



Enbridge Gas Inc.
50 Keil Drive North
Chatham, Ontario, Canada
N7M 5M1

May 23, 2019

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Metalore Resources Limited
Application for Certificate of Public Convenience and Necessity in Norfolk County
Ontario Energy Board File No. EB-2019-0089**

Enbridge Gas Inc. hereby submits interrogatories on the evidence of Metalore Resources pursuant to Procedural Order No. 1 to the above noted proceeding

Should you have any questions on this submission, please do not hesitate to contact me.

Yours truly,

[Original Signed By]

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Encl.

c.c. (email only): Armen Chilian, Metalore Resources
Stephen Sangiuliano, Budd Energy Inc. (Metalore Resources)
Peter Budd, OM Limited Partnership
Scott Lewis, ON-Energy Corp.

ENBRIDGE GAS INC.
INTERROGATORIES TO METALORE RESOURCES

1. **Reference:** Metalore Application, page 3

“To this end, Metalore seeks a geographically limited 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 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.”

Question:

Please confirm whether this will be the only service location to which Metalore intends to provide service. If other service locations are contemplated, please identify the other municipal addresses being considered and when gas service would be provided at these locations.

2. **Reference:** Metalore Application, page 3

“The granting of a Certificate is in the public interest as favored by the economics, complete absence of environmental impacts, no outstanding landowner issues since Metalore already pays royalties on gas leases in the area, no adverse impact on other rate payers, and Metalore is a competent builder and operator of the proposed gas supply works.”

Questions:

- (a) Please describe the criteria used to determine that granting of the requested CPCN is in the public interest and how this criteria compares to the criteria typically used by the OEB to determine public interest.
- (b) Please provide details of any environmental screenings and reviews that have been undertaken related to the proposed project that indicate that there will be no environmental impacts.

3. **Reference:** Metalore Application, page 3

“Union Gas Limited (“Union”) has no infrastructure in the immediate area. When asked by New Leaf to supply a pipeline and works to its property, Union gave a written quote for \$260,000.”

Questions:

Please provide details of any cost estimates provided to New Leaf by Enbridge Gas (Union Gas) regarding the provision of natural gas service to the new greenhouse facility.

4. **Reference:** Metalore Application, page 4

“The contract rates offered by Union for Metalore’s gas have not allowed Metalore to grow reserves...Metalore will charge less than Union to supply gas to New Leaf on a long term basis.”

Questions:

- (a) Please explain how charging New Leaf less for gas supply will allow Metalore to grow its reserves.
- (b) Please provide a comparison of the annual charges that would apply to New Leaf if supplied by Enbridge Gas and the annual charges proposed by Metalore.

5. **Reference:** Metalore Application, page 4

“Union currently utilizes Metalore’s gas lines to supply natural gas to 150 homes and farms (Field Line Customers (FLC’s)) within Charlotteville Township.”

Questions:

- (a) Please provide a copy of the current Field Line Customer Agreement between Metalore Resources and Enbridge Gas Inc. (formerly Union Gas Limited).
- (b) Please confirm that Metalore built and/or owns and operates the pipeline system that supplies gas to the meters owned by Enbridge at each of the referenced customer service locations.
- (c) Please provide a copy of any Certificate of Public Convenience and Necessity granted by the OEB to Metalore for its existing pipeline system.
- (d) Please provide a copy of any franchise or other agreement that Metalore has in place with Norfolk County which grants to Metalore the right to construct and operate works for the supply of natural gas and the right to extend and add to the works in Norfolk County.

6. **Reference:** Metalore Application, page 5

“The existing pipeline infrastructure including the proposed new pipeline from the Metalore system to the gas treatment facilities located at the New Leaf facility transport raw, un-odorized natural gas and are classed as gathering lines (rather than transmission or distribution lines). Gathering lines are regulated by the Ministry of Natural Resources and Forestry Petroleum Operations Section under the Oil, Gas, and Salt Resources Act.”

Reference: EB-2017-0289 Decision and Order dated June 14, 2018, pages 3 - 4

“The OEB does not accept that the Pipeline is a “gathering system” and finds instead that it will be providing distribution services. OMLP has clearly indicated that both the Pipeline and the tie-in system are required to serve the Greenhouse Facility. There is no mention of new wells being integrated into the system with this new Pipeline. The sole purpose of the Pipeline appears to be to distribute gas to the Greenhouse Facility. The OEB therefore finds that the new Pipeline provides a distribution function.

Section 8 of the Municipal Franchises Act provides that a certificate of public convenience and necessity is required prior to the construction of any works to supply natural gas in a municipality. The Pipeline will serve a distribution function and will be supplying natural gas to the Greenhouse Facility, and it will therefore require a certificate.”

Question:

Please explain how Metalore’s existing and proposed pipeline systems are different from the OMLP pipeline used to provide distribution services to a greenhouse facility in Norfolk County.

7. **Reference:** Metalore Application, page 5

“Once a certificate of public convenience and necessity has been granted, Metalore will further seek approvals to construct the project and facilitate the sale of gas directly from Metalore to New Leaf. Approvals may include those required from the Ministry of Natural Resources and Forestry (MNR), Technical Standards and Safety Authority (TSSA), Measurement Canada Weights and Measures, and Norfolk County.”

Questions:

- (a) What approvals and permits has Metalore secured for Phase 1 of the New Leaf Canada development? What specific approvals/permits are outstanding and when (month/year) are they expected to be approved?
- (b) Does Metalore intend to submit a Leave to Construct application to the Ontario Energy Board?

8. **Reference:** Metalore Application, page 9

“The total capital cost of the Tie-in System to allow suitable quantities of gas to be delivered to the New Leaf Walsh Facility, is estimated to be \$150,000.

The Tie-In System will require a meter site on New Leaf’s Property, for which Metalore is seeking the Certificate of Public Convenience and Necessity, which will include the following:

- *Installation of a separator/dehydrator to remove excess moisture from the gas*
- *Installation of a gas odourizer*
- *Installation of a gas meter to measure the volume of gas being delivered to the production facility.*
- *Piping, valves and regulators at the meter site.*

Upgrades to the existing pipeline system will include the installation of approximately 1700 metres of new 3” high density polyethylene pipeline along boundaries of four private properties. Metalore currently pays annual royalties to all four land owners who each have instructed Metalore where to install the pipeline on their respective properties.”

Reference: Metalore Application, page 11

“New Leaf has agreed to pay for all costs, from planning to construction, of all piping and metering facilities from Metalore’s 3” gas line along Turkey Point Road, 2500 metres eastward, to the New Leaf facility.”

Questions:

- (a) Is the cost of the 1700 metres of 3” pipeline upgrades included in the \$150,000 Tie-In System cost? If not, what is the estimated cost for this pipeline?
- (b) Is the cost of the 2500 metres of 3” pipeline along Turkey Point Road included in the \$150,000 Tie-In System cost? If not, what is the estimated cost for this pipeline?
- (c) What other capital costs of providing service to New Leaf are not included in the \$150,000 Tie-In System cost?

9. **Reference:** Metalore Application, page 10

“Construction of the New Leaf Walsh Facility has commenced with survey and site preparation, with the following construction schedule:

- *Phase 1 Operational September 1, 2019*

The expanded New Leaf Walsh Facility has a need for the natural gas produced by Metalore in mid-2019. As such it would be preferable for the upgrades to the existing pipeline system and the Tie-in System described to be completed by August 1, 2019 at the latest to meet this requirement. Upgrades to the existing pipeline system are planned to run from July 15, 2019 to July 30, 2019. The proposed Tie-In System construction of works to supply gas to the New Leaf Walsh Facility is scheduled to commence in July 15 and be completed by July 30 2019.”

Questions:

- (a) Has Metalore initiated any construction to supply gas service to the New Leaf facility? If so, what has been completed and/or is in progress?
- (b) Has New Leaf received all approvals required to begin construction at the site? If not, when are all approvals expected?
- (c) Will there be other phases of development – other than Phase 1 – at this New Leaf location? If yes, what are the expected load requirements for the other phases? Please express the load requirements as Peak Day GJ per hour, GJ per day and annual gas consumption in GJs.
- (d) What is the estimated life of the existing reserves that currently serve the 150 customers will be serving the expected load for the 31,000 sq. ft. New Leaf facility?
- (e) Please identify when these subsequent phases will become operational and whether Metalore will be capable of providing the required supply.

10. **Reference:** Metalore Application, page 12

“The Metalore-New Leaf relationship will have several very positive and long-standing benefits to the local economy and to Ontarians:

Firstly, as discussed under Section 1 in more detail, the Metalore – New Leaf relationship will result in more environmentally responsible natural gas. Local Ontario gas will be used at the New Leaf Facility which does not require high volume hydraulic fracturing nor does this locally produced gas require transportation over long distances. This Ontario gas production also directly enriches the local economy through land lease payments and production royalties paid to landowners.

...

The Metalore-New Leaf service connection will not affect Union’s current or future rate payers.”

Questions:

- (a) Please provide details of the evidence that shows that the proposed operations will have no negative impacts on other Ontario ratepayers.
- (b) Please provide details of the evidence relied upon that proves that the proposed venture results in more environmentally responsible natural gas and the evidence that gas purchased through Enbridge Gas would not have the same benefits.