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February 22, 2017

Filed Electronically

National Energy Board
Suite 210, 517 Tenth Avenue SW
Calgary, Alberta T2R 0A8

Attention: Ms. Sheri Young, Secretary of the Board

Dear Ms. Young:

**Re: TransCanada PipeLines Limited (TransCanada)
Vaughan Mainline Expansion Project (Project)
Condition 15, Order XG-T211-020-2016
Semi-Monthly Construction Progress Report No. 6
NEB File: OF-Fac-Gas-T211-2015-05 01**

In accordance with Condition 15 of Order XG-T211-020-2016, TransCanada encloses its semi-monthly construction progress report (Report) for filing with the National Energy Board (NEB or Board).

The enclosed Report covers the period February 1, 2017 through February 15, 2017 (Reporting Period) for construction activities associated with the Project. This Report confirms that there were no environmental issues, or any non-compliance issues, during the noted Reporting Period.

If the Board requires additional information with respect to this filing, please contact me by phone at (403) 920-5892 or by email at trishna_wirk@transcanada.com.

Yours truly,
TransCanada PipeLines Limited

Original signed by

Trishna Wirk
Regulatory Project Manager

cc: Kent Rowden, National Energy Board

CONSTRUCTION PROGRESS REPORT No. 6
Reporting Period – February 1 to February 15, 2017

1.0 REPORT OVERVIEW

The Vaughan Mainline Expansion (Project) consists of approximately 11.7 km of 1067 mm (NPS 42) pipeline and associated facilities. The Project will connect into TransCanada's existing 914.4 mm (NPS 36) King's North Connection (KNC) project, Line 200-2, 914.4 mm (NPS 36) pipeline and Line 200-3, 1067 mm (NPS 42) pipeline in the Greater Toronto Area (GTA) of southern Ontario.

This construction progress report (Report) complies with Condition 15 of Order XG-T211-020-2016 that requires TransCanada to report on the following:

- activities carried out during the reporting period
- any environmental, security and safety issues
- any noncompliance issues
- measures undertaken to resolve each issue and noncompliance

This Report discusses the construction activities for the Project that occurred between February 1 and 15, 2017 (Reporting Period).

2.0 CONSTRUCTION PROGRESS

A summary of construction activities for the Project are as follows, and described in Table 1:

- On February 3, during execution of the 30" ream on the Main Humber River horizontal directional drill (HDD), a flush back of drilling fluid of approximately 150 m³ was received at the entry pad. Most of the drilling fluid was contained to the entry pad, but some breached the berm of the entry pad and released to the northeast (off the construction footprint). Drilling fluid was cleaned up using hydrovac trucks. The 30" ream was completed on February 5 and a drilling fluid release of approximately 5 m³ was discovered at surface 200 m southwest of the exit pad. Clean up of the fluid release was completed on February 6.

The 42" ream commenced on February 7. On February 11, the 42" ream drilled to approximately 690 m of the profile and another flush back of drilling fluid (approximately 450 m³ to 500 m³) was received at the entry pad and some breached the berm of the entry pad and released to the northeast of the entry pad (off the construction footprint).

In addition, a sink hole was discovered approximately 200 m to the southwest of the exit pad at the same location where the 5 m³ of drilling fluid release was discovered on February 5. The sink hole has been fenced off with construction fencing and security will be monitoring the sink hole 24 hours a day until fast

fencing is installed around the perimeter of the construction fencing. Security is also located at the access points into the entry and exit pads of the Main Humber River HDD and is monitored 24 hours a day. A remediation plan for the sinkhole is being developed to be implemented once activities are complete at this location.

Clean up of the drilling fluid continues at the entry pad. Additional measures are in place if another flush back occurs. It appears that there is a blockage in the drill profile and the contractor will attempt to remove it using a 30" ream. The 30" ream commenced on February 14 and is 81% complete. The 42" ream is planned to start on February 21.

Affected landowners have been advised of these issues and TransCanada will continue to keep them updated as the HDD progresses and respond to their enquiries.

- Clearing completed between Kilometer Post (KP) 0+000 to KP 1+400 and between KP 11+150 to KP 11+380
- Top soil stripping and grading completed between KP 0+000 to KP 1+400 and KP 2+300 to KP 2+500
- Pipe stringing completed between KP 7+811 to KP 8+839
- Bending completed between KP 6+550 to KP 7+500
- Commenced welder testing and qualification, and mobilized welding equipment to right-of-way (ROW) on February 13
- Mainline welding completed between KP 5+500 to KP 5+680
- Highway 27 slip-bore commenced on February 1 and 45 m has been completed
- Commenced excavation of bore pits at Kirby Road (East) on February 8
- Commenced mobilization of drill rig equipment on the entry side of the East Humber River HDD on February 13
- Placement of fill over culvert at WC-33 was completed on February 7
- Installation of settlement monitoring points for Kirby Road (West) and north side of Nashville Road HDD
- Fabricated assemblies continue to arrive at Station 130 (Maple) Compressor Station

Table 1: Construction Activity Summary

Activity	% Complete
Clearing	81%
Grade	79%
String Pipe	29%
Bend & Setup	19%

Table 1: Construction Activity Summary (cont'd)

Activity	% Complete
Weld Pipe	0%
Joint Coat	0%
Ditch	0%
Lower-In	0%
Backfill	0%
Slip Bores	0%
HDD – Main Humber River – Pilot Hole	100%
HDD – Main Humber River – 30" Ream – 2 Passes	100%
HDD – Main Humber River – 42" Ream	62%
HDD – East Humber River	0%
HDD – Nashville Road	0%
Test/Caliper Pig	0%
Final Tie-ins	0%
Final Clean-up	0%

3.0 ENVIRONMENT

As mentioned above, during reaming of Main Humber River HDD, two flush backs occurred (February 3 and February 11) where drill fluid reverted to the entry pad. The Ministry of Environment and Climate Change (MOECC) and affected landowners have been notified. Measures found in the Environmental Protection Plan (EPP), Drilling Mud Release Contingency Plan were followed. Releases were terrestrial and material within the entry pad has been contained and cleaned up to the extent feasible. Areas outside of the entry pad had been contained and cleaned up. There are no impacts to watercourses.

On February 5, an inadvertent drilling fluid terrestrial release was discovered during routine visual inspection near the Humber River exit pad. The release was contained and clean up completed as per EPP, Drilling Mud Release Contingency Plan. There are no impacts to watercourses. The MOECC and affected landowner were notified.

4.0 SAFETY AND SECURITY

One major incident was recorded during this reporting period (see Table 2). No critical safety or security incidents were recorded during this reporting period.

Note that due to the change in classification of incidents at TransCanada, the categories in Table 2 have changed. The numbers in Table 2 have been updated to reflect the new categories.

Table 2: Safety/Security Incidents

Description	Reporting Period/Total
Safe Acts	0/32
Unsafe Acts	4/14
Safety 24/7	1/3
Near Hits	0
Minor	11/35
Serious	1/3
Major	1/1
Critical	0