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March 20, 2013

**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. ("Enbridge")**  
**EB-2012-0438 - Innes Road Pipeline Replacement Project**  
**Interrogatory Responses**

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Further to the Ontario Energy Board's ("Board") Procedural Order No. 1, dated February 1, 2013, attached please find Enbridge's reply submission.

For your convenience an updated Exhibit List has also been provided (Exhibit A, Tab 1, Schedule 1, p. 2) and tabs have been provided for the Submissions (H Exhibits) and the Decision.

This submission is being filed through the RESS and the required paper copies are being sent to the Board.

For further information about the project, please visit the Enbridge website at:  
[www.enbridgegas.com/innesroad](http://www.enbridgegas.com/innesroad).

Yours truly,

(ORIGINAL SIGNED)

Shari Lynn Spratt  
Supervisor Regulatory Proceedings

cc: Ms. Zora Crnojacki, OPPC Chair  
Mr. Neil McKay, Manager Natural Gas Applications, Ontario Energy Board

## 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 and ancillary facilities in the City of Ottawa;

## REPLY SUBMISSIONS OF ENBRIDGE GAS DISTRIBUTION INC.

### Overview

1. Enbridge Gas Distribution Inc. ("**Enbridge**" or the "**Applicant**") applied for leave to construct approximately 2.8 kilometres ("**km**") of Nominal Pipe Size 12 ("**NPS 12**") Extra High Pressure ("**XHP**") steel pipeline and ancillary facilities (the "**Facilities**") generally along Innes Road in the City of Ottawa. In order to have the proposed Facilities in-service by October 2013, prior to winter, Enbridge requests a decision from this Board such that Enbridge may commence construction in May 2013.
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 leave to construct 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.

**Facilities and Project Need**

5. The Preferred Route begins at the intersection of Blair Road and Innes Road and proceeds west along Innes Road for approximately 2.8 km to the end point in the vicinity of St. Laurent Boulevard in the City of Ottawa. A map of the proposed pipeline can be found in Exhibit B, Tab 1, Schedule 1, Attachment 1.
6. The project is driven by the need for Enbridge to comply with its Integrity Management Program ("IMP"). Enbridge is obligated by a Director's order of the Technical Standards and Safety Authority and the code, CSA Z662, to have an IMP for pipelines operating at greater than 30% Specified Minimum Yield Strength ("SMYS").

7. The existing NPS 8 XHP pipeline operates at a 35.9% SMYS and therefore requires in-line inspection prior to the end of 2013. In order to conduct an in-line inspection of the NPS 8 pipeline, approximately 60% of the existing facilities need to be replaced to accommodate the in-line inspection equipment.
8. Given the significant retrofit required to complete an in-line inspection, Enbridge considered several options: (i) pressure reduction to below 30% SMYS; (ii) retrofit for in-line inspection and potential additional repairs; (iii) replace with NPS 8; and (iv) replace with NPS 12 proposed Facilities.
9. Given the distribution system configuration, the system benefits and the relative costs of the various options, Enbridge chose to replace the existing facilities with the NPS 12 proposed Facilities. Board Staff supported Enbridge's proposal.

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

10. The route and location for the proposed Facilities were selected by Dillon Consulting Ltd. ("**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 and the extensive consultation (including aboriginal consultation) efforts. At page 115 of the Environmental Report, Dillon concluded:

"Dillon does not anticipate any long term impacts from the construction and/or operation of the proposed pipelines based upon the mitigation measures recommended in this report."

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 Oil and Gas Pipeline Systems Code, current version.

#### **Project Economics**

14. As this project was not an expansion to supply new growth, Enbridge did not use 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.
15. Enbridge provided an economic comparison of three alternative solutions which considered the construction and long-term costs to implement each solution. The preferred option results in potentially higher costs than the remaining options but provides significant system benefits.
16. As such, Board Staff concurred with Enbridge that its choice of economic analysis and proposed solution was appropriate.

#### **Land Issues**

17. 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.

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

#### **Conclusion**

20. Board Staff concurred with Enbridge's approach and recommended granting leave to construct. 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 proposed form of easement agreement be approved.

DATED March 20, 2013 at Toronto, Ontario.

**ENBRIDGE GAS DISTRIBUTION INC.**  
By its counsel

**AIRD & BERLIS LLP**

[original signed]

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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	1	Application
		2	OPCC Distribution List
		3	List of Interested Parties
	3	1	History & Existing Operation
		2	Purpose, Need, Proposed Facilities and Timing

### B – ROUTING AND ENVIRONMENTAL

B	1	1	Preferred & Alternative Routes
	2	1	Environmental Implementation Plan
		2	<i>Innes Road Pipeline Replacement Project – Environmental Report – Dillon Consulting</i>

### C – FACILITIES AND PROJECT COSTS

C	1	1	Design Specifications – NPS 12
		2	Hydrostatic Test Procedures
	2	1	Total Estimated Project Costs
		2	Proposed Construction Schedule

D – LAND ISSUES

<u>EXHIBIT</u>	<u>TAB</u>	<u>SCHEDULE</u>	<u>DESCRIPTION</u>
D	1	1	Land Requirements
		2	Permits and Agreements Required
		3	Negotiations to Date
		4	Affidavit Search of Title

E - OTHER MATTERS

E	1	1	Aboriginal Consultation
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F – INTERROGATORY RESPONSES

F	1	1 to 7	Interrogatory Responses to Board Staff
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G - SUBMISSIONS

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G	1	1	Board Staff Submission
	2	1	Enbridge Reply Submission