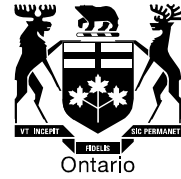


Ontario Energy Board
P.O. Box 2319
27th. Floor
2300 Yonge Street
Toronto ON M4P 1E4
Telephone: 416- 481-1967
Facsimile: 416- 440-7656
Toll free: 1-888-632-6273

Commission de l'énergie de l'Ontario
C.P. 2319
27e étage
2300, rue Yonge
Toronto ON M4P 1E4
Téléphone: 416- 481-1967
Télécopieur: 416- 440-7656
Numéro sans frais: 1-888-632-6273



BY E-MAIL

February 28, 2013

Ontario Energy Board
P.O. Box 2319
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc.
Durham York Energy Centre Pipeline Project
Board File Number EB-2012-0382**

In accordance with the Procedural Order No. 1, please find attached the submissions from Board Staff in the above proceeding.

Yours truly,

Original signed by

Josh Wasylyk
Advisor, Applications & Regulatory Audit

c. Shari Lynne Spratt, Enbridge Gas Distribution Inc.
Scott Stoll, Arid & Berlis

Introduction

Enbridge Gas Distribution Inc. (“Enbridge”) has filed an application with the Ontario Energy Board (the “Board”) on November 12, 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 5.6 km of high pressure (“HP”) steel pipeline consisting of two sections, one of Nominal Pipe Size (“NPS”) 8 (8 inch diameter; 203 mm) in Bowmanville, Ontario and one section of NPS 6 (6 inch diameter; 152 mm) in Courtice, Ontario to provide distribution services to the Durham York Energy Centre (“DYEC”) Facility in Courtice, Ontario (the “proposed pipeline”). Enbridge plans to start construction of the pipeline in late April or early May 2013 with an anticipated in-service date of September 2013.

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 November 30, 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 January 25, 2013. Enbridge filed interrogatory responses on February 12, 2013.

The Need for the Project

As set out in Enbridge’s application, the main driver for the proposed project is the need to provide natural gas service to the DYEC. DYEC is in the process of building a 20 MW energy-from-waste facility and has entered into a 20-year agreement with the Ontario Power Authority to supply base load electricity to the provincial grid.

Natural gas is required to initialize the waste combustion process, as an auxiliary support for emission control and during facility shut down procedures. When natural gas is used, the required maximum hourly flow to the DYEC facility is 6,884 m³ and the point of delivery pressure is 345 kilopascals. Enbridge estimates annual natural gas consumption to be 604,000 m³/year. Board staff submits that the DYEC is dependent on natural gas as a fuel source which supports Enbridge’s evidence on the need for this project.

Project Economics

Enbridge estimates the total project costs to be \$3.9 million. The overall feasibility of the project has been determined using the methodology set out in the “*Ontario Energy Board Guidelines for Assessing and Reporting on Natural Gas System Expansion in Ontario*” and the Board’s EBO 188 “*Report to the Board*” dated January 30, 1998.

The project’s upfront capital costs are estimated to be \$3,900,322. The customer’s Contribution In Aid of Construction (“CIAC”) is estimated to be \$3,785,494. The results of the feasibility analysis indicate a Profitability Index (“PI”) of 1.00 after applying the customer contribution. Board staff submits that Enbridge has applied the appropriate methodology in determining the economic feasibility of the project to ensure no cross-subsidy of the pipeline construction and operation. Board staff supports the economic feasibility as filed.

Environmental Assessment and Pipeline Design

As set out in the application, section 1 of the proposed pipeline is approximately 2 km in length and begins at the intersection of Gaud Gate and Regional Road 57 in Bowmanville in the Municipality of Clarington. Section 1 travels north along Regional Road 57, turns west to travel along Concession Road 4, where it ends at the intersection of Concession Road 4 and Old Scugog Road.

Section 2 of the proposed pipeline is approximately 3.6 km in length and begins at the intersection of Bloor Street and Solina Road in Courtice in the Municipality of Clarington. Section 2 travels south on Solina Road, turns west along Baseline Road, turns south along McKnight, routes beneath Highway 401 to end at 72 Osbourne Road to service the DYEC Facility in Courtice.

Enbridge notes that the route and location were selected by an independent environmental consultant, Stantec Consulting Inc. (“Stantec”), who produced an Environmental Report in compliance with the Board’s “*Environmental Guidelines for Locating, Constructing, and Operation of Hydrocarbon Pipelines and Facilities in Ontario*” (Sixth Edition, 2011).

Enbridge has included an Environmental Implementation Plan in its application that will incorporate recommended mitigation measures for the environmental issues and concerns associated with the proposed works. The Environmental Report was circulated to the Ontario Pipeline Coordinating Committee on September 17, 2012 for

the purpose of review and comments. There were no outstanding concerns identified by the Committee.

Enbridge held a public information session on the project on July 9, 2012 and sought input from the public during the route selection process. Through that process Enbridge incorporated comments received into its final route selection decision.

Enbridge also noted that it has informed all relevant and appropriate agencies and stakeholders of its proposed project, including Aboriginal groups.

Board staff submits that all appropriate environmental issues and matters pertaining to pipeline design and location have been dealt with appropriately.

Land Issues

Board staff notes that the proposed pipeline is to be located entirely within the municipal road allowance in the Municipality of Clarington. In response to Board staff interrogatory #4, Enbridge noted that it has confirmed with Canadian Pacific Railway that there has been an unregistered transfer to the City of Clarington for the property at the southwest corner of Baseline Road and McKnight Road. Enbridge noted that an easement is no longer required from Canadian Pacific Railway. Board staff submits there are no outstanding issues related to land matters related to this application.

Conditions of Approval

Board staff interrogatory #5 requested Enbridge to respond to proposed conditions of approval (attached as Appendix A to these submissions). Enbridge responded that it does not have any concerns or comments. Enbridge further noted that all conditions set out by the Board will be adhered to. Board staff submits that with the proposed conditions of approval Board staff supports the request for leave to construct.

Conclusion

Board staff submits that the need for this project has been demonstrated by the applicant. Board staff has 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-2012-0382

EB-2012-0382**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-2012-0382 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, 2013, 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 members of the Ontario Pipeline Coordinating Committee ("OPCC").
- 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 Easement Agreements

- 4.1 Enbridge 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 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.