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BY E-MAIL

February 23, 2018

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: OM Limited Partnership (OMLP)
Application for Certificate of Public Convenience and Necessity in the
Township of North Walsingham, County of Norfolk
OEB File Number: EB-2017-0289**

In accordance with Procedural Order No. 1, please find attached OEB staff interrogatories in the above proceeding. The attached document has been forwarded to the applicant and to all other registered parties to this proceeding.

Yours truly,

Original Signed By

Ritchie Murray
Project Advisor

Encl.



OEB Staff Interrogatories

OM Limited Partnership

Application for Certificate of Public Convenience and Necessity

EB-2017-0289

February 23, 2018

Staff-1

Ref: OMLP Application, Section 1, p. 4

Preamble:

It is stated that Union Gas is currently servicing Maricann's existing facility, located on a property leased by Maricann in the north half of Lot 2, Concession 7, geographic Township of North Walsingham.

Question:

- a) Given that the existing Maricann facility is under contract with Union Gas, is OMLP aware whether there will be a penalty to Maricann for terminating that contract early?
- b) Please provide a summary of discussions to date with Union Gas regarding its ability to provide natural gas service to the new Maricann facility.
- c) Please discuss why the alternative of having Union Gas serve the new Maricann facility was rejected.

Staff-2

Ref: OMLP Application, Section 1, p. 4

Preamble:

It is stated that if OMLP's application is approved, local landowners will receive increased royalties paid on local gas produced.

Questions:

- a) Please explain the nature of the existing royalty agreements; specifically, please confirm whether landowners are compensated based on length of pipeline installed, volumetric throughput, or some other means.
- b) Based on the answer to part a) of this interrogatory, please explain why royalties would increase.

Staff-3

Ref: OMLP Application, Section 3, p. 6

Preamble:

It is stated that the gas produced from ON-Energy's 150 gas wells in the County of Norfolk is currently sold into Union's pipeline system at three different locations. Approximately half of the production is sold through Union Gas' Maybees and Charlottesville stations and the remaining 50% of production at Union Gas' Tillsonburg Station.

Question:

To the best of OMLP's knowledge, does a portion of ON-Energy's locally produced gas get distributed by Union Gas to consumers in the County of Norfolk? Please explain.

Staff-4

Ref: OMLP Application, Section 5, p. 8

Preamble:

It is stated that the new Maricann facility will consume between 300,000 and 350,000 GJ/yr at peak capacity. Using a conversion rate of 38.9 GJ/10³m³¹, OEB staff estimates this to be between 7.7 million and 9.0 million m³ of natural gas per year.

Questions:

- a) Please confirm that 38.9 GJ/10³m³ is a reasonable conversion factor for ON-Energy's locally produced gas. If not, please provide an appropriate conversion factor.
- b) If the conversion factor used by OEB staff is inaccurate, please use the more accurate conversion factor provided in part a) of this question to calculate and provide the estimated volumetric consumption of the new Maricann facility at peak capacity in m³/yr.
- c) If the estimated peak consumption of the new Maricann facility is no longer estimated to be between 300,000 and 350,000 GJ/yr at peak capacity, please provide the new estimate in both GJ/yr and m³/yr.
- d) What would Maricann do to meet its energy needs at its new facility in the event that gas supply from OMLP was interrupted for an extended period of time?
- e) Please explain OMLP's understanding of section 36 of the *Ontario Energy Board Act, 1998* and section 3 of *Ontario Regulation 61/99* with respect to the need for rate regulation of companies supplying more than 3,000,000 m³/yr of natural gas to a customer and how this requirement may apply in this case.

Staff-5

Ref: OMLP Application, Section 1, p. 4

Preamble:

It is stated that OMLP's gas wells that will serve the new Maricann facility have current production capabilities of approximately 600 GJ per day. Assuming the same

¹ <https://www.uniongas.com/storage-and-transportation/resources/additional-info/conversion-info>

conversion rate as the previous question (i.e., 38.9 GJ/10³m³) and 365 days of production per year, OEB staff estimates this to be approximately 5.6 million m³ of natural gas per year.

Questions:

- a) If the conversion factor assumed by OEB staff is inaccurate, please use the more accurate conversion factor provided in question 4 a) to calculate and provide the estimated volumetric production.
- b) If the estimated production is no longer 600 GJ/day, please provide the new estimate in both GJ/yr and m³/yr.
- c) With reference to the answers to a) and b) above, and the previous interrogatory (Staff 4), please compare the most accurate estimated annual demand for the new Maricann facility and the most accurate estimated annual production from OMLP's gas wells. If the production is less than demand, please explain how OMLP proposes to meet the full demand of the new Maricann facility.
- d) What would OMLP do with the gas produced by ON-Energy in the event that the Maricann facility were to shut down operations for an extended period of time (e.g., an incident due to flood, fire, etc.)?

Staff-6

Ref: OMLP Application, Section 6, p. 9

Preamble:

It is stated that upgrades to the existing pipeline system will include the installation of approximately 3.7 kilometers of new NPS 4 HDPE pipeline on County Road 8.

Question:

- a) Does OMLP consider the 3.7 kilometer pipeline to be a natural gas production gathering system pipeline or a natural gas distribution system pipeline? Please explain.
- b) If OMLP's Application is denied by the OEB, will it or ON-Energy proceed with the construction of the 3.7 kilometer pipeline in any event? Please explain.
- c) Please provide the estimated capital cost of the 3.7 kilometer pipeline.

Staff-7

Ref: OMLP Application, Site Plan DWG SP 2

Question:

Please provide a version of Site Plan SP 2 that clearly shows the proposed tie-in

system complete with offsets from major features (e.g., edge of asphalt County Road 8, Maricann driveway, building lines, etc.), the NPS 4 HDPE pipeline on County Road 8, and the service pipeline connecting the two.

Staff-8

Ref: OMLP Application, Site Plan DWG SP 2 and Appendices 1-7

Question:

Please provide a map showing ON-Energy pipelines in the vicinity of the new Maricann facility including the entire length of the new 3.7 km pipeline, the proposed tie-in system and the service pipeline to the new Maricann facility. If possible, please also show the approximate location of the Union Gas distribution main and service line that provide gas to the existing Maricann facility.