

**BY E-MAIL**

May 23, 2019

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
[BoardSec@oeb.ca](mailto:BoardSec@oeb.ca)

Dear Ms. Walli:

**Re: Metalore Resources Limited  
Application for Certificate of Public Convenience and Necessity  
OEB Staff Interrogatories to Applicant  
OEB File No. EB-2019-0089**

In accordance with Procedural Order No. 1, please find attached the OEB staff interrogatories for the above proceeding. This document has been sent to Metalore Resources Limited and all intervenors.

Metalore Resources Limited is reminded that its response to the interrogatories is due by June 3, 2019.

Yours truly,

*Original signed by*

Ritchie Murray  
Project Advisor

- c. Armen Chilian, [armen.chilian@gmail.com](mailto:armen.chilian@gmail.com)  
Peter Budd, [pbudd.bei@rogers.com](mailto:pbudd.bei@rogers.com)  
Stephen Sangiuliano, [ssangiu@rogers.com](mailto:ssangiu@rogers.com)  
Jane Lowrie, [jlowrie@tributeresources.com](mailto:jlowrie@tributeresources.com)  
Patrick McMahon, [Patrick.McMahon@enbridge.com](mailto:Patrick.McMahon@enbridge.com)

**METALORE RESOURCES LIMITED**  
**APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**  
**EB-2019-0089**

**OEB STAFF INTERROGATORIES**

**OEB Staff-1**

**Ref.:** Application, pages 3 and 8

**Preamble**

Metalore Resources Limited (Metalore) seeks a certificate of public convenience and necessity (certificate) under section 8(1) of the *Municipal Franchises Act* to construct works to supply gas to the proposed expansion of the New Leaf facility located on the south half of Lot 16, Concession 5, Norfolk County (geographic Township of Charlotteville) with a municipal address of 1195 Charlotteville Road 5, Simcoe, Ontario N3Y 4K1.

Metalore states that Leaf is expanding its cannabis cultivation, extraction, analytics and production facility from the current 4,000 square foot facility to a 31,000 square foot facility. Metalore states that New Leaf will require between 75,000 - 90,000 GJ per year of natural gas. The first phase of this expansion is expected to be completed by October 1, 2019.

**Questions**

- a) Please confirm whether or not the existing New Leaf facility is served with natural gas. If so, who provides that service?
- b) Please confirm whether it is the first phase alone of New Leaf's expanded facilities will require 75,000 - 90,000 GJ per year of natural gas, or whether this is the total gas demand once all phases are complete.
- c) If the 75,000 - 90,000 GJ per year is only for the first phase of expansion, please provide New Leaf's total estimated demand once all phases of its expansion are complete.

- d) What would New Leaf do to meet its energy needs at its expanded facility in the event that gas supply from Metalore was interrupted for an extended period of time?

## **OEB Staff-2**

**Ref.:** Application, page 3

### **Preamble**

Metalore states that Enbridge Gas informed New Leaf that [a capital contribution of] \$260,000 would be required in order for Enbridge Gas to provide service to the expanded New Leaf facility.

### **Questions**

- a) In the time since Metalore filed its application, is Metalore aware of any additional information exchanges between New Leaf and Enbridge Gas regarding Enbridge Gas' ability to provide service to New Leaf? Please elaborate.
- b) To the best of Metalore's knowledge, where is the location of the nearest Enbridge Gas distribution pipeline to the New Leaf facility?

## **OEB Staff-3**

**Ref.:** Application, pages 3 and 5

### **Preamble**

Metalore states that in respect of servicing the New Leaf facility, it intends to construct a new pipeline and a tie-in station located at the New Leaf facility (Project).

Metalore states that the new pipeline from the existing Metalore pipeline system to the tie-in station located at the New Leaf facility will transport raw, un-odorized natural gas and is classed as a gathering line (rather than transmission or distribution line).

Metalore states that New Leaf has agreed to pay for all construction of the proposed pipeline and tie-in station, and that Metalore will operate and maintain the pipeline and tie-in station once the facilities are operational.

### **Questions**

- a) If there was no need to move gas from Metalore's existing gathering lines to the New Leaf facility, would Metalore construct the new pipeline? If so, please explain why.
- b) Please confirm whether Metalore or New Leaf will own the new pipeline.
- c) Please confirm whether Metalore or New Leaf will own the tie-in station.
- d) Please confirm that the tie-in station provides dehydration, odourization, pressure regulation and volumetric measurement. Does it perform any additional functions? Please explain.
- e) As the pipeline will be distributing gas to a consumer (New Leaf), why does Metalore believe it should be classified as a gathering line as opposed to a distribution line?

### **OEB Staff-4**

**Ref.:** Application, page 4, 6 and 12

### **Preamble**

Metalore states that Enbridge Gas currently utilizes Metalore's gas lines to supply natural gas to 150 homes and farms within Charlotteville Township that are known as Field Line Customers (FLCs).

Metalore states that the production from its natural gas wells is currently sold into three Enbridge Gas meter stations and to these 150 FLCs.

Metalore states that the existing FLCs consume 10-50% of Metalore's production.

Metalore states that its service to New Leaf will not affect Enbridge Gas' current or future rate payers.

### **Questions**

- a) Assuming New Leaf begins consuming Metalore's locally produced gas, what percentage of Metalore's annual production would be supplied to New Leaf?
- b) Has Metalore commissioned a study to determine whether or not the addition of the New Leaf load would impact service to the FLCs in terms of such things as a) delivery pressures and b) how long the FLCs can expect to continue being served by Metalore's locally produced gas (Impact Study)? If so, please file the Impact Study into evidence.
- c) If Metalore has not commissioned an Impact Study, in Metalore's opinion, would the addition of the New Leaf load reduce the number of years of remaining service to the existing FLCs? Please explain.
- d) If Metalore provides service to New Leaf, will there be a reduction in gas supplied into Enbridge Gas' meter stations?
- e) Did Metalore explore the option of providing service to New Leaf as a FLC in collaboration with Enbridge Gas? If not, why not? If so, please fully explain why this option was not pursued.
- f) To the best of Metalore's knowledge, if for any reason it were required, could the flow through the three Enbridge Gas meter stations be reversed such that gas flowed from Enbridge Gas' system to the existing FLCs?

### **OEB Staff-5**

**Ref.:** Application, pages 4 and 9

#### **Preamble**

Metalore states that if its application is approved, local landowners will receive increased royalties paid on locally produced gas from their farms.

Metalore states that it will install approximately 1700 metres of new 3" high density polyethylene pipeline along boundaries of four private properties. Metalore states that it currently pays annual royalties to all four of these land owners.

**Question**

- a) Please explain the nature of the existing royalty agreements between Metalore and landowners in general; specifically, please explain on what basis landowners are currently compensated.
- b) Please estimate in dollars the total increase in royalty payments as a result of the Project.
- c) Are the four landowners mentioned in the preamble the only landowners who will see an increase in royalty payments? If not, please explain.
- d) How and when did Metalore make the four landowners aware of Metalore's plans to construct a pipeline on their properties?
- e) Did any of the four landowners object to Metalore's plans to construct a pipeline? If so, please describe the nature of the objections. Have the objections been resolved? Please explain.
- f) Did Metalore receive any letters of support for the Project from the four landowners? If so, please file the letters into evidence.

**OEB Staff-6**

**Ref.:** Application, pages 8 and 9

**Preamble**

Metalore states that its existing pipeline system operates at a maximum of 135 psi.

Metalore states that the new pipeline will be nominal pipe size 3-inch and 1700 metres in length.

**Questions**

- a) Please confirm the length, diameter, and operating pressure of the new pipeline.

b) Please provide the estimated capital cost of the new pipeline.

**OEB Staff-7**

**Ref.:** Application, page 10

**Preamble**

Metalore states that the expanded New Leaf facility will have a need for natural gas in mid-2019, and that Metalore would need to construct the new pipeline and tie-in station in June and July 2019 to meet this requirement.

**Question**

Please provide an update on the timing of New Leaf's gas needs and Metalore's construction schedule.

**OEB Staff-8**

**Ref.:** Application, page 11

**Preamble**

Metalore provides a list of activities related to the operation of the proposed tie-in station.

**Question**

Please confirm that odourant handling and storage as well as gas odourization should be part of this list. If so, please provide an updated list that includes these activities.

**OEB Staff-9**

**Ref.:** Application, pages 11 and 12

**Preamble**

Metalore states that its employees who will be responsible for the new pipeline and tie-in station will be the same employees who currently service Metalore's existing infrastructure.

Metalore states that the Project will create numerous jobs and other economic benefits to the local community.

**Question**

If Metalore's existing staff will service the new pipeline and tie-in station, what types and numbers of new jobs will be created by the Project?

**OEB Staff-11**

**Ref.:** Application, page 13

**Preamble**

Metalore has applied for a certificate to enable it to construct works to supply gas to the proposed expansion of the New Leaf facility. The OEB Act permits the OEB, when making an order, to "impose such conditions as it considers proper."<sup>1</sup>

**Question**

OEB staff has prepared the following draft Conditions of Approval. If Metalore does not agree to any of the draft conditions of approval noted below, please identify the specific conditions that Metalore disagrees with and explain why. For conditions in respect of which Metalore would like to recommend changes, please provide the proposed changes and an explanation of the changes.

---

<sup>1</sup> OEB Act, s. 23

**Metalore Resources Limited**  
**Application for Certificate of Public Convenience and Necessity**

**DRAFT CONDITIONS OF APPROVAL**

1. Metalore shall give the OEB notice in writing of the:
  - a. Commencement of construction, at least ten days prior to the date construction commences;
  - b. Planned in-service date, at least ten days prior to the date the facilities go into service;
  - c. Date on which construction was completed, no later than 10 days following the completion of construction; and
  - d. In-service date, no later than 10 days after the facilities go into service.
2. Metalore shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions. Metalore shall provide the employee's name and contact information to the OEB, the four landowners, and clearly post the information at the tie-in station site. The project manager will be responsible for the fulfillment of the conditions of approval on the site.
3. The OEB's designated representative for the purpose of these Conditions of Approval shall be the OEB's Manager of Supply and Infrastructure Applications.