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May 29, 2012

VIA COURIER, EMAIL, RESS

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

Re: Enbridge Gas Distribution Inc.
EB-2012-0013 - Pipeline Reinforcement in the Vicinity of Angus ("Angus")
Interrogatory Response and Stage 2 Archeological Assessment

In accordance with the Ontario Energy Board's (the "Board") Procedural Order issued for the above noted proceeding, enclosed please find the Reply Submission of Enbridge Gas Distribution Inc. ("Enbridge").

Included in the package is an updated Exhibit A, Tab 1 Schedule 1.

The submission has been filed with through the Board's Regulatory Electronic Submission System (RESS).

The application and evidence is available on the Enbridge website at www.enbridgegas.com/anguspipeline.

Please contact me if you have any questions.

Yours truly,

(ORIGINAL SIGNED)

Bonnie Jean Adams
Regulatory Coordinator

cc: Ms. Zora Crnojacki, OPCC Chair (via email and courier)
Mr. Neil McKay, Manager Natural Gas Applications, Ontario Energy Board
(via email)

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	Growth Forecast

B – ROUTING AND ENVIRONMENTAL

B	1	1	Preferred Route Description
		2	Alternative Route Descriptions
	2	1	Environmental Implementation Plan
		2	Environmental Assessment - Stantec Consulting Ltd.
		3	Stage 2 Archeological Assessment - Stantec Consulting Ltd.

C – FACILITIES AND PROJECT COSTS

<u>EXHIBIT</u>	<u>TAB</u>	<u>SCHEDULE</u>	<u>DESCRIPTION</u>
C	1	1	Design Specifications - NPS 6
		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 - INTERROGATORIES

G	1	1	Interrogatory Response
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H - SUBMISSIONS

<u>EXHIBIT</u>	<u>TAB</u>	<u>SCHEDULE</u>	<u>DESCRIPTION</u>
H	1	1	Board Staff Submissions
	2	1	Reply Submission Enbridge

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. for an Order pursuant to Section 90 of the *Ontario Energy Board Act* for an order granting leave to construct natural gas pipelines in the Angus, Ontario area.

**REPLY SUBMISSIONS OF
ENBRIDGE GAS DISTRIBUTION INC.
EB-2012-0013**

Overview

1. Enbridge Gas Distribution Inc. ("**Enbridge**" or the "**Applicant**") applied for leave to construct approximately 10.1 kilometres of nominal pipe size ("**NPS**") 6 extra high pressure ("**XHP**") steel pipeline and related facilities (the "**Facilities**") to its existing distribution network in the area of the Village of Angus Ontario.
2. Following publication and serving of the Notice of Application as required by the Board, no intervenors or observers 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.
5. Typically, in a leave to construct the Board, in determining whether the public interest is satisfied by the proposal, considers the following:
 - (i) Need for the project,
 - (ii) Environmental issues;
 - (iii) Landowner issues; and
 - (iv) Project economics.
6. For the reason set out in the evidence and below, Enbridge submits the proposal is in the public interest and the Board should grant the requested relief.

The Need for the Project

7. The Facilities will supply gas to a number of district stations throughout the Township of Essa including Canadian Forces Base Borden, the towns of Angus, Ypres and Baxter.

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 existing distribution system will be below the minimum system pressure by the winter 2012/2013.

8. Enbridge filed evidence, Exhibit A, Tab 3, Schedule 3, showing the growth forecast for the Angus System and provided residential and commercial customer growth forecasts.
9. Enbridge provided different options and the rationale to support its proposal at Exhibit A, Tab 3, Schedule 2.

Project Economics

10. 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.
11. 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 0.83 is acceptable within connection policy.

Environmental Assessment and Pipeline Design

12. The Pipeline route selection and environmental assessment were completed in accordance the Board's *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario*, 6th edition, 2011 ("**Guideline**") by the independent environmental consultant, Stantec Consulting Ltd.

13. The results of routing and environmental assessment are presented in the Environmental Report provided at Exhibit B, Tab 2, Schedule 2. Stantec, in the Executive Summary, page (ii), provides a summary their professional opinion:

“With the implementation of the proposed mitigation measures during the construction and operation phases of the project, Stantec is of the opinion that no significant adverse environmental or socio-economic effects would be likely to occur.”

14. Enbridge confirms it will adhere to the recommendations included in the Environmental Report.
15. 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

16. 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.

17. Enbridge has included a form of easement agreement (Exhibit D, Tab 1, Schedule 3) that was offered to the Township of Essa for the easement and would be offered to any other landowner in the event additional easements become necessary.

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

Conditions of Approval

19. 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

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

DATED May 29, 2012 at Toronto, Ontario.

ENBRIDGE GAS DISTRIBUTION INC.
By its counsel

AIRD & BERLIS LLP

(ORIGINAL SIGNED)

Scott Stoll