

UNION GAS LIMITED**2017 PANHANDLE REPLACEMENT (JEFFERSON) PROJECT****EB-2017-0118****ONTARIO ENERGY BOARD (OEB) STAFF INTERROGATORIES**Interrogatory # 1

Ref: Evidence page 5, Lines 14-20: "Project Cost and Economics" and Schedule 3 "Total Estimated Capital Costs"

Preamble:

Union Gas estimated total capital costs for the project at \$1.518 M. Union Gas did not complete a Discounted Cash Flow (DCF) analysis for the project, explaining that this project is needed to update the pipeline design specifications as a result of class location requirements and that there are no new contracts associated with this project.

Questions:

- a) Please provide a breakdown of capital costs for comparable projects currently in-service and recently approved by the OEB.
- b) Please indicate the timing and the method for recovery of the construction costs for the project.

Interrogatory # 2

Ref: Evidence page 7, Lines 18-23, page 8, Lines 2-21: "Landowners" and Schedule 10 "Pipeline Easement"

Preamble:

Union Gas indicated that it would acquire new permanent land rights and temporary land use rights for the project. The two landowners directly affected by the required permanent land rights are The Corporation of the City of Windsor and The Hydro-

Electric Power Commission of Ontario. Union Gas also indicated that the negotiations with these landowners are underway and that they may require a different form of permanent easement agreement from the one Union Gas included in the evidence.

According to section 97 of the *Ontario Energy Board Act, 1998* (OEB Act), “In an application under section 90, 91 or 92, leave to construct shall not be granted until the applicant satisfies the Board that it has offered or will offer to each owner of land affected by the approved route or location an agreement in a form approved by the Board.” Union Gas will therefore require the OEB’s approval of the form of easement agreement that it has offered or will offer to the affected landowners.

In addition to land rights, Union Gas will also need to obtain various crossing permits from Essex Region Conservation Authority and utilities along the proposed pipeline.

Questions:

- a) What is the current status and prospect of negotiations with all the landowners of properties where permanent easements and temporary land use rights are needed?
- b) Please file the form of permanent easement agreement that Union Gas has offered or will offer to The Corporation of the City of Windsor and The Hydro-Electric Power Commission of Ontario.
- c) What is the status of the crossing permits and other approvals Union Gas needs to complete the construction of the project?

Interrogatory #3

Ref: Evidence Schedule 14, Letter by the Ministry of Energy to Union Gas, dated January 19, 2017; Schedule 15: *Indigenous Consultation Report, Panhandle Replacement Project (Jefferson)*

Preamble:

The 2016 edition of the *OEB Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario* (OEB Environmental Guidelines) sets out new streamlined procedures and protocols for Indigenous consultation and the duty to consult on natural gas pipeline projects that are subject to the OEB’s approval. Union Gas is required to adhere to these

procedures and protocols and to file the required documentation with the OEB as part of its evidence in support of its application.

Questions:

- a) Please comment on the letter from the Ministry of Energy found in Schedule 14 and indicate if that letter is a formal delegation of the procedural aspects of the Duty to Consult to Union Gas?
- b) What other documents (related to the Duty to Consult delegation and environmental assessment) does Union Gas anticipate the Ministry will issue to Union Gas in accordance with the OEB Guidelines?
- c) What is the expected timing of Union Gas filing these documents with the OEB?
- d) Please provide an update on the Indigenous consultation undertaken since the application was filed. Identify any concerns raised in the consultation and describe how Union Gas is planning to address the concerns raised by First Nations and Metis affected by the proposed project.

Interrogatory # 4

Ref: Evidence page 10, Lines 19-23 “Environmental”; Schedule 11, “2017 Panhandle Replacement Pipeline Project: Environmental Protection Plan”; Schedule 12, “Summary of Comments”

An Environmental Protection Plan (EPP) was prepared by Union Gas to meet the intent of the OEB Environmental Guidelines. The EPP was provided to members of the Ontario Pipeline Coordinating Committee (OPCC) for review and comments. Union Gas stated in its application that it would file the comments with the OEB as they are received. So far, no comments from the OPCC review are included in the evidence.

Question:

Please file a summary and updates of comments and concerns received from the public consultation and the OPCC review, as well as Union Gas’ responses and planned actions to mitigate each of the issues and address each of the concerns.

Interrogatory #5

Ref: Evidence page 1, paragraph 1

Union Gas applied for leave to construct facilities under section 90(1) of the OEB Act. If Union Gas does not agree to any of the draft conditions of approval noted below, please identify the specific conditions that Union Gas disagrees with and explain why.

For conditions in respect of which Union Gas would like to recommend minor changes, please provide the proposed changes.

Draft
Leave to Construct Conditions of Approval
Application under Section 90 of the OEB Act
Union Gas Limited
EB-2017-0118

1. Union Gas Limited (Union Gas) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2016-0186 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 Gas shall give the OEB 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 Gas 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 Gas shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Union Gas shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.
5. Union Gas shall file, in the proceeding where the actual capital costs of the project are proposed to be included in rate base, a Post Construction Financial Report, which shall indicate the actual capital costs of the project and shall provide an explanation for any significant variances from the cost estimates filed in this proceeding.
6. Both during and after construction, Union Gas shall monitor the impacts of construction, and shall file with the OEB 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 Gas' 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 Gas, 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 Gas' 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 Gas, including the date/time the complaint was received; a description of the complaint; any actions taken to address the complaint; and the rationale for taking such actions.