

Ontario Energy Board
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Commission de l'énergie de l'Ontario
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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 in-service 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