



EB-2012-0432

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 Union Gas
Limited for an order pursuant to section 90 of the *Ontario
Energy Board Act, 1998*, granting leave to construct
natural gas pipelines in the City of Windsor.

BEFORE: Paula Conboy
Presiding Member

Emad Elsayed
Member

DECISION AND ORDER

January 31, 2013

Union Gas Limited (“Union”) filed an application with the Ontario Energy Board (the “Board”) on November 29, 2012 under section 90 of the *Ontario Energy Board Act, 1998* (the “Act”), for an order granting Union leave to construct approximately 500 metres of Nominal Pipe Size 16 (“NPS 16”) hydrocarbon pipeline (the “Proposed Pipeline”) in order to replace a portion of the existing Panhandle Line located in the City of Windsor. Union also requested, under section 95 of the Act, that the Board exempt Union from the requirements of section 90 of the Act. The Board did not grant the exemption request and proceeded by way of a written hearing. The Board also notes that Union requires Board approval of the form of easement agreement provided in the application (as required by section 97 of the Act). The Board assigned the application file number EB-2012-0432.

For the reasons set out below, the Board finds that the construction of the Proposed Pipeline is in the public interest and grants Union leave to construct subject to the terms and conditions attached as Appendix A to this Decision and Order (the “Conditions of Approval”). The Board also approves the proposed form of easement agreement that has been offered or will be offered to all landowners affected by the approved route.

The Proposed Pipeline

Union is proposing to replace approximately 500 meters of the Panhandle Line in the Ojibway Park Nature Reserve (“Ojibway Park”) and under Matchette Road and Titcombe Road. Union is proposing to abandon the existing pipeline in place. The Proposed Pipeline will be constructed adjacent to the existing pipeline.

Union plans to start construction of the Proposed Pipeline in March 2013 and be completed by the end of October 2013.

A map showing the location of the Proposed Pipeline is attached as Appendix B.

The Proceeding

The Board issued a Notice of Application and Written Hearing (“Notice”) on December 21, 2012. Union served the Notice as directed by the Board. No written submissions were received by the Board in response to the Notice.

The Public Interest Test

This is an application under section 90 of the Act seeking an order for leave to construct a hydrocarbon pipeline. Section 96 of the Act provides that the Board shall make an order granting leave to carry out the work under section 90 if the Board finds that “the construction, expansion or reinforcement of the proposed work is in the public interest.” When determining whether a project applied for under section 90 of the Act is in the public interest, the Board typically examines the need for the project, the economics of the project, the impact of the project on the ratepayers, the environmental impact of the project, the impact on landowners, and pipeline design (technical and safety requirements).

The following questions define the scope of the Public Interest Test:

- Is there a need for the Proposed Pipeline?
- Has the economic feasibility of the Proposed Pipeline been demonstrated?
- What are the environmental impacts associated with construction of the Proposed Pipeline and have they been adequately addressed?
- Are there any outstanding landowner matters for the Proposed Pipeline routing and construction?
- Is the Proposed Pipeline designed in accordance with the current technical and safety requirements?

Each of these issues is addressed below.

The Need for the Pipeline

As Union stated in its application, the Panhandle Line from the Ojibway Measurement Station to Grand Marais Road was originally constructed in 1965 and is inspected periodically as part of Union's Integrity Management Program. Results of scheduled inspections in 2011 identified integrity issues in the vicinity of Ojibway Park that could pose safety and security of supply concerns if not addressed. In particular, Union stated that an inspection conducted in 2011 identified internal metal loss on the section of the Panhandle Line that Union is proposing to replace.

Union also stated that based on its experience with Panhandle Line, and given its overall condition and proximity to an environmentally sensitive area, abandoning the existing section of pipeline in place and constructing a replacement section of pipeline was the most effective way to ensure the long term integrity of the Panhandle Line while minimizing the impacts to the environment.

The Board finds that Union has adequately substantiated the need for the Proposed Pipeline.

Project Economics – Feasibility of the Proposed Pipeline

The capital cost for the Proposed Pipeline is estimated to be \$2.37 million. A breakdown of the capital costs was provided in the application.

Union stated that a Discounted Cash Flow report was not completed as the Proposed Pipeline is underpinned by the relocation requirements and there are no new contracts associated with this replacement.

The Board accepts Union's evidence on the cost estimates.

As the actual costs will not be available until the Proposed Pipeline is completed, the Board will require a report from Union on the actual costs of the Proposed Pipeline approved in this Decision and Order. Accordingly, the Board has included the following in its Conditions of Approval:

- 1.5 Within 15 months of the final in-service date, Union 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.

Environmental Impacts

Union retained the services of Stantec Consulting Limited ("Stantec") to review the route of the Proposed Pipeline and to identify the environmental features that could be impacted by the construction of the Proposed Pipeline. The results of the routing and environmental assessment are presented in a report entitled *Environmental Review – NPS 16 inch Panhandle Line Pipeline Replacement* (the "ER"). The ER was completed by Stantec and was submitted as part of the pre-filed evidence. The ER included an Archaeological Assessment and an environmental implementation plan for the Proposed Pipeline. No outstanding environmental or construction issues were identified.

Union has stated that the Proposed Pipeline will be constructed in accordance with the recommendations set out in the ER. With the implementation of mitigation measures identified by Stantec in the ER, Union expects no significant environmental impacts resulting from the construction and routing of the Proposed Pipeline.

The Board finds that Union has proposed an appropriate mitigation and restoration program to construct the Proposed Pipeline. To ensure mitigation of impacts, and restoration of land and water resources, the Board has imposed monitoring and

reporting requirements in the Conditions of Approval. The Board also finds that the environmental plans proposed by Union are acceptable.

The Board is aware that other approvals will be required for construction of the Proposed Pipeline. Therefore, the Board is including in its Conditions of Approval the requirement for Union to “obtain all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project.”

Landowner Matters

The Proposed Pipeline will be constructed within road allowances in the City of Windsor following the conditions of Union’s existing franchise agreement with the City. A new easement will be required from the City of Windsor for the majority of the Proposed Pipeline. Union will also require temporary lands from the City of Windsor along the Proposed Pipeline route.

Union will use its existing easement rights for access, temporary land use and other construction activities. Union will also require crossing permits or agreements with the City of Windsor and other utilities along the Proposed Pipeline route.

Union has met or contacted all of the directly affected landowners along the Proposed Pipeline route and no landowners have identified any concerns. Union has stated it will have the necessary land rights in place prior to construction of the Proposed Pipeline.

Union filed with the Board a Pipeline Easement Agreement that Union will offer to the City of Windsor where the permanent easement is required.

Section 97 of the Act requires that the Board approve the form of agreement that has been or will be offered to the landowners affected by the approved route. The Board approves the proposed form of agreement included in the evidence.

Pipeline Design - Technical and Safety Requirements

Union has stated that the design specifications for the Proposed Pipeline are in accordance with the requirements of Ontario Regulation 210/01, made under the *Technical Standards and Safety Act 2000*, Oil and Gas Pipeline Systems.

The Board finds that the Proposed Pipeline meets the construction and operational requirements for safe operation. The Technical Standards and Safety Authority, as the agency overseeing the operation of pipelines in Ontario, has the authority to enforce all the applicable standards.

For the reasons set out above, the Board finds that the Proposed Pipeline is in the public interest and grants Union the leave to construct subject to the Board's Conditions of Approval. The Board also approves the proposed form of easement agreement that has been offered or will be offered to all landowners affected by the approved route.

THE BOARD ORDERS THAT:

1. Union Gas Limited is granted leave to construct approximately 500 metres of NPS 16 hydrocarbon pipeline and facilities located in the City of Windsor, subject to the Conditions of Approval set out in Appendix A to this Decision and Order.
2. Pursuant to section 30 of the *Ontario Energy Board Act, 1998*, Union shall pay the Board's costs of and incidental to, this proceeding immediately upon receipt of the Board's invoice.

DATED at Toronto, January 31, 2013

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

**APPENDIX A
TO THE
DECISION AND ORDER**

**UNION GAS LIMITED
LEAVE TO CONSTRUCT NATURAL GAS PIPELINE
PANHANDLE REPLACEMENT PROJECT**

BOARD FILE NO. EB-2012-0432

January 31, 2013

Conditions of Approval

EB-2012-0432

Union Gas Limited Leave to Construct Application

Conditions of Approval

1 General Requirements

- 1.1 Union Gas Limited ("Union") shall construct the facilities and restore the land in accordance with its application and the evidence filed in EB-2012-0432 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, 2014, unless construction has commenced prior to that date.
- 1.3 Union shall implement all the recommendations of the Environmental Report filed in the pre-filed evidence, and all the recommendations and directives identified by the members of the Ontario Pipeline Coordinating Committee ("OPCC").
- 1.4 Union shall advise the Board's designated representative of any proposed material change in construction or restoration procedures and, except in an emergency, Union 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, Union 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 Union 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. Union 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 Union 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 Union 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 Union 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 Union 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, Union 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. Union 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 Union'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 Easement Agreements

- 4.1 Union shall offer the form of agreement approved by the Board to each landowner, as may be required, along the route of the proposed work.

5 Other Approvals and Agreements

- 5.1 Union 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.

**APPENDIX B
TO THE
DECISION AND ORDER**

**UNION GAS LIMITED
LEAVE TO CONSTRUCT NATURAL GAS PIPELINE
PANHANDLE REPLACEMENT PROJECT**

BOARD FILE NO. EB-2012-0432

January 31, 2013

Map

CITY OF WINDSOR

PIN: 012660357
THE CORPORATION OF
THE CITY OF WINDSOR
OJIBWAY PARK

PROPOSED NPS 16 GAS PIPELINE
APPROXIMATELY 500.0m (1640ft)

EXISTING NPS 16 PANHANDLE
TO BE ABANDONED ON THE
OJIBWAY PARK PROPERTY

TITCOMBE ROAD
STATION 06A-601

TIE-IN AT EXISTING
PANHANDLE NPS 16

EXISTING NPS 16 PANHANDLE TO
BE ABANDONED IN PLACE ON
HER MAJESTY THE QUEEN PROPERTY

EXISTING NPS 16 PANHANDLE

12.2m (40ft) UNION GAS
EXISTING EASEMENT

PROPOSED 15.24m (50ft) EASEMENT

PROPOSED PIPE STRING AREA
IN EXISTING EASEMENT

TIE-IN AT EXISTING
PANHANDLE NPS 16

PIN: 012660501
1223244 ONTARIO LTD
JENNY COCO PAVING

PIN: 012660492
2205500 ONTARIO LTD
WINDSOR RACEWAY

PIN: 012644971
HER MAJESTY THE QUEEN

LOT 50
CONCESSION 1

SPRUCEWOOD ROAD

REVISIONS

NO.	DATE	BY	APP'D	REMARKS
01	12/08/17	KWG	PDS	ONTARIO ENERGY BOARD



uniongas

A Spectra Energy Company

OJIBWAY PARK REPLACEMENT
PANHANDLE NPS 16
CITY OF WINDSOR

DRAWN BY	K.W. GUERIN	DATE	2012/08/20	SCALE	1:5000	PLOT SPEC.	1=5
CHECKED BY		DATE		AC/DRAW CODE	M852-05		
APPROVED BY	P.D. SULLIVAN	DATE	2012/08/17	JOB NO.			
SIZE	B	DRAWER	N/A	SHEET	1 of 1	DRAWING NO.	M852

