



# **ONTARIO ENERGY BOARD**

## **OEB STAFF SUBMISSION**

**April 4, 2016**

**Union Gas Limited  
Panhandle Relocation Project  
EB-2015-0366**

## Introduction

Union Gas Limited (Union) applied with the Ontario Energy Board (OEB) on January 7, 2016 under section 90 of the *Ontario Energy Board Act, 1998, S.O. 1998, c. 15*, Schedule B for approval to relocate and replace two existing pipelines (the Project). The Project is needed to accommodate the Windsor Detroit Bridge Authority's (WDBA) International Detroit River Crossing Project in the City of Windsor, and in particular the construction of a new customs and immigration plaza.

The proposed pipelines are part of Union's Panhandle System and will replace pipelines that supply gas to two gas fired generating stations as follows:

- The first section is a 1,470 m long NPS 12 pipeline replacing the existing NPS 12 supply pipeline to West Windsor Power station (WWP).
- The second section is a 1710 m long NPS 20 pipeline replacing the existing NPS 16 pipeline. This pipeline will supply gas to Brighton Beach Power station (BBP).

The existing pipelines will be abandoned and left in place in accordance with the Technical Standards and Safety Authority's (TSSA) "Pipeline Abandonment Checklist" filed in Schedule 7 of Union's evidence.

Commencement of construction of the proposed pipelines is scheduled for the spring of 2016. To coordinate this work with the plaza construction schedule, the construction must be finished by fall 2016. Tie-in to the power plants is planned for October 2016.

OEB staff supports Union's application subject to the proposed draft conditions of approval attached as Appendix A.

## Process

Union's application for leave to construct included a request for "an exemption, pursuant to s. 95 of the Act, from any requirement to hold a hearing". The OEB considered this request and decided to proceed with hearing the application. The OEB issued a Notice of Application (Notice) on February 5, 2016

Union served and published the Notice as directed. No one requested intervenor status. The OEB proceeded by way of a written hearing. In accordance with the procedural order issued on March 8, 2016, the interrogatory phase was completed on March 24, 2016.

### **Need for the Project**

The Project need is based on a request of the WDBA. The WDBA is responsible for the International Detroit River Crossing Project including a new customs and immigration plaza. To accommodate the construction of the plaza, Union's existing pipelines need to be relocated. These pipelines are part of Union's Panhandle System and supply gas to two gas fired generating plants. In OEB staff's view Union demonstrated that the Project is needed to accommodate construction of the plaza.

### **Project Cost and Economics**

The estimated cost of the Project is \$14.25 million. WDBA will reimburse Union for all costs associated with the Project.<sup>1</sup>

OEB staff has no concerns with the impact on Union's ratepayers as the Project cost will be fully recovered by WDBA.

### **The Environmental Assessment**

An Environmental Report (ER) was completed by Neegan Burnside Limited on behalf of Union. The ER was completed in accordance with the OEB's "Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines in Ontario" (2011).

Union provided the ER for review by the members of the Ontario Pipeline Coordinated Committee (OPCC), the City of Windsor, Essex Region Conservation Authority, First Nations and Métis Nation of Ontario. In response to OEB staff interrogatory #5, Union filed an updated summary of the comments received by the OPCC. There are no outstanding issues or concerns raised in the ER review. The ER included proposed mitigation measures to ensure that any impacts of Project construction are short-term, not significant and minimal. Union will appoint an inspector during construction to ensure that mitigation measures recommended in the ER are implemented.

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<sup>1</sup> EB-2015-0366, Union's evidence, Schedule 2, letter from WDBA to Union dated February 25, 2015.

On June 22, 2015 Union notified by letter First Nations and Métis communities potentially affected by the Project. Union has received a letter from the Chippewa of the Thames stating they had no concerns with the Project.<sup>2</sup> According to Union no other comments, concerns or issues by the First Nations or Métis Nation were received.

OEB staff has no concerns regarding the environmental assessment and consultation with First Nations and Métis communities. Union stated its commitment to implement the mitigation and inspection programs and to adhere to the proposed conditions of approval contained in Appendix A related to mitigation and construction monitoring and reporting.

### **Land Matters**

Union will conduct and complete construction of the Project prior to completion of the Plaza by the WDBA. The pipelines will be mainly located within the Plaza along a proposed future road allowance of the City of Windsor.

By late 2016, possibly after Union completes construction of the pipelines, WDBA will finalize the purchase of the land for the Plaza, including the new road allowance where the pipelines will be located. Once the purchase is finalized the WDBA will transfer the new roadway land rights to the City of Windsor. The rights to locate the pipelines in this new road allowance will be covered by the Franchise Agreement between Union and the City of Windsor.

Union explained that because it plans to start construction and complete the proposed project before the WDBA purchases the land and transfers land rights to the City of Windsor, it needs to acquire temporary and permanent land rights from WDBA, WWP and Infrastructure Ontario (IO), and temporary land rights from BBP and Nemak of Canada Corporation (Nemak). Union stated the acquisition of these land rights is underway and that no one has objected to granting Union these land rights.

In response to OEB staff interrogatories #1 and #3 Union updated the status of acquisition of the land rights as follows: Union has signed options for the necessary land rights with WWP; Union expects to have the land rights in place with WDBA and IO in the second quarter of 2016; Union expects to have the temporary land rights in place with BBP in the second quarter of 2016. Union noted that negotiations for temporary

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<sup>2</sup> EB-2015-0366, Union's response to OEB staff interrogatory # 5(b), Schedule 2 Letter from Chippewas of the Thames First Nation, dated October 5, 2015.

land rights with Nemak are underway and that if Nemak does not grant Union the temporary land rights Union plans to construct the Project without using temporary lands on the Nemak property.

The construction of launcher and receiver facilities is part of the Project and Union will need land rights for locating the launcher facilities. To obtain these land rights Union has commenced discussions with the City of Windsor. The land rights for the launcher receiver facility will be subject to Union's Franchise Agreement with the City of Windsor. The City of Windsor and Union have agreed to the location and restoration activities required to construct the proposed facilities.

Section 97 of the OEB Act requires Union to satisfy the OEB that it has offered or will offer to each owner of land affected by the pipeline route an agreement in a form approved by the OEB. Union filed a form of easement agreement in Schedule 9 that has been or will be offered to WWP, WDBA and IO. In response to OEB staff interrogatory #4 Union stated that the form of easement agreement Union offered to the affected landowners was previously approved by the OEB in EB-2013-0420 and EB-2014-0041.

OEB staff has no concerns regarding land related matters and notes that the form of easement agreement Union has offered to affected landowners was previously approved by the OEB.

### **Conditions of Approval**

In response to OEB staff interrogatory 6, Union accepted the draft conditions of approval proposed by OEB staff. The conditions are attached as Appendix A to this submission.

All of which is respectfully submitted.

**Appendix A**

**to**

**OEB Staff Submission**

**Leave to Construct Conditions of  
Approval  
Application under Section 90 of the  
OEB Act  
Union Gas Limited  
EB-2015-0366**

1. Union Gas Limited (Union) shall construct the facilities and restore the land in accordance with the Board's Decision and Order in EB-2015-0366 and these Conditions of Approval.
2. (a) Authorization for leave to construct shall terminate 12 months after the decision is issued, unless construction has commenced prior to that date.  
  
(b) Union shall give the Board notice in writing:
  - i. of the commencement of construction, at least ten days prior to the date construction commences;
  - ii. of the planned in-service date, at least ten days prior to the date the facilities go into service;
  - iii. of the date on which construction was completed, no later than 10 days following the completion of construction; and
  - iv. of the in-service date, no later than 10 days after the facilities go into service.
3. Union shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
4. Union shall advise the Board of any proposed change to Board-approved construction or restoration procedures. Except in an emergency, Union shall not make any such change without prior notice to and written approval of the Board. In the event of an emergency, the Board shall be informed immediately after the fact.

5. Both during and after construction, Union shall monitor the impacts of construction, and shall file with the Board one paper copy and one electronic (searchable PDF) version of each of the following reports:
- a) a post construction report, within three months of the in-service date, which shall:
    - i. provide a certification, by a senior executive of the company, of Union's adherence to Condition 1;
    - ii. describe any impacts and outstanding concerns identified during construction;
    - iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction;
    - iv. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions; and
    - v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project.
  - b) a final monitoring report, no later than fifteen months after the in-service date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:
    - i. provide a certification, by a senior executive of the company, of Union's adherence to Condition 3;
    - ii. describe the condition of any rehabilitated land;
    - iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction;
    - iv. include the results of analyses and monitoring programs and any recommendations arising therefrom; and
    - v. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions.