

**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 Pembina Infrastructure and Logistics LP for a permit to drill hydrocarbon injection and withdrawal wells within the vicinity of the Moore 3-21-XII Designated Storage Area and to expand the storage capacity at the Corunna Storage Terminal;**

**AND IN THE MATTER OF Ontario Energy Board File Number EB-2015-0032**

**Responses of Pembina Infrastructure and Logistics LP  
to Interrogatories of Ontario Energy Board dated June 14, 2016**

**Interrogatory #1**

- Reference:** Letter to the OEB by Pembina, dated April 29, 2016 "Risk Assessment" pages 2 and 3 and attachment "Project Specific Information Package" dated April 26, 2016.
- Preamble:** In a letter to the OEB, dated April 29, 2016, Pembina informed the OEB that it notified all interested parties about the new filings and amending the application by way of sending a "Project Specific Information Package" with the notification. Pembina stated that, as of April 29, 2016, it did not receive any comments/concerns from the notified parties.
- Question/  
Request:**
- a) Please file a list of all parties that Pembina contacted and notified about the amended application in April 2016.
  - b) Please update the OEB on any comments Pembina has received since April 29, 2016 and any response Pembina has provided to interested parties. Is Pembina planning to address any concerns received to date and if so, explain how?
  - c) Please provide any updates on the consultation and communication with the Aamjiwnaang First Nations (AFN) since September 11, 2015 when the OEB placed Pembina's application in abeyance.
  - d) Did Pembina notify the AFN about the amended application?
  - e) Are there any outstanding landowner matters related to development and operation of Cavern 45?
- Response:**
- a) Please find attached as **Appendix A** – List of Parties Pembina contacted and notified about the amended application in April 2016. Please note that Pembina has not filed a non-redacted version of the List of Parties as, all parties contained on the list are the same as Appendix E to the Application. In addition to those parties listed on the attached, Pembina contacted all Intervenor regarding the amended application in April 2016.
  - b) Since April 29, 2016 to date, Pembina has not received any comments. Pembina is committed to establishing long term relationships with interested parties, and this will continue throughout the development, construction and operating phases of the Cavern 45 Project.



- c) Pembina notified all Intervenor, including the AFN, that it had placed the application in abeyance.

Since September 11, 2015, Pembina has focused on active engagement with the AFN including providing the AFN with additional Project information, follow-up communications and face-to-face meetings. Most recently, Pembina met with the Chief and Council of the AFN on March 7, 2016.

To date, the AFN have not raised any concerns. Pembina is committed to establishing a long term relationship with the AFN, and as part of this ongoing communication with the AFN will continue throughout the development, construction and operating phases of the Cavern 45 Project.

- d) Yes. Pembina notified the AFN about the amended application in April 2016, providing the AFN with a copy of the April 26, 2016 Project Specific Information Package.
- e) No there are no outstanding landowner matters related to the development and operation of Cavern 45.

## **Interrogatory #2**

**Reference:** Ref: Letter to the OEB by Pembina, dated March 28, 2016 “Geomechanical Assessment Filing”, 2016 Letter to the OEB by Pembina, dated April 29, 2016 “Risk Assessment”

**Preamble:** On March 28, 2016 and April 29, 2016 Pembina filed additional Geomechanical Assessment reports and Risk Assessment reports (Updated Reports). These additional reports were filed upon request of the Ministry of Natural Resources and Forestry (MNRF) who has the authority to oversee compliance with CSA Z341-14.

**Question/  
Request:**

a) Please describe timing and substance of any communication with the MNRF regarding their review of the Updated Reports.

b) What is the anticipated date of obtaining the final outcome of MNRF’s review of the Updated Reports?

c) Does Pembina expect to receive a formal communication from the MNRF regarding any adverse impacts of the proposed project on the integrity and operations of the adjacent Enbridge’s Dow Moore Designated Storage Area? If so, what is the anticipated timeline for getting such communication from the MNRF. Please confirm that Pembina will file a copy with the OEB.

d) Please update the OEB on any communication with Enbridge since the application was placed in abeyance on September 11, 2015.



**Response:** a) Shortly after Pembina filed the Updated Reports with the OEB and the MNRF, Pembina contacted the MNRF to ensure it received the Updated Reports. At that time, the MNRF confirmed receipt.

In addition, on Tuesday, June 14, 2016, Pembina spoke with the MNRF and the MNRF confirmed that it had reviewed the Updated Reports and that, in accordance with OEB Procedural Direction No. 5, it intended to file minor clarification interrogatories with the OEB on June 16, 2016. Since this conversation, the MNRF filed interrogatories with the OEB on June 17, 2016.

b) See the response to “a)” immediately above.

c) Based on the June 14, 2016 discussion between Pembina and the MNRF, beyond the June 17, 2016 Interrogatories the MNRF filed with the OEB, Pembina does not currently expect to receive a formal communication from the MNRF regarding any adverse impacts of the proposed project on the integrity and operations of the adjacent Enbridge Dow Moore Designated Storage Area.

d) Pembina has had several telephone conversations, e-mail exchanges and meetings with Enbridge since the application was place in abeyance.

In addition, several Pembina staff members attended Enbridge’s Risk Assessment for their observation well in April, 2016. Enbridge was invited to attend Pembina’s risk Assessment (What if) of the Cavern 45 in April 2016, but did not attend.

Pembina and Enbridge have discussed the Neighboring Wells Report, the Project Plan of the Cavern 45 conversion, and are currently investigating coordinating and cooperating in respect of each party’s drilling programs should the application be approved.

### Interrogatory #3

**Reference:** Letter to the OEB from Pembina, dated April 29, 2016 “Application Amendment Filing” attachment “Project Specific Information Package” and Pembina’s response to OEB staff interrogatory 2.b) dated May 25, 2015

**Preamble:** Pembina amended its application on April 29, 2016 reducing the relief sought to a licence or licences to convert Cavern 45 by abandoning the current entry well and drilling two new wells.

According to Pembina’s response to OEB staff interrogatory no. 2.b), dated May 25, 2015, Pembina understands the process of obtaining well drilling licences in Ontario and Pembina indicated that it would file required applications as soon as the schedule for the project is determined. The OEB has not received a well licence applications referral from the MNRF pursuant to section 40 of the Ontario Energy Board Act regarding new wells into Cavern 45.

**Question/ Request:**

- a) Please describe the regulatory process for approval to abandon the existing well in Cavern 45?
- b) Regarding project schedule and duration for two new entry wells into Cavern 45, please confirm that the information in “Project Specific Information Package” is current and describe the activities and milestones in the project schedule?
- c) When will Pembina file applications with the MNRF for licences to drill the two new entry wells into Cavern 45?
- d) Please outline the anticipated regulatory approvals, other than approvals related to the existing and new wells, Pembina needs for Cavern 45 development and operation.



**Response:** a) Pembina understands that the regulatory process for approval to abandon the existing well in Cavern 45 requires the development of a Well Abandonment Program that meets the requirements of CSA Z341 – Section 13.2 Well Abandonment (the “Abandonment Program”). The Abandonment Program must be filed with and approved by the MNRF. Upon MNRF approval, Pembina must provide at least 48 hour notice to the MNRF prior to commencing the abandonment. Within 10 days of completing the abandonment, certain specified documentation must be provided to the MNRF.

b) Confirmed.

As indicated in the Project Specific Information Package, pending regulatory approval, drilling of Wells BR-45 and HC-45 is currently scheduled to occur in the second quarter of 2017 and is estimated to take approximately 20 days, per well. Pembina anticipates Cavern 45 becoming operational in late 2017. Should any changes to the project schedule or duration change, notify all interested parties.

c) Pembina anticipates filing applications for licences to drill the two new entry wells with the MNRF either late in the third quarter, or early in the fourth quarter, of 2016. Once the licences are issued, Pembina anticipates drilling the new entry wells in the summer of 2017.

d) Pembina does not anticipate the need for any additional regulatory approvals beyond those issued by the OEB and MNRF for the development and operation of Cavern 45. Pembina currently operates the Corunna Distribution and Storage Terminal under authority of the Ontario Ministry of Environment and Climate Change *Certificate of Approval (Air)* number 0054-8BRQA3 and an *Amended Environmental Compliance Approval (Sewage Works)* number 1232-9PEJYW. These approvals allow the management of surface water run-off from the site, and authorize the operation of a hydrocarbon storage and distribution facility with a Facility Production Limit of up to 22,000 million litres of hydrocarbon and 20,300 million litres of isobutane per year. The development and operation of Cavern 45 will not result in Pembina exceeding these production limits.