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BY EMAIL

October 17, 2019

Ms. Christine E. Long
Registrar & Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
BoardSec@oeb.ca

Dear Ms. Long:

**Re: Enbridge Gas Inc. (Enbridge Gas)
Application for leave to construct a natural gas pipeline and associated
facilities in the Municipality of Chatham-Kent and the Towns of Lakeshore
and Tecumseh
OEB Staff Interrogatories
OEB File Number: EB-2019-0172**

In accordance with Procedural Order No. 1, please find attached the OEB Staff Interrogatories in the above noted proceeding. The attached document has been sent to the applicant and to all other registered parties to this proceeding.

Yours truly,

Original Signed By

Judith Fernandes
Project Advisor, Natural Gas Applications

Encl.



OEB Staff Interrogatories

Application for leave to construct a natural gas pipeline and associated facilities in the Municipality of Chatham-Kent and the Towns of Lakeshore and Tecumseh

Enbridge Gas Inc.

EB-2019-0172

October 17, 2019

1-Staff-1

**Ref: Exh A/Tab 2/Sch 1/p.1
Exh B/Tab 1/Sch 1/p.1**

Enbridge Gas Inc. (Enbridge Gas) requests leave to construct approximately 64 kilometres of Nominal Pipe Size (NPS) 6 pipeline to replace a section of the existing Windsor NPS 10 pipeline (along with short sections of NPS 8 pipeline) between an interconnect at the existing Enbridge Gas Port Alma Transmission Station (located in the Municipality of Chatham-Kent) and the intersection of Concession 8 and County Road 46 (located in the Town of Tecumseh) (Project).

- a) Please confirm that the Project will be constructed in the following geographic areas (if an area has been omitted, please revise in your response):
- Town of Tecumseh
 - Town of Lakeshore
 - Municipality of Chatham-Kent
- b) Please provide a reference number for the applicable Municipal Franchise Agreements of the areas identified in part (a).
- c) Please provide a reference number for the applicable Certificate of Public Convenience and Necessity of the areas identified in part (a).

1-Staff-2

Ref: Exh B/Tab 1/Sch 1/p.1

According to the application, the Windsor Line is surveyed and inspected on a regular basis. Enbridge Gas states that the results from these inspections and subsequent analysis have identified multiple integrity and depth of cover issues that could pose safety and security of supply concerns if not addressed. Enbridge Gas also states that significant effort and resources have been spent repairing leaks and some sections of the pipeline cannot be isolated because of inoperable mainline valves. In Enbridge Gas' view, the Windsor Line has been deemed an operational risk.

- a. Please confirm the date on which the Windsor Line was deemed an operational risk.
- b. Please provide the date of the last survey and inspection and the results of this work.
- c. Please provide evidence of the significant costs incurred to repair the line that are referenced in the application.

- d. Please provide an estimate of the costs that are likely to be incurred to mitigate the integrity concerns identified, if the Project is delayed.
- e. Please explain why sections of the pipeline not located in easement is considered a factor in the need for replacement.

1-Staff-3

Ref: Environmental Report Executive Summary

Exh B/Tab 1/Sch 1/p.2

Exh C/Tab 3/Sch 1/p.9

In each of the above references of the application, the evidence provided on the length of line that is being replaced is stated as approximately 60 km in the Environmental Report, approximately 62 km in Exhibit C and approximately 64 in Exhibit B.

- a) Please confirm the length of the line that is being replaced, providing reasons for the disparities in the information provided in the application.

1-Staff-4

Ref: Exh B/Tab 1/Sch 1/p.2,3

Exh B/Tab 1/Sch 5/p.3

Enbridge Gas is proposing to replace the existing NPS 10 and NPS 8 pipeline currently operating at a maximum operating pressure (MOP) of 1380 kPa with NPS 6 pipeline operating at a MOP of 3450 kPa. Enbridge Gas states that the increase in the operating pressure will require upgrades to services and stations directly connected to the higher operating pressure pipeline. There will be 399 customers' services and 14 stations upgraded, five new stations installed and the four stations will be abandoned. Enbridge Gas states that construction will be completed in stages and segments.

Enbridge Gas states that the TSSA abandonment guidelines and the applicable current edition of CSA code Z662 will be followed for all pipeline abandonment in place.

- a) Please comment on any aspects of the pipeline replacement that could adversely impact the 399 customer connections.
- b) Please describe the measures that Enbridge Gas will have in place for the maintenance of customer supply and to ensure quality and reliability of service is met during the replacement/upgrade of these services.

- c) Please provide a schedule of details regarding the decommissioning of the existing pipeline.
- d) Please provide the expected in-service date of the Project.

1-Staff-5

**Ref: Exh B/Tab 1/Sch 1/p.3
Exh B/Tab 1/Sch 4/p.1**

The application states that the Project involves the installation of small plastic main extensions off the main pipeline within road allowance, to manage areas where deep drainages exist and the installation of services are significantly more costly or where land could not be obtained to install pressure regulating stations. Enbridge Gas proposes to install one of these main extensions in 2019 at an estimated cost of \$1.4M. Enbridge states that it is undertaking this work to assist in reducing the extensive workload relating to the main construction and to avoid 'time and space' concerns from the *Ontario Health and Safety Act*.

- a) Please confirm that Enbridge Gas intends to proceed with installation of the main extension referenced above in advance of the OEB's decision on this leave to construct application. If installation has commenced, please comment on the work that has been completed to date and when Enbridge Gas expects to finish this work.
- b) Please comment on the implications on construction timelines and costs if the installation of this plastic main extension is not undertaken in Fall 2019.
- c) Please confirm whether the cost of this main extension is included in the overall project costs of \$106.8M. If not, please explain how Enbridge Gas intends to finance this cost.

1-Staff-6

**Ref: Exh B/Tab 1/Sch 4/p.1
Exh C/Tab 4/Sch 1/p.1**

The application states that overall costs of the Project are approximately \$106.8M, which includes the cost of the mainline of \$77.4M, and ancillary facilities (i.e. stations, services) of \$15.3M and indirect overheads of \$14.1M. Enbridge Gas states that it is not seeking approval for the costs of the ancillary facilities but has included these costs in the total Project cost for completeness.

Enbridge also states that a Discounted Cash Flow (DCF) report has not been completed as the Project is underpinned by the integrity requirements. Enbridge expects to recover the costs of the Project through an Incremental Capital Module (ICM) request in its 2020 rates application.

- a) Please provide an estimate of the costs of consultation for the Project. Please confirm whether consultation costs have been included in the total estimated costs of the Project. If this is not included in the Project costs, please explain how Enbridge Gas intends to fund the costs of consultation.
- b) Please provide a detailed rationale for not completing a DCF analysis report for projects underpinned by the integrity requirements. Please refer to the approved current cost recovery regime and compare to the approach to cost recovery for system expansion projects.
- c) Please provide comparable replacement projects that Enbridge Gas has completed in the past and that were approved by the OEB. Please provide a breakdown of the costs for these projects.
- d) Please confirm whether this project is included in Enbridge Gas' Utility System Plan and Asset Management Plan that has been approved by the OEB.

1-Staff-7

Ref: Exh C/Tab 3/Sch 1/ pp.18-20, p.24

One of the alternatives presented by Enbridge Gas is the replacement of the entire Windsor Line, including the Remaining Pipeline, i.e. the section of the pipeline not part of the replacement in the proposed Project. Enbridge Gas estimates that expanding the scope of work, under this alternative results in significant cost increases, in excess of \$110 million. In Enbridge Gas' view, the incremental capacity will be underutilized. Enbridge Gas also submits that the Remaining Pipeline has decreased integrity concerns as it has not recently exhibited any major leak history and has no active leaks as well as having an adequate depth of cover.

Enbridge Gas states that the Remaining Pipeline will be replaced in phases alongside the municipal road work by the City of Windsor.

- a) Please indicate when Enbridge Gas anticipates having to replace the Remaining Pipeline based on current inspection history of the Remaining Pipeline and experiences with leaks on the Windsor Line.

- b) If Enbridge Gas were to replace the entire Windsor Line, please indicate when Enbridge Gas expects the increased capacity of the Remaining Pipeline portion to be sufficiently utilized.
- c) Please confirm whether Enbridge Gas will require leave to construct to undertake the phased replacement work for the Remaining Pipeline
- d) Please provide cost estimates of each of these phases of work that Enbridge Gas anticipates for the Remaining Pipeline portion.

1-Staff-8

Ref: Exh B/Tab 1/Sch 6/p.1

Enbridge Gas states that its Environmental Report was provided to the Ontario Pipeline Coordinating Committee (OPCC) on July 22, 2019. Enbridge Gas indicates that it has consulted with various agencies, municipalities, First Nations and landowners along the proposed Project route.

- a) Please file a summary of comments and concerns received from the public consultation and OPCC review. Please include Enbridge Gas' responses and actions to address the issues and concerns.

1-Staff-9

Ref: Exh B/Tab 1/Sch 6/p.3
Environmental Report, Appendix G

Enbridge Gas states that a Stage 1 Archaeological Assessment (AA) was completed by Stantec Consulting Inc. and that the Stage 1 AA determined that a Stage 2 AA will be required. Enbridge Gas proposes to complete the majority of the AAs during the 2019 field season with any remaining assessments to be completed during spring 2020.

- a) Please identify the date on which Enbridge Gas submitted the Stage 1 AA to the Ministry of Tourism, Culture and Sport (MTCS).
- b) Please provide an update on status of the MTCS' review of the Stage 1 AA and when Enbridge Gas expects a response from the MTCS with respect to the Stage 1 AA.

- c) Please provide an update on the status of Enbridge Gas' Stage 2 AA, indicating if Enbridge Gas has submitted its Stage 2 AA to the MTCS, whether the Stage 2 AA field work is underway and when this will be completed.
- d) Please indicate when Enbridge Gas anticipates a response from the MTCS with respect to the Stage 2 AA.
- e) Please indicate the latest timeline by which Enbridge Gas must receive approval from the MTCS to start the Project on time.
- f) Please comment on the implications for the Project if Enbridge Gas is unable to receive approval from the MTCS before the timeline specified in part (e).

1-Staff-10

**Ref: Exh B/Tab 1/Sch 6/p.2
Exh B/Tab 1/Sch 7/p.1**

Enbridge Gas states that it will continue to work with agencies as well as municipalities throughout the Project area to secure any necessary permits and authorizations prior to construction.

Enbridge Gas proposes to upgrade five stations along the route of the proposed pipeline, which requires the installation of piping facilities on private property. Enbridge Gas plans to purchase land for these station sites.

- a) Please provide a table that lists all permits and approvals that are required to complete the construction of the Project, including a description of the purpose or need for each permit and the status of each permit/approval application. Please provide dates for when Enbridge Gas expects to receive any outstanding permits/approvals required, and what impact and delays in receiving these might have on the Project schedule.
- b) Please provide an update on the negotiations with private landowners for the purchase of lands required for the project, including any concerns that have been expressed by landowners with respect to the proposed Project. Please comment on when Enbridge Gas expects these agreements to be executed.
- c) Please provide an update on the status of the temporary land use (TLU) rights required for the Project, including any concerns that have been expressed by landowners. Please indicate the number of TLU rights are required.

- d) Please discuss any concerns that Enbridge Gas has with respect to obtaining any of the required land rights and/or permits for the Project.

1-Staff-11

Ref: Exh B/Tab 1/Sch 8/Attachment 2, pp.1-3

Enbridge Gas' evidence indicates that on September 10, 2018, it received a letter from the Ministry of Energy, Northern Development and Mines (MENDM) indicating that Enbridge Gas had been delegated the procedural aspects of consultation for the Project. On August 9, 2019, Enbridge Gas provided its Indigenous Consultation Report to the MENDM, requesting that the MENDM determine if the procedural aspects of the duty to consult for the Project are sufficient.

- a) Please provide an update on Indigenous consultation activities since August 9, 2019 and identify any concerns and issues raised in the consultation process and steps that Enbridge Gas has committed to undertake to address any concerns or issues.
- b) Please update the evidence with any correspondence between the MENDM and Enbridge Gas after August 9, 2019, regarding the MENDM's review of Enbridge Gas' consultation activities.
- c) Please indicate when Enbridge Gas expects to receive the consultation sufficiency letter from the MENDM.

1-Staff-12

Ref: Exh A/Tab 2/ Sch 1/ pp.1-3

Enbridge Gas applied for leave to construct facilities under section 90(1) of the OEB Act.

- a) Please comment on the following draft conditions of approval proposed by OEB staff. If Enbridge does not agree to any of the draft conditions of approval noted below, please identify the specific conditions that Enbridge disagrees with and explain why. For conditions in respect of which Enbridge would like to recommend changes, please provide the proposed changes.

DRAFT

**Leave to Construct Conditions of Approval under Section 90 of the OEB Act
Enbridge Gas Inc. – EB-2019-0172**

1. Enbridge Gas Inc. (Enbridge Gas) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2019-0172 and these Conditions of Approval.
2. (a) Authorization for leave to construct shall terminate 12 months after the decision is issued, unless construction has commenced prior to that date.

(b) Enbridge Gas shall give the OEB notice in writing:
 - i. of the commencement of construction, at least ten days prior to the date construction commences;
 - ii. of the planned in-service date, at least ten days prior to the date the facilities go into service;
 - iii. of the date on which construction was completed, no later than 10 days following the completion of construction; and
 - iv. of the in-service date, no later than 10 days after the facilities go into service.
3. Enbridge Gas shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
4. Enbridge Gas shall advise the OEB of any proposed change in the project, including but not limited to changes in: OEB-approved construction or restoration procedures, the proposed route, construction schedule and cost, the necessary environmental assessments and approvals, and all other approvals, permits, licences, certificates and rights required to construct the proposed facilities. Except in an emergency, Enbridge Gas shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.
5. Concurrent with the final monitoring report referred to in Condition 6(b), Enbridge Gas shall file a Post Construction Financial Report, which shall provide a variance analysis of project cost, schedule and scope compared to the estimates filed in

this proceeding, including the extent to which the project contingency was utilized. Enbridge Gas shall also file a copy of the Post Construction Financial Report in the proceeding where the actual capital costs of the project are proposed to be included in rate base or any proceeding where Enbridge Gas proposes to start collecting revenues associated with the project, whichever is earlier.

6. Both during and after construction, Enbridge Gas shall monitor the impacts of construction, and shall file with the OEB one paper copy and one electronic (searchable PDF) version of each of the following reports:

(a) A post construction report, within three months of the in-service date, which shall:

- i. provide a certification, by a senior executive of the company, of Enbridge Gas' adherence to Condition 1;
- ii. describe any impacts and outstanding concerns identified during construction;
- iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction;
- iv. include a log of all complaints received by Enbridge Gas, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions; and
- v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project.

(b) A final monitoring report, no later than fifteen months after the in-service date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:

- i. provide a certification, by a senior executive of the company, of Enbridge Gas' adherence to Condition 3;
- ii. describe the condition of any rehabilitated land;
- iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction;

- iv. include the results of analyses and monitoring programs and any recommendations arising therefrom; and
 - v. include a log of all complaints received by Enbridge Gas, including the date/time the complaint was received; a description of the complaint; any actions taken to address the complaint; and the rationale for taking such actions.
7. Enbridge Gas shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, and shall provide the employee's name and contact information to the OEB and to all the appropriate landowners, and shall clearly post the project manager's contact information in a prominent place at the construction site.

The OEB's designated representative for the purpose of these Conditions of Approval shall be the OEB's Manager of Natural Gas (or the Manager of any OEB successor department that oversees natural gas leave to construct applications).