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October 3, 2005

Ontario Energy Board

P.O. Box 2319
26th Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Attn; Peter H. O'Dell, Assistant Board Secretary

Re: **Letter of Reconsideration, Liz Carlson**
Utilities Kingston Natural Gas Pipeline Reinforcing Supply to the City of Kingston

Board File No. EB-2005-0247

Dear Mr. O'Dell:

Utilities Kingston would like to take this opportunity to respond to statements made by Ms. Carlson in a Letter of Reconsideration, dated August 23rd, 2005. As there were no questions presented by Ms. Carlson we will attempt to address that which concerns this project.

The very first letter which should have been considered by the OEB was the letter from Union Gas, dated October 2004. In this letter Union Gas admits it "only has a limited amount of gas plant in the ground near the Trans-Canada take-off."

The underground utilities operated by Union Gas have no impact upon the operation of the pipeline Utilities Kingston is constructing.

I also gave Utilities Kingston and the OEB a chance to be honest. Both of you lied about water contamination, only Mario Buszynski was honest when he said he couldn't assure us that the drinking water from our wells wouldn't be contaminated by construction of the pipeline or the pipeline itself.

In an attempt to address the concerns expressed by Ms. Carlson early in the application process, Utilities Kingston enlisted the services of an independent consultant to determine the pre-existing conditions of the wells along the route. As is stated in a letter of September 26th to the Board, these studies have been completed and where there are concerns the homeowners have been notified. With the information gathered, should anyone experience difficulty with their well following construction, further testing and sampling will be utilized to determine the extent and cause of damage as well as to assist in creating a corrective plan. As for the physical make-up of the pipeline there are no contaminants in the materials that could or would contaminate groundwater resources.

It quite clearly states in 3.3 Hydrology; “The combination of shallow soil cover and the existence of near surface discontinuities in the carbonate rock render the groundwater resources in the area susceptible to contamination”.

This is a general statement as to the local conditions and does not predetermine the susceptibility of the wells to contamination due to the construction of this pipeline. Well sampling has been completed over the rural portion of the route in accordance with the Ontario Ministry of the Environment’s Drinking Water Standards. The test results revealed several households with contaminants in their water supply, these homeowners and the local Medical Officer of Health were notified of these adverse conditions.

Utilities Kingston is using studies from the MOE from 1990. The Ministry of the Environment has been contacted about their studies. Their excuses are they don’t have the money, the manpower or the time to do the proper up-to-date studies that municipalities need. I suggested that perhaps its time that the province got out of the environmental business.

Even the possibility of an explosion wasn’t dealt with truthfully, as I have attached an e-mail from Kingston Penitentiary authorities being highly cautious on this matter as well.

The context of the e-mail from Corrections Canada was in reference to their emergency plans and the non-ability to evacuate the residents of their facilities.

The OEB approved a 13.4 km gas pipeline at a cost of \$6.3 million while Utilities Kingston is stating that it needs to borrow \$10 million to finance its 15 km high pressure gas pipeline. Why are there discrepancies in the cost and size now? Utilities Kingston doesn’t have the money for this project.

Utilities Kingston applied to the Ontario Energy Board to construct 13.4 kilometers of gas distribution pipeline. This pipeline will connect to approximately 0.6 kilometers of existing distribution main. During the construction of this pipeline Utilities Kingston has installed 615 meters of PE gas main for our existing distribution system and will include and distribution piping necessary to utilize the new main in our existing distribution system. Although the finances of this project are outside the scope of approval, Utilities Kingston would like to offer that the 10 million dollars suggested by the local newspaper is a reflection of the overall budget for this project. This amount includes materials, wages, distribution piping separate from the pipeline itself, studies etc. The actual construction contract for this project was awarded at slightly over 6 million dollars. A portion of the capital cost of this project will be amortized (debenture issue) to mitigate any price shock to our customer rates.

Utilities Kingston mentioned that the Preferred Route saves them a km of pipeline, but if they went along Perth Rd. /Division St. and went around Knox’s farm it would save them, approximately 3 to 5 km of pipeline. Their very first route was only 10 km but, when you add on our neighborhood that gives you to a 15 km route.

The final route for this pipeline was selected by a detailed review and study process in accordance with the Ontario Energy Board’s Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario. As part of this review process, Utilities Kingston held several public meetings. During these meetings several panels were utilized identifying the lengths of three possible routes from Glenburnie to the first interconnection point in

the Clyde Industrial Park. The preliminary preferred route was indicated as the shortest at 7.25 km. None of the route alternatives shown in the panels included the portion from the Industrial Park to the end point at Queen's proposed Co-Generation facility. These panels are included in Utilities Kingston's pre-filed evidence as appendix f of the Environmental Report.

I have included the photocopies of the newspaper report about the high pressure gas pipeline, a photocopy of 3.3 Hydrology, a copy of a letter from Union Gas and a few other informative photocopies I found. One newspaper article clearly states previous quarrying was taking place in Glenburnie. (The MNR and MOE were both involved with McKendry's Quarry).

On Wednesday, August 10/05 water samples were collected by Morey, Houle, Chevrier Engineerin Ltd. from properties along Burbrook Road and SunnySide Road. The man collecting the water samples stated that his company had only been hired to do preconstruction samples and they hadn't been hired to do the water sampling after construction. Why is this"?

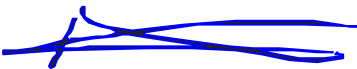
The firm(s) that will be conducting post construction surveys are yet to be selected.

Another newspaper stated that Utilities Kingston would abandon the gas pipeline if they found out that there wasn't enough pressure to supply gas to the Queen's Cogeneration project. Supplying energy to the hospitals is the responsibility of the Province not Utilities Kingston's gas customers' responsibility!

Utilities Kingston is unfamiliar with any statement regarding *abandoning this project* but are not however responsible for the reporting in local publications. This project is to provide the volumes and pressures required by the CoGeneration plant being constructed within Utilities Kingston distribution area.

In closing we would like to offer that Utilities Kingston has made many reasonable attempts to satisfy Ms. Carlson's concerns, including attempts to converse with her and the undertaking of reports and studies at the Rate Payers expense. Generally the citizens of Kingston realize this project is beneficial to the gas distribution system and the rates they incur.

Sincerely,



Dale Sopha, ^{CET}
Engineering Assistant
Utilities Kingston

cc. Jim Miller, Manager Utilities Technical Services
Chris Phippen, Utilities Engineer
Zora Crnojacki
ds/