Union will require temporary land rights from the City of Greater Sudbury to facilitate the directional drill of the Regional Road and the Railway.

Union has made application to the City of Greater Sudbury for the necessary permits and approvals. Union will make an application to CPR for a rail crossing permit.

Costs

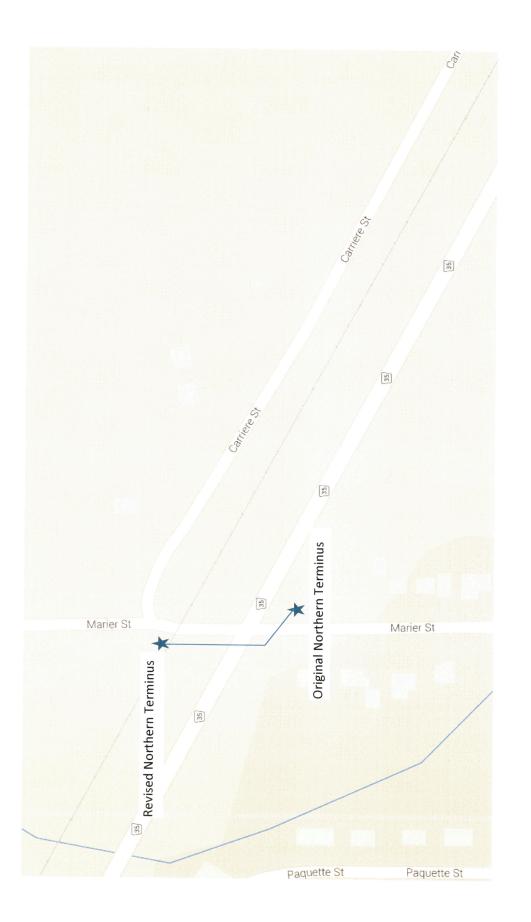
These changes will result in a small increase in costs. The final project costs will be reported in the Post Construction Financial Report.

Schedule

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

Attachments

A map showing the original location of the proposed looping and the proposed addition is attached at Schedule 1.



REQUEST TO VARY

Project Name: Sudbury Expansion Project

OEB file Number: EB-2015-0120

Request to Vary: 2

Description and Rationale for Change

Union proposes to change the pipeline route where it crosses Notre Dame Avenue. During discussion with the City of Greater Sudbury it was agreed that moving the pipeline to the proposed location would result in fewer disturbances to other utilities, and vehicles using Notre Dame Avenue and Regional Road 35 (formerly Highway 144). The changes would move the pipeline from adjacent to the limits of Regional Road 35 to a location away from other utilities and result in a more direct directional drill for the Notre Dame Avenue crossing.

Construction and Restoration Practices

The pipeline will be constructed within the road allowance of Regional Road 35 and includes a crossing of Notre Dame Avenue.

Construction along Regional Road 35 would be by conventional open cut techniques. The road crossing of Notre Dame Avenue would be completed by directional drilling.

Environmental

No new environmental mitigation measures will be required.

Consultation

Union has discussed the change with the City of Greater Sudbury and they have not identified any concerns.

Lands

No additional permanent or temporary land rights would be required to complete this change. The pipeline on Regional Road 35 would be constructed under the Franchise Agreement Union has with the City of Greater Sudbury.

Union has made application to the City of Greater Sudbury for the necessary permits and approvals.

Costs

These changes will not result in any change to the total cost of the project.

Schedule

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

Attachments

A map showing the original location of the proposed looping and the proposed location is attached at Schedule 1.

EB-2015-0120 Request to Vary 2 Schedule 1





November 24, 2015

RESS

Ms. Pascale Duguay Facilities Applications Ontario Energy Board 2300 Yonge Street, Suite 2700 Toronto, Ontario M4P 1E4

Dear Ms. Duguay:

Re: Union Gas Limited ("Union") Sudbury Expansion Project Board File # EB-2015-0120

Please find attached two REVISED Change Requests 3 and 4 for the above-noted project which were originally filed on November 17, 2015.

Union believes that these changes are not significant and would appreciate your timely review and approval of these requests, as construction is in progress.

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,

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

cc: Zora Crnojacki, OEB Colin Schuch, OEB

ONTARIO ENERGY BOARD

LEAVE TO CONSTRUCT CHANGE REQUEST

Project Name: Sudbury Expansion Project

OEB File Number: EB-2015-0120

Change Request: # 3

Description and Rationale for Change

Union proposes to defer construction of the proposed pipeline to serve the Victoria Mine until 2016. As described in Unions pre-filed evidence the Municipality of Greater Sudbury is planning to make improvements to the Crean Hill Road. The original schedule for these improvements to be completed was the summer /fall of 2015. Due to unforeseen delays the road improvements have not been completed, and are now proposed to be completed by the spring of 2016. As Union had proposed to construct the pipeline in the shoulder of the improved road, construction was not possible in 2015. Union has signed a contract with Victoria Mine. This contract required Victoria Mine to pay a fixed amount for an aid to construct of \$4,717,000; this aid to construct has been paid by Victoria Mine. Any costs overruns will form part of Unions 2019 rebasing application. Victoria Mine has agreed to the delay of the inservice date of the pipeline until 2016.

Construction and Restoration Practices

There are no changes proposed to the construction and restoration procedures proposed in the original filing

Environmental

No new environmental mitigation measures will be required.

Consultation

There are no landowners issues associated with this change.

Lands

No additional land rights are required.

Costs

As identified in Union's pre-filed evidence and interrogatory responses the capital costs for the NPS 6 service lateral to serve Victoria Mine is \$2,366,000. Deferring construction of the pipeline until 2016 will raise the costs of the pipeline by approximately 10%. This increase is due expected increases in contractor and material costs.

Schedule

This change will result in construction occurring in 2016.

Maps

A map showing the location of the pipeline along Crean Hill Road is attached at Schedule 1.

ONTARIO ENERGY BOARD

LEAVE TO CONSTRUCT CHANGE REQUEST

Project Name: Sudbury Expansion Project

OEB File Number: EB-2015-0120

Change Request: # 4

Description and Rationale for Change

The location of the Victoria Mine customer station and northern terminus of the pipeline has been changed. Based on discussions between Union and Victoria Mine it has been determined that a moving the customer station from its original location would allow for better and more efficient site planning of the Victoria Mine site.

As the pipeline will not be constructed until 2016, construction of the customer station has also been deferred until 2016.

Construction and Restoration Practices

There are no changes proposed to the construction and restoration procedures proposed in the original filing

Environmental

No new environmental mitigation measures will be required.

Consultation

There are no landowners issues associated with this change.

Lands

No additional land rights are required. Both the original and proposed location of the customer station are on Victoria Mine property. The pipeline will be constructed within road allowance

Costs

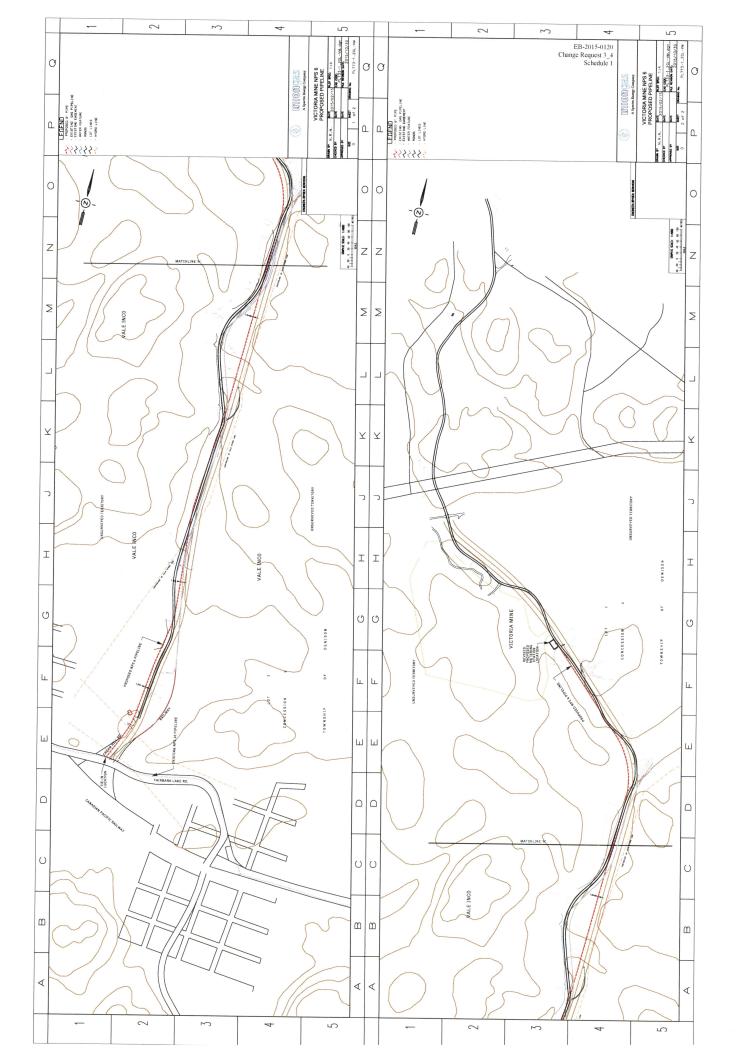
As identified in Union's pre-filed evidence and interrogatory responses the capital costs for the customer station to serve Victoria Mine is \$624,000. The cost of moving the station and deferring construction of the customer station until 2016 result in an increase in costs of approximately 10%. This increase is due to expected increase in contractor and material costs.

Schedule

The pipeline and customer station will be constructed in 2016

Maps

A map showing the location of the pipeline and customer station is attached at Schedule 1.



 Ontario Energy Board

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 2300 Yonge Street

 27th Floor

 Toronto ON M4P 1E4

 Telephone: 416-481-1967

 Facsimile: 416-440-7656

 Toll free: 1-888-632-6273
 Commission de l'énergie de l'Ontario C.P. 2319 2300, rue Yonge 27^e étage Toronto ON M4P 1E4 Téléphone: 416-481-1967 Télécopieur: 416-440-7656 Numéro sans frais: 1-888-632-6273



BY E-MAIL

November 25, 2015

W.T. Wachsmuth Union Gas Limited Senior Administrator, Regulatory Projects P.O. Box 2001, 50 Keil Drive North Chatham, ON N7M 5M1

Dear Mr. Wachsmuth

Re: Sudbury Expansion Project – EB-2015-0120 Request to Vary

The Ontario Energy Board (OEB) is in receipt of your letter dated November 17, 2015, which was subsequently revised and re-filed on November 24, 2015, where you informed the OEB of two changes to the Sudbury Expansion Project.

The first change is to defer the construction of the pipeline to serve the Victoria Mine until 2016 due to a delay from the Municipality of Greater Sudbury to complete the improvements to the Crean Hill Road in 2015 as planned. As Union Gas Limited (Union) proposed to construct the pipeline in the shoulder of the improved road, construction of the pipeline is not possible for 2015. The second change is in relation to the re-location of the Victoria Mine customer station and northern terminus of the pipeline which would allow for better and more efficient site planning of the Victoria Mine site. As the pipeline will not be constructed until 2016, the construction of the customer station will be also deferred until 2016.

As the Manager, Natural Gas Applications, I have been delegated the authority of the OEB under Section 6 of the *Ontario Energy Board Act, 1998* to determine whether Union's proposals 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.

You indicated that for the first change, the Victoria Mine agreed to the delay of the inservice date of the pipeline until 2016. You also indicated that deferring the construction to 2016 will raise the costs of the pipeline by approximately 10% (or about \$237,000).

With respect to the second change, you indicated that the re-location of the station was discussed with the Victoria Mine. You also indicated that moving the station and deferring construction of the customer station until 2016 would increase the costs by approximately 10% (or about \$62,000).

I understand that Union has signed a contract with the Victoria Mine. The contract required the Victoria Mine to pay a fixed amount of \$4,717,000 as a capital contribution.

I note that the Victoria Mine has agreed to the delay of the in-service date of the pipeline until 2016. I also 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's next re-basing rate application which is scheduled for 2019.

Based on my review of the information provided, I find that the described changes do not materially impact the leave granted by the OEB to construct the pipeline. I hereby approve the two proposed changes.

Yours truly,

Original Signed By

Pascale Duguay Manager, Natural Gas Applications



August 17, 2016

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") Sudbury Expansion Project Board File # EB-2015-0120

Please find attached a revised Change Request 5 (Costs section), for the above-noted project.

Union believes that this change is not significant and would appreciate your timely review and approval of this request, as construction is in progress.

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,

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

cc: Ceiran Bishop, OEB Pascale Duguay, OEB Zora Crnojacki, OEB Colin Schuch, OEB

P.O. Box 2001, 50 Keil Drive North, Chatham, ON, N7M 5M1 www.uniongas.com Union Gas Limited

RESS

ONTARIO ENERGY BOARD

LEAVE TO CONSTRUCT CHANGE REQUEST

Project Name: Sudbury Expansion Project

OEB File Number: EB-2015-0120

Change Request: # 5

Description and Rationale for Change

In Change Request #4 Union identified that the pipeline to serve the Victoria Mine would not be constructed until 2016. The pipeline is now proposed to be constructed in 2017.

As stated in Union's pre-filed evidence the pipeline to serve the Victoria Mine was to be constructed within the road allowance of the reconstructed Crean Hill Road. It has taken the City of Greater Sudbury, who will be reconstructing the road, longer than anticipated to receive the permits necessary to start reconstruction of the road. As it is not practical for Union to construct the pipeline until the roadwork has been completed, pipeline construction has been deferred until all roadwork has been completed.

Construction and Restoration Practices

There are no changes proposed to the construction and restoration procedures proposed in the original filing.

Environmental

No new environmental mitigation measures will be required.

Consultation

Union has discussed the project with Victoria Mine and they have informed Union that they do not require Natural Gas service until 2017. Attached at Schedule 1 is email correspondence between Union and Victoria Mine.

Lands

There are no changes to the Land requirements to construct the pipeline to the Victoria Mine site.

Costs

Deferring construction until 2017 will result in increase of pipeline costs by approximately \$234,000 and station costs by approximately \$85,000, from the costs filed in Schedule 4 and 5 of Union's Leave to Construct Application approved by the Board July 9, 2015.

The reasons for increased pipeline costs are:

- Construction deferred from 2015 till 2017
- Additional pipeline required when station was moved to new location
- Tie in to existing system was modified

The reasons for the increase in station costs

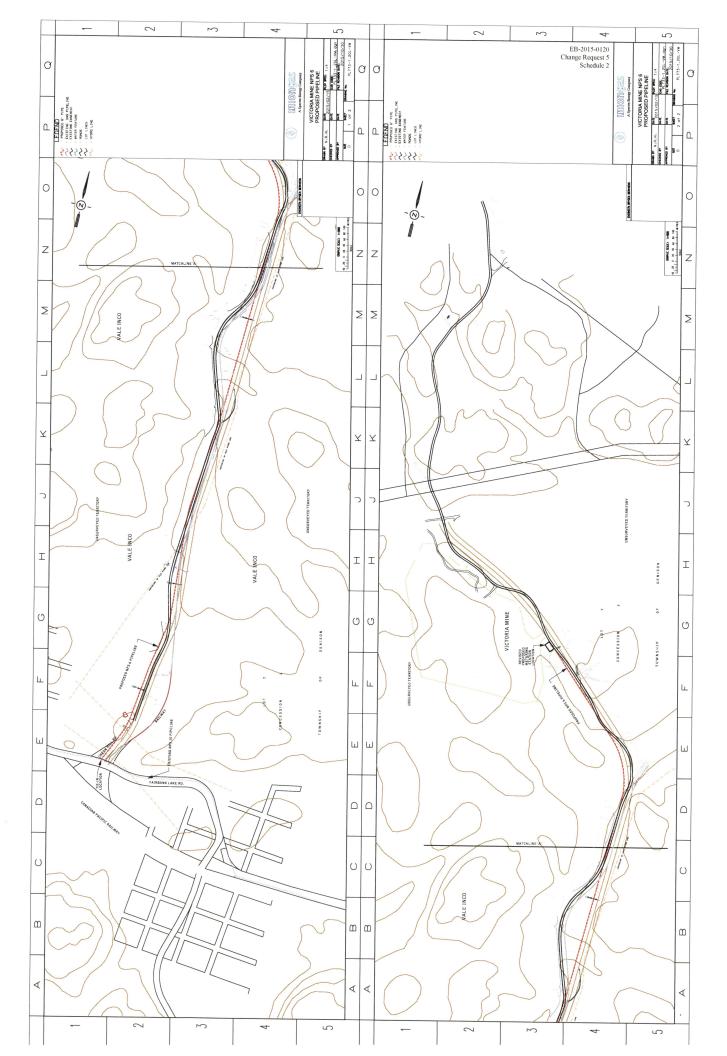
- Construction deferred from 2015 till 2017
- Location of station was moved at Victoria request

Schedule

The pipeline and customer station will be constructed in 2017.

Maps

A map showing the location of the pipeline to serve Victoria Mine is attached at Schedule 2.





August 16, 2016

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") Sudbury Expansion Project Board File # EB-2015-0120

Please find attached Change Request 5 for the above-noted project.

Union believes that this change is not significant and would appreciate your timely review and approval of this request, as construction is in progress.

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,

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

cc: Ceiran Bishop, OEB Pascale Duguay, OEB Zora Crnojacki, OEB Colin Schuch, OEB

RESS

ONTARIO ENERGY BOARD

LEAVE TO CONSTRUCT CHANGE REQUEST

Project Name: Sudbury Expansion Project

OEB File Number: EB-2015-0120

Change Request: # 5

Description and Rationale for Change

In Change Request #4 Union identified that the pipeline to serve the Victoria Mine would not be constructed until 2016. The pipeline is now proposed to be constructed in 2017.

As stated in Union's pre-filed evidence the pipeline to serve the Victoria Mine was to be constructed within the road allowance of the reconstructed Crean Hill Road. It has taken the City of Greater Sudbury, who will be reconstructing the road, longer than anticipated to receive the permits necessary to start reconstruction of the road. As it is not practical for Union to construct the pipeline until the roadwork has been completed, pipeline construction has been deferred until all roadwork has been completed.

Construction and Restoration Practices

There are no changes proposed to the construction and restoration procedures proposed in the original filing.

Environmental

No new environmental mitigation measures will be required.

Consultation

Union has discussed the project with Victoria Mine and they have informed Union that they do not require Natural Gas service until 2017. Attached at Schedule 1 is email correspondence between Union and Victoria Mine.

Lands

There are no changes to the Land requirements to construct the pipeline to the Victoria Mine site.

Costs

Deferring construction until 2017 will result in increase of pipeline costs by approximately \$234,000 and station costs by approximately \$85,000.

The reasons for increased pipeline costs are:

- Construction deferred from 2015 till 2017
- Additional pipeline required when station was moved to new location
- Tie in to existing system was modified

The reasons for the increase in station costs

- Construction deferred from 2015 till 2017
- Location of station was moved at Victoria request

Schedule

The pipeline and customer station will be constructed in 2017.

Maps

A map showing the location of the pipeline to serve Victoria Mine is attached at Schedule 2.

From:	Dino Titon
To:	Bessette, Gaetan
Cc:	Jerzy Woltaszek
Subject:	Natural Gas - FNX Mining Company - Victoria Mine
Date:	Aoril-13-16 10:27-40 AM
Date:	April-13-16 10:27:40 AM
Attachments:	image003.png

Gaetan:

As a follow up to our meeting, this email is to confirm that due to depressed pricing for base metal commodities, the budget for the Victoria Project has been significantly reduced for 2016. As such, the amount of construction activity has been curtailed, resulting in a shift in the project schedule which impacts the date for gas usage on site. While this new in service date is not yet presently known, it is known that natural gas will not be required prior to the 2017-18 winter season. Having said that, the road construction on Crean Hill Road is still scheduled to proceed and details from the City of Sudbury indicate that construction is to restart in September 2016, based on receipt of required permitting. As such, as it presently stands, we would ask Union Gas to proceed with the construction of the 6" line along Crean Hill and Fairbank Road (along with the sales station) in early to mid-2017 to coincide with the road construction schedule. If there is any new developments to this plan, we will inform you as soon as possible.

We appreciate your patience for this project and if you have any questions, please do not hesitate to contact us.

Best regards,

Dino Titon, P.Eng. Manager, Energy Infrastructure & Construction Victoria Mine Project

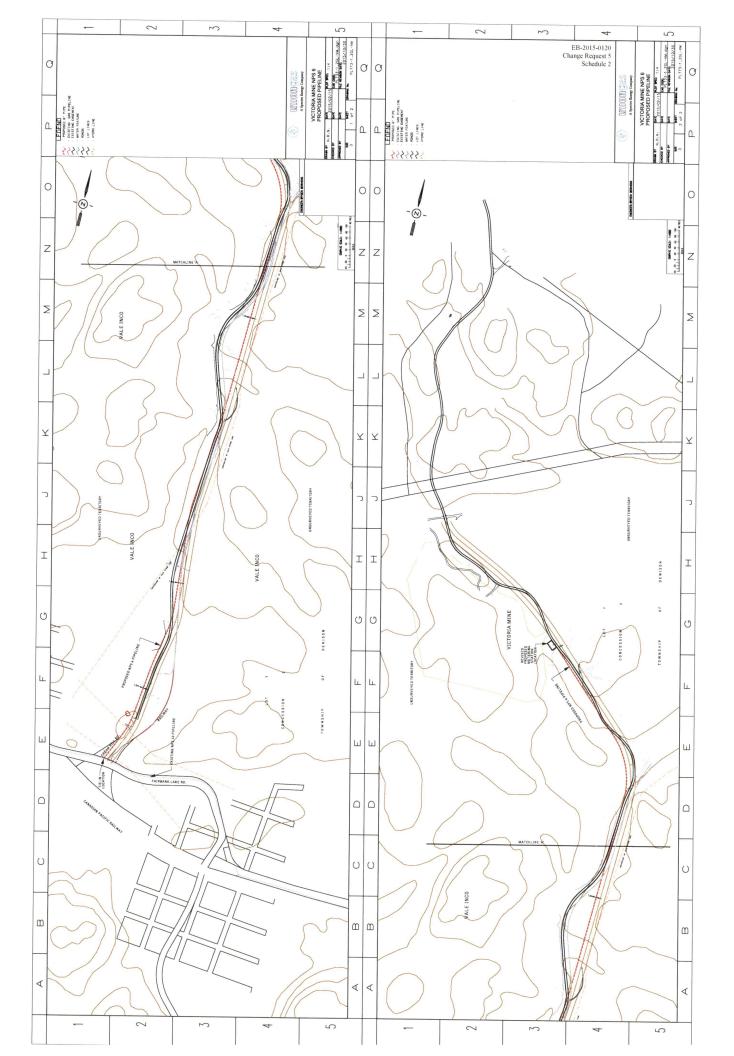
T +1 705 885 1535 x 2028 C +1 705 920 4790 Dino.Titon@kghm.com



Victoria Project Office 1010 Lorne Street, Unit 2 Sudbury, ON P3C 4R9 Canada www.kghm.com

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December 15, 2017

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") Sudbury Expansion Project Board File # EB-2015-0120

Please find attached Change Request 6, for the above-noted project.

Union believes that this change is not significant and would appreciate your timely review and approval of this request, as construction is in progress.

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 RESS

ONTARIO ENERGY BOARD

LEAVE TO CONSTRUCT CHANGE REQUEST

Project Name: Sudbury Expansion Project

OEB File Number: EB-2015-0120

Change Request: # 6

Description and Rationale for Change

In Change Request #4 Union identified that the pipeline to serve the Victoria Mine would not be constructed until 2016. In Change Request #5 Union deferred construction until 2017. In 2017 Union constructed approximately 1400 metres of the Project but was unable to complete construction in 2017. Union proposes to complete construction in 2018.

As stated in Union's pre-filed evidence the pipeline to serve the Victoria Mine was to be constructed within the road allowance of the reconstructed Crean Hill Road. It took the City of Greater Sudbury until mid 2017 to obtain the species at risk permits necessary to start reconstruction of the road. As it is not practical for Union to construct the pipeline until the roadwork has been completed, pipeline construction has been deferred until all roadwork has been completed.

Construction and Restoration Practices

There are no changes proposed to the construction and restoration procedures proposed in the original filing.

Environmental

No new environmental mitigation measures will be required.

Consultation

Union has discussed the project with Victoria Mine and they have informed Union that they do not require Natural Gas service until 2018. Attached at Schedule 1 is email correspondence between Union and Victoria Mine.

Lands

There are no changes to the Land requirements to construct the pipeline to the Victoria Mine site.

Costs

Deferring construction from 2017 until 2018 will result in increase of pipeline costs by approximately \$180,000 and station costs by approximately \$20,000.

The reasons for increased pipeline costs are:

- Inflationary increases to construction costs as a result of deferring construction from 2017 till 2018
- Union has a better understanding of the ground conditions as a result of the section of pipe that was constructed in 2017
- Additional mobilization and demobilization costs

The reasons for the increase in station costs

• Inflationary increases to construction costs as a result of deferring construction from 2017 till 2018

Schedule

The pipeline and customer station will be completed in 2018.

From: Neil Milner [mailto:]
Sent: November-30-17 3:28 PM
To: Lewis Oatway
Cc: James McDonald; Julie Gauthier
Subject: [External] RE: Confirmation Requested: Victoria Mine NG Service Update

HI Lewis,

Good to hear from you I understand accept that the in-service date has been delated to June 1, 2018 as a result of the delays from the CGS road construction.

Best Regards,

NEil

From: Lewis Oatway [mailto:]
Sent: Monday, November 27, 2017 8:50 AM
To: Neil Milner <>
Cc: James McDonald <>; Julie Gauthier <>
Subject: Confirmation Requested: Victoria Mine NG Service Update

Hello Neil,

As previously discussed, Union Gas has completed much of the construction work associated with providing Victoria Mine's natural gas service. However, given the delay resulting from the City of Sudbury's road realignment work, we plan to complete the natural gas service installation with an inservice date of June 1, 2018.

We are required to advise the Ontario Energy Board (OEB) that Union Gas will be completing this work next year. Could you please confirm your understanding and agreement with the in service date?

Thanks,

Lewis Oatway Account Manager, Industrial

uniongas.com | <u>Canada's Top 100 Employer</u> | <u>Facebook</u> | <u>Twitter</u> | <u>LinkedIn</u> | <u>YouTube</u> Integrity. Safety. Respect.

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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

Commission de l'énergie de l'Ontario C.P. 2319 27° étage 2300, rue Yonge Toronto ON M4P 1E4 Téléphone: 416-481-1967 Télécopieur: 416-440-7656 Numéro sans frais: 1-888-632-6273



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 <u>bwachsmuth@uniongas.com</u>

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.

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

Appendix D

Executive Certification



SUDBURY EXPANSION PROJECT

EB-2015-1020

I hereby certify Union Gas Limited has complied the Decision and Order, Appendix B, EB-2015-1020, Section 6 (a) (i).

2018 OCT. 29

Date

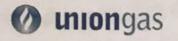
Senior Executive MICHAEL P. SHANNON VP, DISTRIBUTION OPERATOR'S

Condition 6 a) i.

- a) a post construction report, within three months of the in-service date, which shall:
- i. Provide a certification, by a senior executive of the company, of Union's adherence to Condition 1;

Condition 1

Union Gas Limited (Union) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2015-1020 and these Conditions of Approval.



SUDBURY EXPANSION PROJECT EB-2015-1020

I hereby certify Union Gas Limited has complied the Decision and Order, Appendix B, EB-2015-1020 Section 6 (a) (v).

2018 005.29

Date

Senior Executive MICYDEL P. SHAMMON VP, DISTRUBUTION OPENATIONS

Condition 6 (a) (v).

a) a post construction report, within three months of the in-service date, which shall:

v. Provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project.