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VIA COURIER, RESS and EMAIL

October 9, 2015

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

**Re: Ontario Energy Board File No. EB-2015-0194
Enbridge Gas Distribution Inc. – CNL Chalk River Facility Pipeline Project
Reply Submission**

In accordance with Procedural Order No.1 dated September 11, 2015, please see the attached Submission provided by Enbridge Gas Distribution.

Please contact the undersigned if you have any questions.

Yours truly,

(Original Signed)

Stephanie Allman
Regulatory Coordinator

cc: Scott Stoll, Legal Counsel, Aird & Berlis LLP

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 an NPS 6 natural gas distribution pipeline and ancillary facilities in Deep River and Town of Laurentian Hills, in the County of Renfrew.

REPLY SUBMISSIONS OF ENBRIDGE GAS DISTRIBUTION INC.

1. These are the Reply Submissions of the Applicant, Enbridge Gas Distribution Inc. (“**Enbridge**”).
2. Following publication and serving of the Notice of Application as required by the Board, one intervenor, Canadian Nuclear Laboratories (“**CNL**”), the customer, came forward to participate in the proceeding. Only Board Staff actively participated in the proceeding. CNL is supportive of Enbridge’s application.
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 any approval granted by this Board.
4. Specifically, 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 facilities; 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.
5. In leave to construct applications, the Board is required to consider the public interest, and where the public interest is served by the project, the Board is to grant leave to construct. Public interest is determined by the Board using the following considerations:

(a) purpose and need for the project; (b) environmental considerations; (c) project feasibility; (iv) land matters; and (v) consultation obligations.

Facilities and Project Need

6. Enbridge has applied to the Board for leave to construct approximately 8.9 km section of Nominal Pipe Size (“**NPS**”) 6 steel pipeline plus ancillary facilities (the “**Facilities**”) to service the CNL facility in Chalk River. A map showing the proposed pipeline route was provided at Exhibit B, Tab 1, Schedule 1, Attachment 1.
7. The proposed pipeline is approximately 8.9 km in length and would originate at the Enbridge Chalk River Gate Station located at 30855 Highway 17, approximately 1 kilometre (km) southeast of the Village of Chalk River in the Town of Laurentian Hills. The proposed pipeline would travel northeast along an existing Hydro One easement, traverse north on Baggs Road (which is a trail) and northeast along Plant Road to the CNL Facility and terminate at the CNL Power Plant within the existing CNL property limits near Chalk River.
8. Ancillary facilities include approximately 1.3 km of NPS 6 intermediate pressure polyethylene pipe and upgrades to the existing Chalk River Gate Station
9. The CNL Chalk River facility currently uses Bunker C fuel oil, propane and electricity for heating and steam generation. CNL is proposing to replace its Bunker C fuel oil, propane and electric heat with natural gas. The fuel replacement will enable CNL to reduce operating costs and reduce its environmental footprint. There are no existing distribution facilities capable of supplying CNL in the immediate vicinity of the CNL facilities. As such, Enbridge has to construct facilities to provide distribution service to CNL.
10. CNL has provided Enbridge with a letter of support on the proposed facilities. Please refer to Exhibit A, Tab 3, Schedule 1, Attachment 1. CNL and Enbridge have entered into a financial agreement for the construction of the project should the Board grant leave to construct. Enbridge confirms it has requested the financial security from CNL.

Environmental Assessment and Pipeline Design

11. The route and location for the proposed Facilities were selected by Stantec Consulting Ltd. (“**Stantec**”), 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**”).
12. The Environmental Report is found at Exhibit B, Tab 1, Schedule 3 and details the route selection process, the extensive consultation (including aboriginal consultation) efforts and includes an archaeological assessment. At page 145 of the Environmental Report, Stantec concluded:

“In the opinion of Stantec, the recommended comprehensive program of mitigation, restoration, inspection, monitoring and contingency measures addresses the concerns raised during the public consultation process, as well as potential impacts, including cumulative effects, identified during a detailed review of Preferred Route.

No significant adverse effects on environmental and socio-economic features are likely to occur as a result of the Enbridge pipeline project, with the implementation of the recommended environmental mitigation and related programs.”
13. Enbridge confirms it will adhere to the recommendations included in the Environmental Report. Further, Enbridge confirmed in a letter dated September 23, 2015 that it will comply with the requests of the Ministry of Transportation in respect of the highway crossing.
14. 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. This has been confirmed in correspondence from the Technical Standards and Safety Authority.
15. Because of the location of the Facilities, there is a potential for the use of explosive for the removal of rock to install the Facilities. While not currently planned, if blasting becomes necessary, Enbridge will obtain any necessary approvals and implement the notification procedures and resolution procedures provided and the recommendations of Board Staff.

Project Economics

16. The overall feasibility of the project has been determined using 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.
17. The economic analysis is performed discounting incremental cash flows over the 20-year revenue horizon from CNL using the feasibility parameters from EB-2014-0276 as required by the Board. CNL is providing a contribution in aid of construction to make the Profitability Index equal 1.0. There are sufficient provisions within the agreement between Enbridge and CNL to protect Enbridge and ratepayers in the event the installation price is higher than forecast or CNL ceases to become a customer of Enbridge.
18. Board Staff have acknowledged the economic analysis was performed consistent with the Board’s direction in these matters.

Land Issues

19. 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.
20. Enbridge plans to install the proposed Facilities within the existing municipal road allowance and upon private lands where it has entered into arrangements with the landowners. Enbridge has included a form of easement agreement (Exhibit D, Tab 1, Schedule 3) that has been and would be offered to the landowner for any land for which an easement is necessary. Enbridge is working diligently with the Department of National Defence and the private landowner to conclude arrangements for an easement.
21. Enbridge confirms it will obtain all of the necessary approvals and permits for the construction of the Facilities.

Aboriginal Consultation

22. Stantec contacted First Nations, Métis and related agencies to identify the potential for impacting existing or asserted Aboriginal, land claim or treaty rights in accordance with the requirements of the Guideline.
23. Stantec provided notice and followed up with each of the identified persons. Pikwàkanagàn First Nation has shown interest in the project. No other group or organization expressed any interest or concern with the proposed Facilities. No First Nation or Métis group has requested intervenor or observer status in the proceeding.
24. The Algonquins of Pikwàkanagàn First Nation have indicated to Enbridge that:

“pipeline owners and proponents of new lines should be proposing accommodation and compensation to the Algonquins of Pikwàkanagàn when seeking consent for their projects”.
25. Enbridge has requested an in-person meeting with the Algonquins of Pikwàkanagàn in order to understand their concerns. A meeting has been arranged for October 26, 2015. Enbridge will continue to communicate with the Algonquins of Pikwàkanagàn to further mutual understanding of the project.

Conclusion

26. Construction is scheduled to commence no later than January 2016. Enbridge provided a project schedule at Exhibit C, Tab 1, Schedule 3 which has an in-service date of October 2016 to meet CNL’s request. CNL and Board Staff support granting Enbridge leave to construct.
27. As such, Enbridge submits the proposed Facilities are in the public interest and that there are no outstanding issues.

28. Enbridge requests the Board grant it leave to construct the Facilities and that its proposed form of easement agreement be approved.

Dated: October 9, 2015

ENBRIDGE GAS DISTRIBUTION INC.
By its Counsel

AIRD & BERLIS LLP

(Original Signed)

Scott Stoll

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