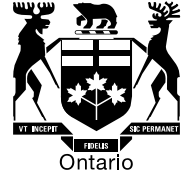


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BY E-MAIL

November 29, 2018

Karen Hockin
Manager, Regulatory Initiatives
Union Gas Limited
P.O. Box 2001
50 Keil Drive North
Chatham, Ontario N7M 5M1
khockin@uniongas.com

Dear Ms. Hockin:

**Re: Union Gas Limited
Applications for 2019 Community Expansion Project (EB-2018-0142),
Chatham-Kent Rural Project (EB-2018-0188) and Taylor Mine Project
(EB-2018-0189)**

This letter is to advise Union Gas Limited (Union Gas) that the Ontario Energy Board (OEB) is placing into abeyance the above-noted applications for the 2019 Community Expansion, Chatham-Kent Rural and Taylor Mine projects.

Union Gas filed an application for the 2019 Community Expansion project on May 8, 2018, and applications for the latter two projects on June 5, 2018. Each of the applications specifically refers to, and is underpinned by, funding under the Ontario Ministry of Infrastructure's Natural Gas Grant Program (NGGP).

On October 9, 2018, Union Gas filed a letter with the OEB stating that it had been informed by the Ministry of Infrastructure that NGGP funding was no longer available for the three projects. Union Gas also noted that the Province has introduced Bill 32, the proposed *Access to Natural Gas Act, 2018*, which (if passed) would enable the expansion of natural gas to additional communities in Ontario.

Union Gas has requested that the OEB hold the 2019 Community Expansion project application in abeyance until such time as the proposed *Access to Natural Gas Act, 2018* and associated regulations are finalized. However, Union Gas has also requested

that the OEB proceed with issuance of Notice for the Chatham-Kent Rural and Taylor Mine projects, and noted that it was continuing to work with the customers for these projects to look for solutions to move the projects forward absent the original NGGP funding. The OEB is also in receipt of correspondence from three interested parties all similarly requesting that the OEB proceed with issuance of Notice for the Chatham-Kent Rural project, and each noting that contractual and financial commitments have been made in reliance on a November 1, 2019 in-service date.

The OEB recognizes the importance of the timing of any necessary OEB approvals for Union Gas' implementation plans. However, given that the applications as filed are currently underpinned by funding that will no longer be available under the NGGP, it appears that the applications cannot proceed as filed. The OEB will therefore hold each above-noted application in abeyance until such time as it is either withdrawn or amended to enable issuance of a Notice of Hearing that accurately reflects the underpinnings of the application. The OEB is committed to resuming the processing of any amended and complete applications in an expeditious manner.

Yours truly,

Original signed by

Rudra Mukherji
Associate Registrar
Office of the Registrar