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January 10, 2012

**VIA COURIER**

Ms. Kirsten Walli  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 26th Floor  
Toronto, ON M4P 1E4

**Re: Enbridge Gas Distribution Inc. ("Enbridge")**  
**EB-2011-0323 Alliston Pipeline Reinforcement Project ("Alliston")**  
**Reply Submission**

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In accordance with the Ontario Energy Board's (the "Board") Procedural Order No. 1, enclosed please find the reply submission of Enbridge filed with the Board for the above noted proceeding.

Included in the package please also find the following updated exhibit:

- Exhibit A, Tab 1, Schedule 1

The submission has been filed through the Board's Regulatory Electronic Submission System (RESS) and paper copies are being sent to the Board via courier.

The reply submission can also be found on the Enbridge website using the following link: [www.enbridgegas.com/alliston](http://www.enbridgegas.com/alliston)

Please contact me if you have any questions.

Yours truly,

A handwritten signature in blue ink that reads "Bonnie Jean Adams".

Bonnie Jean Adams  
Regulatory Coordinator

January 10, 2012

Ms. Kirstin Walli

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cc: Ms. Zora Crnojacki, OPPC Chair

Mr. Neil McKay, Manager Natural Gas Applications, Ontario Energy Board

EB-2011-0323 Alliston Interested Parties (via email only)

**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 a natural gas distribution pipeline from the Town of Cookstown to the Town of Alliston all in the County of Simcoe;

**REPLY SUBMISSIONS OF  
ENBRIDGE GAS DISTRIBUTION INC.  
EB-2011-0323**

**Overview**

1. Enbridge Gas Distribution Inc. ("**Enbridge**" or the "**Applicant**") applied for leave to construct approximately 9 kilometres of nominal pipe size ("**NPS**") 8 extra high pressure ("**XHP**") steel pipeline and related facilities (the "**Facilities**") to its existing distribution network in September 2011.
2. Following publication and serving of the Notice of Application as required by the Board, no intervenors came forward to participate in the proceeding and no letters of comment were filed. Only Board Staff participated in the proceeding.

3. Board Staff made submissions supporting the Application which included draft conditions of approval for which it requested comment from Enbridge. Enbridge has reviewed the draft conditions included in Board Staff's submissions and has no objection to such conditions being included in the approval.
4. Enbridge has applied to the Board:
  - (i) Pursuant to section 90 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c-15, Sched. B, for an order granting leave to construct the proposed works; and,
  - (ii) Pursuant to section 97 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c-15, Sched. B, for approval of the form of easement agreement found in Exhibit D, Tab 1, Schedule 3.

**The Need for the Project**

5. The Alliston System supplies gas to a number of district stations throughout various communities including the Town of Alliston, Cookstown, Nottawasaga, Everett, Beeton and the Town of Tottenham. The existing distribution system is not sufficient to meet the increased demands associated with the population and economic growth over the next decade. Without the construction of the Facilities, the Alliston System will be below the minimum system pressure by the winter of 2012/13.
6. Enbridge filed evidence, Exhibit A, Tab 3, Schedule 3, showing the growth forecast for the Alliston System and provided residential and commercial customer growth forecasts. The projected growth is consistent with the recent growth experience for the area.

7. The Facilities are the first step to reinforce the Alliston System to meet the forecasted 2019-2020 demand of 52,000 cubic metres per hour.

### **Project Economics**

8. The overall feasibility of the project has been determined using the methodology specified in "*Ontario Energy Board Guidelines for Assessing and Reporting on Natural Gas System Expansion in Ontario*" and the EBO 188 Report of the Board" dated January 30, 1998.
9. The economic analysis is performed discounting incremental cash flows over the 40-year customer revenue horizon using the feasibility parameters from EB-2011-0051. The Profitability Index ("PI") of 1.37 means that the Project has a positive economic impact over the analytical horizon.

### **Environmental Assessment and Pipeline Design**

10. The route and location for the proposed Facilities were selected by Dillon Consulting Limited ("**Dillon**"), an independent Environmental Consultant, through the process outlined in the Board's "*Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario*" (Sixth Edition, 2011)(the "**Guideline**").
11. The Environmental Report is found at Exhibit B, Tab 2, Schedule 2 and details the route selection process, the extensive consultation (including aboriginal consultation) efforts and includes an archaeological assessment. At page 73 of the Environmental Report, Dillon concluded:

"The Preferred Route was sited entirely within the existing and previously disturbed road allowances, as it was found this best avoids negative impacts on the study area environment.....

Mitigation measures were prescribed to ensure negative impacts to the environment are minimized. The recommendations, in combination with the Enbridge Construction Manual, should effectively serve to protect environmental features along the Preferred Route."

12. Enbridge confirms it will adhere to the recommendations included in the Environmental Report.
13. 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 Z662-03 Oil and Gas Pipeline Systems Code.

#### **Land Issues**

14. The OEB Act, section 97, see below, requires the Board to approve the form of easement that will be offered to landowners.

97. 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 an agreement in the form approved by the Board.

15. Enbridge plans to install the proposed Facilities within the existing municipal road allowance and therefore does not require any permanent easements. Enbridge has included a form of easement agreement (Exhibit D, Tab 1, Schedule 3) that would be offered to the landowner in the event an easement became necessary.
16. Enbridge confirms it will obtain the necessary approvals and permits for the construction of the Facilities.

**Conditions of Approval**

17. Enbridge has reviewed the draft conditions of approval submitted by Board Staff and notes the proposed conditions are typical of past Board orders for similar applications. Enbridge has neither comment nor objection to the proposed draft conditions of approval.

**Conclusion**

18. As such, Enbridge submits the proposed Facilities are in the public interest and that there are no outstanding issues.
19. Enbridge requests the Board grant it leave to construct the Facilities and that its form of easement agreement be approved.

DATED January 10, 2012 at Toronto, Ontario.

**ENBRIDGE GAS DISTRIBUTION INC.**

By its counsel

**AIRD & BERLIS LLP**

*Original signed "Scott Stoll"*

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Scott Stoll

EXHIBIT LIST

A – GENERAL

<u>EXHIBIT</u>	<u>TAB</u>	<u>SCHEDULE</u>	<u>DESCRIPTION</u>
A	1	1	Exhibit List
		2	Application
		2	OPCC Distribution List
		3	List of Interested Parties
	3	1	Description, History and Operation of Existing System
		2	Purpose, Need, Proposed Facilities and Timing
		3	Market Growth

B – ROUTING AND ENVIRONMENTAL

B	1	1	Preferred Route Description
		2	Alternative Route Descriptions
	2	1	Environmental Implementation Plan
		2	Environmental Assessment - Dillon Consulting
		3	Stage II Archeological Assessment - Dillon Consulting
		4	Tree Inventory and Condition Assessment - Dillon Consulting



B – ROUTING AND ENVIRONMENTAL

<u>EXHIBIT</u>	<u>TAB</u>	<u>SCHEDULE</u>	<u>DESCRIPTION</u>
B	2	5	OPCC Letter - Confirmation Formal Review of Environmental Report Completed

C – FACILITIES AND PROJECT COSTS

C	1	1	Design Specifications
		2	Hydrostatic Test Procedures
	2	1	Total Estimated Project Costs
		2	Proposed Construction Schedule

D – LAND ISSUES

D	1	1	Land Requirements
		2	Permits Required
		3	Negotiations to Date
		4	Affidavit Search of Title

E – ECONOMIC FEASIBILITY

E	1	1	Economic Feasibility
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F- OTHER MATTERS

F	1	1	Aboriginal Consultation
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G – NOT USED

<u>EXHIBIT</u>	<u>TAB</u>	<u>SCHEDULE</u>	<u>DESCRIPTION</u>
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H- INTERROGATORIES

H	1	1-7	Board Staff Interrogatories
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I- REPLY SUBMISSION

I	1	1	Enbridge Reply Submission
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