



ONTARIO ENERGY BOARD

OEB STAFF SUBMISSION

UNION GAS LIMITED

LEAMINGTON EXPANSION PROJECT

EB-2016-0013

June 14, 2016

Background

Union Gas Limited (Union) filed an application with the Ontario Energy Board (the OEB) on January 14, 2016, in accordance with section 90 of the *Ontario Energy Board Act, 1998* (the Act), for leave to construct a natural gas pipeline and ancillary facilities to serve the growing greenhouse market in the Municipality of Leamington. The Leamington Expansion Project (the Project) consists of 6.7 km of NPS 12 natural gas pipeline, 250 metres of NPS 16 natural gas pipeline, 60 metres of NPS 8 natural gas pipeline and ancillary facilities.¹

The Project will provide an additional 51,900 m³/hour of firm capacity to greenhouse growers in the project area (which includes Leamington, Kingsville, Mersea Township and Gosfield South).² The Project also creates 17,500 m³/hour of additional interruptible capacity and also allows currently contracted interruptible capacity to be re-sold as customers convert their existing interruptible service to firm service.³

OEB Staff Submission

The following submission addresses only the issues related to: (a) land matters; (b) environmental assessment; (c) First Nations and Métis consultation; and (d) conditions of approval. The remainder of the issues (including the project need, project alternatives and project economics) were addressed by OEB staff in its submission filed with the OEB on May 3, 2016.

Land Matters

Hydro One Networks Inc. (Hydro One) raised concerns with the pipeline routing proposed by Union for the Project. The proposed routing places the Project and Hydro One's previously approved SECTR project in close proximity to each other.

At the oral hearing, the OEB heard testimony from both Union and Hydro One regarding the co-location of the Project and Hydro One's SECTR project. Both parties agreed that an AC Interference Study would need to be completed to determine whether the Project and Hydro One's SECTR project could be safely constructed in close proximity.

Union filed the AC Interference Study prepared by Corrosive Service Company Limited (CSCL) on May 19, 2016.

¹ EB-2016-0013, Pre-Filed Evidence at p. 1.

² EB-2016-0013, Pre-Filed Evidence at p. 1.

³ EB-2016-0013, Union Interrogatory Responses, OEB Staff 1(e).

On June 3, 2016, Hydro One filed a letter stating that it had come to an agreement with Union regarding the co-location of each company's facilities. Hydro One stated that there is very low risk to the co-location of both facilities, subject to a mandatory minimum separation of 4 meters between the edge of the tower footing and the edge of the pipeline wall. Hydro One believes that there is low risk to the co-location due to the low ground resistivity, low short-circuit levels at the location, and the planned provision of two skywires / shieldwires on the transmission towers.⁴

Union also filed a letter on June 3, 2016, which agreed with the facts and stipulations set out in Hydro One's letter.⁵

OEB staff supports the agreement reached by Hydro One and Union as it allows both the Project and Hydro One's SECTR project to be constructed in close proximity in a safe manner and does not result in any delays or cost overruns to either project.

OEB staff understands that the agreement, which requires a minimum separation of 4 meters between the edge of the tower footing and the edge of the pipeline wall, does not require any changes to Union's proposed route for the Project.

Union noted that the Project will be constructed on private easement lands, road allowances and an abandoned railway corridor owned by the Municipality of Leamington.⁶ Union also stated that it has all of the necessary land rights required for the construction and operation of the pipeline.⁷

Therefore, as Hydro One no longer opposes the routing for the Project and Union has all of the necessary land rights to construct and operate the pipeline, OEB staff submits that Union has adequately addressed all of the land issues associated with the Project.

Environmental Assessment

The Environmental Report (ER) prepared for the Leamington Expansion Project indicates that the environmental and socio-economic effects associated with the project are short-term and minimal. Union noted that there are no significant cumulative effects as a result of the pipeline construction.⁸

Union noted that it submitted a copy of the ER to the Ontario Pipeline Coordination Committee (OPCC), local municipalities, the Essex Region Conservation

⁴ EB-2016-0013, Hydro One Letter, June 3, 2016.

⁵ EB-2016-0013, Union Letter, June 3, 2016.

⁶ EB-2016-0013, Pre-Filed Evidence at p. 12.

⁷ EB-2016-0013, Union Interrogatory Responses, OEB Staff 6(a).

⁸ EB-2016-0013, Pre-Filed Evidence at p. 12.

Authority, First Nations and Métis.⁹

In its interrogatory responses, Union filed a summary of comments received from interested parties related to the ER and provided its planned actions to mitigate those concerns.¹⁰

Union and the OEB received a letter from the Ministry of Tourism, Culture and Sport (MTCS), which advised that the Criteria for Evaluating Potential for Built Heritage Resources and Cultural Heritage Landscapes as provided in the ER for the Project did not encompass the full footprint of the Project and requires resubmission.¹¹ Union noted that it retained the services of Aecom Environmental to reevaluate and resubmit a cultural heritage assessment to the MTCS.¹²

With the exception of the cultural heritage assessment, OEB staff submits that Union has adequately addressed the concerns set out in the comments received from interested parties related to the ER.

OEB staff submits that Union should advise the OEB, as part of its reply submission, of the outcome of its revised submission to the MTCS of the cultural heritage assessment for the Project. If the cultural heritage assessment for the Project has not yet been approved by the MTCS, Union should advise the OEB as to the expected timing of that approval.

OEB staff notes that the standard Condition of Approval 6 (a)(v), which Union agreed should be included as part of the leave to construct related to the Project, requires that a senior executive of Union provide a certification that the company has obtained all approvals, permits, licenses and certificates required to construct, operate and maintain the Project.¹³ Therefore, OEB staff has no concerns with the OEB granting leave to construct for the project, even if the cultural heritage assessment has not yet been approved by the MTCS, as Union will be required to certify, as part of the post construction report, that all of the necessary approvals have been obtained.

Finally, as agreed to by Union in its application, OEB staff expects that Union will ensure that all recommendations in the ER, commitments and conditions of approval will be followed during the construction process.¹⁴

First Nations and Métis Consultation

⁹ EB-2016-0013, Pre-Filed Evidence at p. 11.

¹⁰ EB-2016-0013, Union Interrogatory Responses, OEB Staff 5(a), Schedule 1.

¹¹ EB-2016-0013, Ministry of Tourism, Culture and Sport Letter, February 4, 2016.

¹² EB-2016-0013, Union Interrogatory Responses, OEB Staff 4(a).

¹³ EB-2016-0013, Union Interrogatory Responses, OEB Staff 8.

¹⁴ EB-2016-0013, Pre-Filed Evidence at p. 12.

Union described the consultation process undertaken with the First Nations and Métis. Union noted that no issues had been raised regarding the project and that it is not expecting any issues to be brought forward by the First Nations and Métis due to the location and specifics of the Project.¹⁵

Union stated that it will continue to monitor and ensure communication is maintained with the First Nations and Métis for the duration of the project.¹⁶

In OEB staff's view, Union appears to have made adequate attempts to engage with the First Nations and Métis and no concerns have been raised. On this basis, OEB staff submits that the duty to consult has been sufficiently discharged for the Project unless any new information is received before the OEB issues its decision.

Conditions of Approval

OEB staff provided Union a list of draft conditions of approval for the Project in its interrogatories. In response, Union stated that it was willing to accept all of the draft conditions of approval set out in OEB staff's interrogatory.¹⁷

Hydro One also requested that the OEB add the following conditions of approval if it decides to grant Union leave to construct the Project:

- (a) the edge of the Union pipeline wall, for the entire co-location of the Union pipeline and the Hydro One transmission towers, be at least 4 metres from the footing of each Hydro One tower; and
- (b) Union and Hydro One enter into a written agreement whereby Union agrees to the commitment stated in (a) above.¹⁸

Union stated that it was prepared to sign the agreement contemplated in Hydro One's letter.¹⁹

OEB staff submits that the conditions of approval set out in its interrogatory should be included as part of the OEB's decision if the OEB decides to grant Union leave to construct. In addition, OEB staff submits that the two additional conditions of approval requested by Hydro One are appropriate in the circumstances.

¹⁵ EB-2016-0013, Pre-Filed Evidence at pp. 14-15.

¹⁶ EB-2016-0013, Union Interrogatory Responses, OEB Staff 7(a).

¹⁷ EB-2016-0013, Union Interrogatory Responses, OEB Staff 8.

¹⁸ EB-2016-0013, Hydro One Letter, June 3, 2016.

¹⁹ EB-2016-0013, Union Letter, June 3, 2016.

All of which is respectfully submitted.