

Ontario Energy Board
P.O. Box 2319
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

August 24, 2016

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
Change Request No. 5**

The Ontario Energy Board (OEB) is in receipt of the letter dated August 17, 2016 from Union Gas Limited (Union) advising the OEB of a change to the Sudbury Expansion Project (Change Request No. 5).

The change relates to deferring construction of the pipeline to serve the Victoria Mine until 2017. The pipeline to serve the Victoria Mine is to be constructed within the road allowance of the reconstructed Crean Hill Road. Due to the delay of the City of Greater Sudbury (who will be reconstructing the road) in obtaining the necessary permits to commence the work and given that it is not practical for Union to construct the pipeline until that work has been completed, the construction of the pipeline is being deferred.

Deferring construction until 2017, together with changes to the construction specifications, will result in an increase in pipeline costs of approximately \$234,000 and an increase to station costs of approximately \$85,000. These estimated costs include the costs of moving the station to a new location, additional pipe, and modification of the tie-in to existing systems which were previously approved by the OEB. The increased costs also include the costs of deferring construction to 2017 which is the subject of this change request. The increased costs are relative to the costs filed in Union's leave to construct application which was approved by the OEB on July 9, 2015 under file number EB-2015-0120.

As the Manager, Applications Policy and Climate Change, 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.

I note that the Victoria Mine has stated it does not require gas service until 2017. I also note that the incremental costs presented therein are not materially different from the costs resulting from the previous change requests approved by the OEB. I finally 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 rebasing 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 proposed change in construction date.

Yours truly,

Original signed by

Pascale Duguay
Manager, Applications Policy and Climate Change