

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15
(Schedule B);

AND IN THE MATTER OF an Application by Enbridge Gas Distribution Inc.
under section 90 of the Act for an order or orders granting leave to construct 350
meters of NPS (30) natural gas pipeline in the City of Toronto.

REPLY SUBMISSIONS OF ENBRIDGE GAS DISTRIBUTION INC.

1. These are the Reply Submissions of the Applicant, Enbridge Gas Distribution Inc. (“Enbridge” or the “Company”).
2. Following publication and serving of the Notice of Application as required by the Ontario Energy Board (the “Board”), no parties came forward to request intervenor status in the proceeding. Only Board Staff actively participated in the proceeding and has made submissions supporting the Application.
3. During the course of the proceeding, Board Staff submitted interrogatories to Enbridge. Interrogatory #5 proposed several draft conditions of approval and requested that Enbridge comment on these conditions of approval. Enbridge reviewed the draft conditions of approval and indicated that it had no concerns or comments. As such Enbridge has no objections to such conditions being included in any approval granted by the Board.
4. Specifically, Enbridge has applied to the Board requesting:
 - (i) pursuant to section 90 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c-15, Schedule B, an Order granting leave to construct the Facilities; and
 - (ii) pursuant to section 97 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c-15, Schedule B, an Order approving the form of easement agreements found at Exhibit F, Tab 1, Schedule 3.

5. In leave to construct applications, the Board is required to consider the public interest, and where the public interest is served by the project, the Board is to grant leave to construct. Public interest is determined by the Board using the following considerations:
 - (i) purpose and need for the project;
 - (ii) environmental considerations;
 - (iii) project feasibility;
 - (iv) land matters; and
 - (v) indigenous consultation obligations.

Facilities and Need For Project:

6. Enbridge is applying to the Board for an Order granting leave to construct approximately 350 meters of NPS 30 inch extra high pressure pipeline (the “Project” or “Don Valley Pipeline”). The Project will replace an existing segment of pipeline supplying the City of Toronto, Ontario.
7. The segment of pipeline to be replaced is located on an infrastructure bridge (the “Bridge”) owned by Enbridge that spans the Don River. Enbridge has determined that the Bridge should be removed and the segment of pipeline located on the Bridge should be abandoned and replaced as the Bridge poses a risk to the safe operation and reliability of the Don Valley Pipeline to support the current and future natural gas demand in the area.
8. The Don Valley Pipeline is a single source feed located in the densely populated urban area of Toronto. It supplies natural gas to a large population of non-interruptible residential customers, industrial customer and commercial customers and natural gas fired power plants. The Don Valley Pipeline is a critical distribution pipeline that supplies the diverse mix of customers in the downtown core.
9. Enbridge filed four engineering studies to support the need for the replacement. The studies demonstrate structural changes on the bridge that would become further compromised by future flood events. If the bridge is compromised it would impair the safe operation of the Don Valley Pipeline and put at risk the supply of natural gas to a large mix of customers in the downtown core.
10. Board Staff did not dispute the engineering studies. In its reply, Board Staff indicated that Enbridge demonstrated the need for the Project and concluded that the Bridge was a risk to operation of the Don Valley Pipeline.

Environmental Assessment and Pipeline Design:

11. Board Staff expressed no concerns with the routing, route selection methodology, or environmental aspects of the Project.
12. Stantec prepared an Environmental Report (“ER”) to select a route and to identify any potential environmental and socio-economic impacts on the existing environment.
13. Stantec does not anticipate any impacts from the construction if the mitigation measures in the ER are used:

With the implementation of the recommendations in the ER, ongoing communication and consultation, and adherence to permit, regulatory and legislative requirements, potential adverse residual, environmental and socio-economic impacts of this Project are not anticipated to be significant.
14. The design of the Facilities adheres to the requirements of Ontario Regulation 210/01, Oil and Gas Pipeline Systems, under the *Technical Standards and Safety Act, 2000*, S.O. 2000, c. 16 and the CSA Z662 Oil and Gas Pipeline systems Code, current version.
15. The ER was submitted to the Ontario Pipeline Coordination Committee (“OPCC”) on April 6, 2018. The TSSA has not expressed concern with the safety or design of the proposed facilities. No comments were received from other members of the OPCC.
16. Board Staff submitted in its reply that Enbridge file the outcome of the Ministry of Tourism, Culture, and Sport (“MTCS”) review of the Project’s Stage 1 Archaeological Assessment. The MTCS provided a clearance letter dated October 24, 2018 and determined that the entire project area retains low to no archaeological potential for the identification of archaeological resources, and all areas have been extensively disturbed. The MTCS does not require a Stage 2 archaeological assessment. A copy of the letter has been provided as an Attachment to this reply.
17. Enbridge confirms that it will adhere to the recommendations included in the Environmental Report.

Project Feasibility:

18. The replacement costs for the Project are approximately \$25.6 million. The costs of the Project (e.g., the removal and abandonment of the existing 350 meter) pipeline will be charged to the cost of retirements.

19. Board Staff noted Enbridge's application is an integrity project and not a system expansion project. Accordingly, the Board has accepted not conducting an economic analysis in previous leave to construct replacement projects.
20. Board Staff submitted that the 30% contingency applied to the Project sub-total required further explanation and that they could not comment on the level of contingency as. In Enbridge's interrogatory response, it explained that the contingency is a reflection of two main factors:
 - a) the current stage of planning, there are many unknowns that cannot be practically determined and forecasted (i.e., soil conditions, utility conflicts and working in the Flood Protection Landform).
 - b) the other compounding factor is related to the use of micro-tunneling. Enbridge has never used micro-tunneling before and the complexity associated with the construction of 15 meter deep shafts, along with the casing of the pipe suggest that a higher contingency is reasonable.
21. Enbridge agrees to a full prudence review of the Project in the proceeding in which it will include its capital costs of the Project in rate base.

Land Issues:

22. The *OEB Act, section 97*, requires the Board to approve the form of easement that will be offered to landowners as follows:

In an application under section 90, 91 or 92 leave to construct shall not be granted until the applicant satisfies the Board that it has offered or will offer each owner of land affected by the approved route or location and agreement in the form approved by the Board.

23. Board Staff expressed no concerns over the land use or proposed form of easement agreements.
24. The proposed route is located mainly within municipal road allowance. Additionally, a portion of the route is located on the City of Toronto, the Toronto Regional Conservation Authority and one private land owner.
25. Enbridge has filed three forms of land use agreements which Enbridge would offer affected landowners should the need arise. The forms of easement agreement can be found at Exhibit F, Tab 1, Schedule 3.

26. Enbridge confirms it will obtain all of the necessary approvals and permits for the construction of the Facilities.

Indigenous Consultation

27. Enbridge contacted the Ministry of Energy (“MOE”) with respect to the Crown’s duty to consult on October 10, 2017. On September 18, 2018, Enbridge received a written reply from the MOE that they were satisfied with procedural aspects of Enbridge’s duty to consult for the purposes of Enbridge’s LTC before the OEB.

Conclusions:

28. Construction of the Facilities is scheduled to commence in January of 2019. Board Staff supported granting Enbridge leave to construct for the replacement of the Don Valley Pipeline. Enbridge is not aware of any outstanding concerns with its Application.

29. Consequently, Enbridge submits that the proposed Facilities are in the public interest and that there are no outstanding issues. Therefore, Enbridge requests the Board grant leave to construct for the replacement of the Don Valley Pipeline by December 2018 so that it may commence construction in January 2019.

All of which is respectfully submitted the 13th day of November, 2018.

(Original Signed)

Guri Pannu
Counsel for Enbridge Gas Distribution Inc.

Ministry of Tourism, Culture and Sport

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Oct 24, 2018

Thanos Webb (P400)
Stantec Consulting
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RE: Review and Entry into the Ontario Public Register of Archaeological Reports: Archaeological Assessment Report Entitled, "Stage 1 Archaeological Assessment: NPS 30 Don River Replacement Supply Project EA, City of Toronto, Ontario. PARTS of Lots 1 (West of the Don River) and 15 (east of the Don River), Concession 1 form the Bay, Geographic Township of York, former York County, now City of Toronto, Ontario", Dated Apr 4, 2018, Filed with MTCS Toronto Office on Oct 17, 2018, MTCS Project Information Form Number P400-0116-2018, MTCS File Number 0008499

Dear Mr. Webb:

This office has reviewed the above-mentioned report, which has been submitted to this ministry as a condition of licensing in accordance with Part VI of the Ontario Heritage Act, R.S.O. 1990, c 0.18.¹ This review has been carried out in order to determine whether the licensed professional consultant archaeologist has met the terms and conditions of their licence, that the licensee assessed the property and documented archaeological resources using a process that accords with the 2011 Standards and Guidelines for Consultant Archaeologists set by the ministry, and that the archaeological fieldwork and report recommendations are consistent with the conservation, protection and preservation of the cultural heritage of Ontario.

The report documents the Stage 1 assessment of the study area as depicted in Figure 7 of the above titled report and recommends the following:

Stantec was retained by Enbridge to conduct a Stage 1 archaeological assessment in advance of the proposed NPS Don River Replacement. The Stage 1 archaeological assessment, including a property inspection, has determined that the entire project area retains low to no archaeological potential for the identification of archaeological resources, and all areas have been extensively disturbed by modern construction activities. Thus, in accordance with Section 1.3.2 and Section 7.7.4 of the MTCS' 2011 Standards and Guidelines for Consultant Archaeologists (Government of Ontario 2011), no further archaeological assessment is required for the study area.

Based on the information contained in the report, the ministry is satisfied that the fieldwork and reporting for the archaeological assessment are consistent with the ministry's 2011 Standards and Guidelines for Consultant Archaeologists and the terms and conditions for archaeological licences. This report has been entered into the Ontario Public Register of Archaeological Reports. Please note that the ministry makes no

representation or warranty as to the completeness, accuracy or quality of reports in the register.

Should you require any further information regarding this matter, please feel free to contact me.

Sincerely,

Shari Prowse
Archaeology Review Officer

cc. Archaeology Licensing Officer
Kelsey Mills, Enbridge Gas Distribution
TBD TBD, OEB

¹In no way will the ministry be liable for any harm, damages, costs, expenses, losses, claims or actions that may result: (a) if the Report(s) or its recommendations are discovered to be inaccurate, incomplete, misleading or fraudulent; or (b) from the issuance of this letter. Further measures may need to be taken in the event that additional artifacts or archaeological sites are identified or the Report(s) is otherwise found to be inaccurate, incomplete, misleading or fraudulent.