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April 15, 2015

VIA RESS, E-MAIL & COURIER

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-2014-0378 – Storage Wells in Designated Storage Area
Reply Submission

The Ontario Energy Board ("Board") issued Procedural Order No. 1 on March 19, 2015 wherein the Board indicated that Enbridge may file a reply response by April 15, 2015.

Attached please find Enbridge's reply response which has been filed through the Board's Regulatory Electronic Submission System.

For further information about the project, please visit the Other Regulatory Proceedings tab on the Enbridge website at: www.enbridgegas.com/ratecase.

Sincerely,

(ORIGINAL SIGNED)

Shari Lynn Spratt
Supervisor Regulatory Proceedings

Enclosure

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 two well drilling licenses in the
Wilkesport Designated Storage Area.

REPLY SUBMISSIONS OF
Enbridge Gas Distribution Inc.

Overview

1. Enbridge Gas Distribution Inc. (“Enbridge” or the “Applicant”) applied to the Ministry of Natural Resources and Forestry (“MNRF”) on December 17, 2014 for approval to drill two wells in the Wilkesport Designated Storage Area (“Wilkesport DSA”). Section 40 of the OEB Act obligates the Minister of MNRF to refer the matter to the Ontario Energy Board (the “Board”) to prepare a report to the Minister in determining whether or not to approve the well applications.
2. The Application deals with the proposed drilling of two horizontal wells, T.W.#15 (Horiz.#1) Sombra 3-15-XIII and T.W.#16 (Horiz.#1) Sombra 3-15-XIII. These wells are proposed to replace the deliverability lost due to the abandonment of two wells in 2014 and the planned abandonment of three more wells in 2015. A new gathering line is required and is the subject of a Leave-To-Construct exemption application (EB-2015-0033) currently at the Board.
3. The OEB did not receive any requests for intervenor status.

4. Board Staff is supportive of the Application. In its April 10, 2015 submission, "Board Staff submits that OEB Report should support the issuance by the MNRF of a well drilling licences subject to proposed conditions of approval and a satisfactory review of Risk Assessment by the MNRF."

General Requirements

5. In a prior proceeding, EB-2012-0060, at page 2, the Board expressed the issues which it considers in the making of a Report for the Minister as follows:

"Enbridge is considered technically competent to undertake the planned drilling programs and the proposed well completion activities. It is expected that the Applicant is able to conduct these activities responsibly and safely and at the level required by the relevant codes and standards."

Need

6. The two horizontal wells are proposed to replace the deliverability lost due to the abandonment of two wells in 2014 and the planned abandonment of three more wells in 2015. The five wells are to be abandoned as they are located within a flood plain and access to the wells is impeded.

Drilling Procedures

7. Enbridge filed its proposed drilling program as part of each well application. Enbridge confirms it will comply with CSA Z341 standards to the satisfaction of the MNRF.
8. The MNRF has indicated it has no concerns with the proposed drilling programs filed with the application.
9. Enbridge has completed a risk assessment and would be reviewing it with the MNRF.

Environmental Impacts of Drilling and Construction

10. Enbridge conducted several studies to address the potential environmental impacts of the well drilling operation in the Wilkesport DSA. They include an Environmental Report Update, a Baseline Private Water Well Monitoring Report and a Stage 1-2 Archaeological Assessment. (Please refer to response to Board Staff Interrogatory #3.) Enbridge will adopt the mitigation measures recommended in those reports.
11. The conclusion of the environmental review was *"Anticipated cumulative effects related to the project are not considered to be significant. The contingency and monitoring plans presented in the original ER should be adhered to and implemented in the case of an unplanned event."*

Landowner Matters

12. The wells will be located on Enbridge's property. The only property owner directly affected is Enbridge.
13. Access to the well locations will be by an abandoned public road allowance. The two properties adjacent to this road will not be directly affected. Enbridge has notified the owners of the adjacent properties of the project and will continue to inform the landowners on the scope of the work. Please refer to the response to Board Staff Interrogatory #1a.
14. The notification of this application was sent to other landowners in the Wilkesport DSA although they are not directly affected. None of the landowners applied to be intervenors. There are no outstanding landowner matters related to the two proposed wells.

Conditions of Approval

15. Enbridge confirms it does not have any concerns or comments on the amended conditions of approval attached to Board Staff's April 10, 2015 submission.

Conclusion

16. Enbridge operates several storage facilities in Ontario, including the Wilkesport DSA in which the two wells are to be drilled. No party has raised any concern regarding the drilling of the proposed wells. Board Staff and the MNRF are supportive of the applications.
17. Enbridge respectfully requests the Board issue a report at its earliest opportunity recommending the Minister of Natural Resources and Forestry approve the requested Application to drill the two horizontal wells in the Wilkesport DSA.

DATED April 15, 2015 at Toronto, Ontario.

ENBRIDGE GAS DISTRIBUTION INC.

[Original Signed]

Edith Chin