



# **ONTARIO ENERGY BOARD**

## **STAFF SUBMISSION**

**Enbridge Gas Distribution Inc.**

### **ANGUS REINFORCEMENT PIPELINE PROJECT**

**EB-2013-0013**

**May 23, 2012**

## Introduction

Enbridge Gas Distribution Inc. (“Enbridge”) has filed an application with the Ontario Energy Board (“Board”) on February 16, 2012 under section 90 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B for an order granting leave to construct approximately 10.1 kilometres of 152 millimeter diameter (Nominal Pipe Size 6 inch) Extra High Pressure (“XHP”) steel pipeline (the “pipeline”) to reinforce the existing natural gas delivery system in the Angus Ontario area. Enbridge plans to start construction in July 2012 for completion and in-service date in November 2012.

These submissions of Board staff are being filed in support of Enbridge’s application.

## The Proceeding

The Board issued a Notice of Application (“Notice”) dated March 13, 2012. Enbridge served and published the Notice as directed by the Board. There are no intervenors or observers in this proceeding. In accordance with the procedural schedule, Board staff filed interrogatories on May 9, 2012. Enbridge filed interrogatory responses on May 16, 2012.

## The Need for the Project

The main driver for the project is expected high growth in the Angus service region. The proposed pipeline addresses a need identified by Enbridge to increase the capacity of the Angus system to meet residential and commercial growth in the area. The Angus System supplies gas to a number of district stations throughout various communities including the Essa Township including Canadian Forces Base Borden and the Towns of Angus, Ypres, and Baxter.

Angus and the surrounding communities are experiencing continuing economic

and population growth. Enbridge forecasted maximum peak hour load to grow from 13,110 m<sup>3</sup>/hr in the winter of 2012/2013 to 23,340 m<sup>3</sup>/hr in the winter of 2022/2023.

## **Project Economics**

The estimated capital cost of the project is \$ 4.1 million. The overall feasibility of the project has been determined using the methodology defined in the *“Ontario Energy Board Guidelines for Assessing and Reporting on Natural System Expansion in Ontario”* set by the Ontario Energy Board’s EBO 188 *“Report to the Board”* dated January 30, 1998 (“EBO 188”). The proposed project passes the feasibility tests set in the EBO 188. On a stand-alone basis the Profitability Index (“PI”) of the project is 0.83. Pursuant to the EBO 188, no capital contributions were required from the customers if the PI is greater than 0.8. Furthermore, the proposed project is feasible as part of Enbridge’s Investment Portfolio and Rolling Project Portfolio which both have PIs are greater than 1.0.

## **Environmental Assessment and Pipeline Design**

The proposed pipeline route begins at Enbridge’s Thornton Gate Station located at 4118 Innisfil Beach Road in the Town of Innisfil and proceeds west along the south side of the road allowance of Innisfil Beach Road for approximately 650 metres to Barrie Street. The pipeline then crosses Barrie Street at the Innisfil Beach Road intersection and continues southwest along the Trans Canada Trail for 530 m to County Road 21. The pipeline then follows County Road 21 westwards for 8.9 kilometres to terminate east of the intersection of Murphy Road (also called County Road 21) and Denney Drive in Baxter.

In addition to the proposed pipeline, a 7.7 km section of existing NPS 6 XHP steel pipeline is intended to be pressure elevated and a new pressure regulating station will be constructed south of the Village of Angus on County Road 10.

Pipeline route selection and environmental assessment were completed in accordance *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario, 6<sup>th</sup> edition, 2011* ("OEB Environmental Guidelines"). The results of routing and environmental assessment are presented in an Environmental Report entitled *Pipeline to Reinforce the Natural Gas Distribution Network in the Vicinity of Angus, December 2, 2011* ("ER"). The ER was completed by Stantec Consulting Inc. ("Stantec") and was submitted as part of the pre-filed evidence.

Enbridge stated that the pipeline will be constructed in accordance with Enbridge's Contract Specifications, Enbridge's Construction and Maintenance Manual, and the recommendations in the ER. With implementation of mitigation measures identified by Stantec in the ER, Enbridge expects no significant environmental impacts resulting from construction and routing of the pipeline. Enbridge completed an Environmental and Cumulative Effects Assessment which included an Archaeological Assessment (both Stage 1 and Stage 2) and an environmental implementation plan for the project. No outstanding environmental or construction issues were identified.

The evidence indicates that there was extensive public consultation, including consultation with aboriginal groups. The consultation was consistent with the OEB Environmental Guidelines. Enbridge's evidence stated that there are no outstanding or unresolved issues relating to any of the consultations.

Design specifications for the pipe and hydrostatic testing, according to Enbridge's evidence, meet the requirements of the Ontario Regulations 210/01 under the *Technical Standards and Safety Act 2000*, Oil and Gas Pipeline Systems.

## **Land Issues**

The proposed pipeline will be installed on lands owned by the Corporation of the Township of Essa. Enbridge will acquire a permanent easement from the Township of Essa at crossing of Trans Canada Trail. Enbridge filed with the Board forms of the Agreement to Grant Easement, the Easement Agreement and the Working Area Agreement that Enbridge will offer to the directly affected landowners. Enbridge stated that it would obtain the required permanent easement from the Township of Essa and temporary easements from landowners adjoining municipal road allowances prior to access to the lands.

## **Conditions of Approval**

Board staff filed proposed conditions of approval (attached as Appendix A to these submissions) in the Interrogatory #1. Enbridge responded that it would comply with the proposed conditions.

## **Conclusion**

Board staff submits that the need for this project has been demonstrated by the applicant. Board staff have no outstanding concerns or issues with the application. Board staff further submits that the proposed conditions of approval be included as part of the Board's order in this matter.

**Appendix A**  
  
**to**  
  
**Board Staff Submissions**  
  
**EB-2012-0013**

**EB-2012-0013****Enbridge Gas Distribution Inc.  
Leave to Construct Application****Board Staff Proposed  
Conditions of Approval****1 General Requirements**

- 1.1 Enbridge Gas Distribution Inc. ("Enbridge") shall construct the facilities and restore the land in accordance with its application and the evidence filed in EB-2012-0013 except as modified by this Order and these Conditions of Approval.
- 1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct shall terminate December 31, 2012, unless construction has commenced prior to that date.
- 1.3 Enbridge shall implement all the recommendations of the Environmental Report filed in the pre-filed evidence, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee ("OPCC") review.
- 1.4 Enbridge shall advise the Board's designated representative of any proposed material change in construction or restoration procedures and, except in an emergency, Enbridge shall not make such change without prior approval of the Board or its designated representative. In the event of an emergency, the Board shall be informed immediately after the fact.
- 1.5 Within 15 months of the final in-service date, Enbridge shall file with the Board Secretary a Post Construction Financial Report. The Report shall indicate the actual capital costs of the project and shall explain all significant variances from the estimates filed in the proceeding.

**2 Project and Communications Requirements**

- 2.1 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Natural Gas Applications.
- 2.2 Enbridge shall designate a person as project engineer and shall provide the name of the individual to the Board's designated representative. The project engineer will be responsible for the fulfillment of the Conditions of Approval on

the construction site. Enbridge shall provide a copy of the Order and Conditions of Approval to the project engineer, within seven days of the Board's Order being issued.

- 2.3 Enbridge shall give the Board's designated representative and the Chair of the OPCC ten days written notice in advance of the commencement of the construction.
- 2.4 Enbridge shall furnish the Board's designated representative with all reasonable assistance for ascertaining whether the work is being or has been performed in accordance with the Board's Order.
- 2.5 Enbridge shall file with the Board's designated representative notice of the date on which the installed pipelines were tested, within one month after the final test date.
- 2.6 Enbridge shall furnish the Board's designated representative with five copies of written confirmation of the completion of construction. A copy of the confirmation shall be provided to the Chair of the OPCC.

### **3 Monitoring and Reporting Requirements**

- 3.1 Both during and after construction, Enbridge shall monitor the impacts of construction, and shall file four copies of both an interim and a final monitoring report with the Board. The interim monitoring report shall be filed within six months of the in-service date, and the final monitoring report shall be filed within fifteen months of the in-service date. Enbridge shall attach a log of all complaints that have been received to the interim and final monitoring reports. The log shall record the times of all complaints received, the substance of each complaint, the actions taken in response, and the reasons underlying such actions.
- 3.2 The interim monitoring report shall confirm Enbridge's adherence to Condition 1.1 and shall include a description of the impacts noted during construction and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction. This report shall describe any outstanding concerns identified during construction.
- 3.3 The final monitoring report shall describe the condition of any rehabilitated land and the effectiveness of any mitigation measures undertaken. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with any of the Conditions of Approval shall be explained.



#### **4 Other Approvals and Agreements**

- 4.1 Enbridge shall obtain all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project, shall provide a list thereof, and shall provide copies of all such written approvals, permits, licences, and certificates upon the Board's request.