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BY EMAIL

February 1, 2016

Ms. Kirsten Walli OEB
Secretary Ontario
Energy OEB P.O. Box
2319
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**Re: OEB Staff Submissions: Application for Enbridge Gas Distribution Inc. for
Drilling Well within Corunna Designated Storage Area
OEB File No: EB-2015-0303**

Pursuant to Procedural Order No. 1 dated December 21, 2015, please find attached
OEB staff's submissions for the above proceeding.

Yours truly,

Originally Signed By

Zora Crnojacki
Project Advisor



OEB STAFF SUBMISSIONS

**Enbridge Gas Distribution
Application for
Well Drilling Licence (EB-2015-0303)**

February 1, 2016

The Application

Enbridge Gas Distribution Inc. (Enbridge) filed an application dated November 6, 2015 with the Ministry of Natural Resources and Forestry (MNRF) for one well drilling licence in the Corunna designated storage area (Corunna Pool). Pursuant to section 40 of the *Ontario Energy OEB Act, 1998* (Act), the Minister of MNRF referred the application to the Ontario Energy Board (OEB) on November 24, 2015 for a report (OEB Report). Enbridge applied for a licence to drill well TC 9H(HORIZ#1) Moore 4-2-x located in the Township of Moore, Lambton County.

Process

On December 1, 2015 the OEB issued a Notice of Application (Notice). The Notice was served and published as directed by the OEB. The MNRF was an intervenor in the proceeding. On December 21, 2015 the OEB issued Procedural Order No. 1 which set the schedule for a written proceeding including dates to file interrogatories, interrogatory responses, submissions, and a reply submission from Enbridge.

Evidence

Enbridge plans to start drilling on April 1, 2016.

The need for the new Injection/Withdrawal (I/W) well is, according to Enbridge, to replace the deliverability loss resulting from abandoning two I/W wells and conversion of one injection well to an observation well in the Corunna Pool.

An Environmental Screening Report (ER) was completed by Stantec Consulting Ltd. Enbridge filed the ER with the OEB and the MNRF. Enbridge confirmed that it would follow the recommendations of the ER to ensure mitigation and land restoration measures are implemented.

The MNRF requires Enbridge to meet the requirements of CSA Z341 "Storage of Hydrocarbons in Underground Formations" (CSA Z341). A Drilling Program was submitted to the MNRF for review. Enbridge submitted the Risk Assessment study to the MNRF on January 12, 2016. The MNRF actively participated in the written process and confirmed that it has received the Risk Assessment Study and would be reviewing it. The MNRF also submitted that it has no objections with the approval of the application.

According to Enbridge the drilling of the proposed well will have potential

impact on one private landowner on whose property the well is to be located. In the Application for Well Licence (Form 1), it is noted that this landowner whose consent is required for the well application and drilling is “unavailable for signature, still attempting to contact”. In response to OEB staff interrogatories Enbridge explained that it has not been successful in meeting and communicating with this landowner to obtain final consent and signature to the Form 1. Enbridge stated it would continue its attempts to contact the landowner to obtain the consent signature on Form 1.

OEB Staff Submissions

OEB staff submits that OEB Report should support the issuance by the MNRF of a well drilling licence subject to the landowner signature on Form 1, the proposed conditions of approval, and a satisfactory review of Risk Assessment by the MNRF.

OEB staff notes that obtaining the landowner signature on Form 1 and consent to proceed with the proposed well drilling is a requirement under the Oil, Gas and Salt Resources Act and Regulations.

OEB staff submits that Enbridge adequately addressed the need for the wells as well as satisfying OEB staff that there are no construction and environmental issues.

As part of the interrogatories process, OEB staff proposed conditions of approval. The proposed conditions of approval relate to the authority to issue the licence and the term of the drilling licence, certain construction requirements, monitoring and reporting of any mitigation for construction impacts, and state that Enbridge should conform to the CSA Z341 standards to the satisfaction of the MNRF. In response to OEB staff interrogatory #4, Enbridge confirmed that it did not have comments on OEB staff’s draft conditions of approval with the exception of proposed condition 3.1. Enbridge asked that the timeline for filing interim and final monitoring reports be revised so that the deadline for filing these reports be the following June 1 if the deadline six and fifteen months of the in-service date falls between December 1 and May 31. Enbridge explained that this revision is requested because of difficulties to assess project area in the winter and early spring because of weather conditions. OEB staff agrees with the proposed revision of condition 3.1. The revised section of condition 3.1 is included in the proposed conditions of approval contained in Appendix A.

Regarding the requirements of CSA Z341, OEB staff notes that the MNRF has indicated it has no objection to recommended approval of Enbridge’s

application subject to OEB staff proposed conditions of approval. The MNRF also noted that it agrees with the revision of condition 3.1 proposed by Enbridge.

The MNRF confirmed that it received the Risk Assessment study from Enbridge and will review it against the requirements of CSA Z341. Regarding the Risk Assessment, Enbridge indicated that it expects that the approval of the application would be conditional upon compliance with the CSA Z341 and MNRF's acceptance of the Risk Assessment.

OEB staff respectfully submits that a favourable OEB Report, under subsection 40(1) of the Act, be provided to the MNRF to whom Enbridge has applied for licence to drill one proposed I/W well in the Corunna Pool, subject to: (i) Enbridge obtaining the landowner signature on Form 1 and consent to proceed with the proposed well drilling; (ii) the proposed conditions of approval attached as Appendix A of this submission; and (iii) a satisfactory review of Risk Assessment study by the MNRF and adherence to all requirements of the CSA Z341 to satisfaction of the MNRF.

All of which is respectfully submitted.

APPENDIX A

OEB STAFF PROPOSED CONDITIONS OF APPROVAL

**LICENCE TO DRILL WELL IN CORUNNA
DESIGNATED STORAGE AREA**

**Enbridge Gas Distribution Inc.
EB-2015-0303**

**OEB Staff Proposed Conditions of Approval
Well Drilling Licence Application**

1. General Requirements

- 1.1. Enbridge Gas Distribution Inc. (Enbridge) shall rely on the evidence filed with the OEB in EB-2015-0303 proceeding and comply with applicable laws, regulations and codes pertaining to the construction of the proposed wells.
- 1.2 Authorization for the issuance of the drilling licence is limited to twelve months from the date of the OEB's Report to the Ministry of Natural Resources and Forestry.
- 1.3 The authority granted under this Order to Enbridge is not transferable to another party without leave of the OEB. For the purpose of this condition another party is any party except Enbridge Gas Distribution Inc.

2. Construction Requirements

- 2.1 Enbridge shall construct the facilities and restore the land in accordance with its Application and evidence given to the OEB, except as modified by this Order and these Conditions of Approval.
- 2.2 Enbridge shall ensure that the movement of equipment is carried out in compliance with all procedures filed with the OEB, and as follows:
 - i) Enbridge shall make reasonable efforts to keep the affected landowner as well as adjacent landowners and their respective tenant farmers, or their designated representatives, informed of its plans and construction activities; and
 - ii) the installation of facilities and construction shall be coordinated

so as to minimize disruption of agricultural land and agricultural activities.

- 2.3 Enbridge shall, subject to the recommendation by an independent tile contractor and subject to the landowners approval, construct upstream and downstream drainage headers adjacent to the drilling area and access roads that cross existing systematic drainage tiles, prior to the delivery of heavy equipment, so that continual drainage will be maintained.

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 OEB. 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. Where the deadline falls between December 1 and May 31, the deadline will be revised to the following June 1. Enbridge shall attach a log of all complaints 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 the rehabilitated land and the effectiveness of the 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. Project and Communication Requirements

- 4.1 For the purposes of these conditions, conformity of Enbridge with CSA Z341 shall be to the satisfaction of the Ministry of Natural Resources and Forestry.
- 4.2 Enbridge shall designate one of its employees as project manager who will be responsible for the fulfilment of these conditions, and shall provide the employee's name to the Ministry of Natural Resources and

Forestry, the OEB and to all appropriate landowners.

- 4.3 The OEB's designated representative for the purpose of these Conditions of Approval shall be the Manager, Natural Gas Applications.