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VIA COURIER, RESS and EMAIL

February 11, 2016

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

**Re: Ontario Energy Board File No. EB-2015-0303
Enbridge Gas Distribution Inc. – Application to Drill Wells in a Designated
Storage Area - Reply Submission**

In accordance with Procedural Order No.1 dated December 21, 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. for one well drilling license in the Corruna Designated Storage Area.

SUBMISSIONS OF ENBRIDGE GAS DISTRIBUTION INC.

Overview

1. Enbridge Gas Distribution Inc. (“Enbridge” or the “Applicant”) applied on November 6, 2015 to the Ministry of Natural Resources and Forestry – Petroleum Operations Section (“MNRF”) for approval to drill one well, TC 9H (Horiz. #1) Moore 4-20-X (“TC9H”) in the Corruna Designated Storage Area (“DSA”). Section 40 of the OEB Act obligates the Minister of Natural Resources and Forestry (“MNRF”) to refer the matter to the Ontario Energy Board (the “Board”) to prepare a report which is binding upon the Minister in determining whether or not to approve the well applications.
2. Enbridge complied with the Board’s Letter of Direction dated December 1, 2015. Board Staff and the MNRF participated in the written hearing and one other person, the landowner provided a letter for comment. Both Board Staff and MNRF have no objection to the Board recommending approval of the Application subject to the draft conditions of approval which were slightly amended to permit additional time to complete reports where such deadline would fall within the winter / spring period.

Background

3. Enbridge is proposing a well be drilled to replace deliverability lost due to the abandonment of two wells and the conversion of one injection well to an observation well. The proposed well is about 21 metres from the gathering line for the pool.
4. The two wells, TC 4 and TC 6, were abandoned in 2015 and 2011, respectively. TC 4 was an observation well that did not provide accurate data with respect to reef pressure during injection and withdrawal operations. In conjunction with this, TC 3 was converted into an observation well – removing its ability to be used for injection purposes. Well TC 6 was abandoned because it could not be repaired to meet the CSA Z341 Standard. These changes have resulted in approximately 23% of the deliverability of the Corunna Pool being lost. The proposed well is intended to replace the lost deliverability.
5. In a prior proceeding, EB-2007-0891, at page 2, the Board expressed the issues which it considers in the making of a Report for the Minister as follows:

The Board's review is focused on the technical expertise and capability of the Applicant to safely drill the well, to maintain geological integrity of the designated storage pool, to ensure environmental protection of affected lands, and minimize adverse impacts on affected landowners.
6. The need, landowner, construction and environmental issues associated with prior well work and pipelines¹ were accepted by the Board. Enbridge views this application as a continuation and fulfillment of the previous work and its storage enhancement activities to meet the need for storage services.

¹ Please see EB-2010-0302, EB-2012-0060, EB-2014-0378, EB-2015-0033

7. Enbridge retained an independent environmental consultant to update² prior work done in relation to the previous well and pipeline work. The work was not anticipated to have any significant adverse impact on the environment.
8. Enbridge acknowledged its work would be in accordance with applicable regulatory requirements.
9. No parties raised any concerns with Enbridge's ability to fund, construct or operate the well safely and in an environmentally acceptable manner.
10. The MNRF, in its February 1 2016 submission, concluded that:

MNRF has no objection to a recommended approval of the application with the Board Staff proposed draft conditions of approval. We further have no objection to the revision to the Board Staff proposed draft conditions of approval as proposed by Enbridge (i.e. Article 3.1 being revised to enable slightly more time for the completion of monitoring reports where the deadline would otherwise fall within the winter/spring period).
11. Board Staff, in its February 4, 2016 supplementary staff submission, indicated that:

As a result of this clarification OEB staff amends its original submission and support 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) the proposed conditions of approval attached as Appendix A of the OEB staff submission filed on February 1, 2016; and (ii) a satisfactory review of Risk Assessment study by the MNRF and adherence to all requirements of the CSA Z341 to the satisfaction of the MNRF.

Land Issues

12. As a result of its existing approvals and land rights, no new easements or land acquisitions are required to complete the drilling or operation of the proposed well.

² EB-2015-0303 Exhibit I, Tab 1, Schedule 2, Appendix.

13. Enbridge will continue to engage the affected landowner to minimize the impact on the landowner and arrive at appropriate compensation.
Should Enbridge and the landowner not resolve compensation issues, the landowner may apply to the Board for resolution.

Conclusion

14. Enbridge operates several storage facilities in Ontario, including the DSA in which the observation well is to be drilled. No party has raised any concern regarding Enbridge's ability to carry out these activities and no party has raised any concern regarding the geologic integrity of the well.
15. Enbridge respectfully requests the Board issue a report at its earliest opportunity recommending the Minister of Natural Resources approve the requested Application to drill the requested well, TC 9H.

DATED February 11, 2016 at Toronto, Ontario.

ENBRIDGE GAS DISTRIBUTION INC.
By its counsel

AIRD & BERLIS LLP

(Original Signed
Scott Stoll