
UNION GAS LIMITED

KINGSVILLE TRANSMISSION REINFORCEMENT PROJECT

EB-2018-0013

ONTARIO ENERGY BOARD (OEB) STAFF INTERROGATORIES

Interrogatory # 1

Ref: Evidence Exhibit A, Tab 3, page 3, lines 7-14; Exhibit A, Tab 6, page 1, lines 17-20 and page 2, lines 1-2; Tab 7, page 3, lines 17-22.

Preamble:

Union stated that the need for the proposed reinforcement and 2019 in-service date is twofold:

1. To address the increasing demand for firm service in the Panhandle System Market (general service customers (residential, commercial and small industrial) and contract rate customers (including greenhouse operators in the Kingsville-Leamington and Chatham-Kent areas))
2. To eliminate constraints within the Kingsville-Leamington high pressure distribution system which prevent customer attachments, even though Panhandle System capacity is available.

Union further indicated that although the 2020 in-service date is necessary to meet the overall Panhandle System forecast demand, it proposes a 2019 in-service date to eliminate the need for incremental distribution facilities in the Leamington-Kingsville area.

According to Union's evidence, the general service customers' market demand is approximately 45% of the Panhandle System Design Day demand and the contract rate market demand is approximately 55% of the Panhandle System Design Day demand. Contract rate customers include the greenhouse operators.

Questions:

- a. Please describe the impact of a 2020 in-service date on gas supply contractual

arrangements with the greenhouse firm contract customers in i) the Leamington-Kingsville area; and ii) the Chatham-Kent area.

- b. What is the difference in the total construction cost between a 2020 in-service date and a 2019 in-service date for the proposed reinforcement, as Union requested, including additional distribution facilities that Union has said would be required if the in-service date were in 2020 rather than 2019?

Interrogatory # 2

Ref: Evidence Exhibit A, Tab 6, page 8, lines 4-7 and page 10, lines 4-12

Preamble:

Union included the impact of its DSM activities on in-franchise customers in the Design Day requirements. Long-term impacts related to the Cap-and-Trade program have not been incorporated into the demand forecast.

Question:

Please summarize the rationale for Union's approach to DSM and Cap-and-Trade program impacts in determining the Design Day demand and long-term demand forecast.

Interrogatory # 3

Ref: Evidence Exhibit A, Tab 8, "Proposed Facilities and Alternatives", Schedule 1
"Kingsville Reinforcement Project Summary of Alternatives" pages 1-2

Preamble:

The four Potential Alternatives to the proposed reinforcement project have been summarized in Tab 8, Schedule 1 of the evidence. The in-service date for the alternatives and the proposed reinforcement is assumed to be November 1, 2019, with the exception of Alternative 3, for which the in-service date is assumed to be November 1, 2020.

Question:

Please provide information in the same format as in Tab 8, Schedule 1, for the proposed reinforcement and the four Potential Alternatives with a November 1, 2020 in-service date assumed. Please include any incremental costs for distribution facilities that that Union has said would be required if the in-service date were in 2020 rather than 2019.

Interrogatory # 4

Ref: Evidence Exhibit A, Tab 9 "Project Costs and Economics" page 1, lines 11-12 and Schedule 9

Preamble:

A high level total estimate of pipeline and station costs is included in the evidence with the proposed in-service date of 2019.

Question:

Please provide the estimate of total construction costs in the format of Schedule 1, Tab 9 assuming a 2020 in-service date. Please include any incremental costs for distribution facilities that Union indicated would be required for a 2020 in-service date.

Interrogatory # 5

Ref: Evidence Exhibit A, Tab 12 “Environmental Matters”; Schedule 1 “Environmental Report”; Schedule 3: “Summary of Comments (to be filed when received)”

An Environmental Report (ER) was prepared by Stantec Consulting Limited (Stantec) in accordance with the requirements of the *OEB Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario* (OEB Environmental Guidelines). The ER 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 OPCC and other public and agency consultation comments with the OEB as they are received.

Question:

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

Interrogatory # 6

Ref: Evidence Exhibit A, Tab 13 with Schedules: "Land Matters"

Preamble:

Union indicated that it will acquire approximately 93 acres of new permanent easements (PE) and approximately 82 acres of Temporary Land Use (TLU) rights for the project. TLU rights are needed for construction and top soil storage during construction.

The Project requires 51 PEs, 51 TLUs and two fee simple land rights. At the time of filing the application, Union had secured options for 41 PEs, 42 TLUs and two fee simple purchases. Union also indicated that the negotiations with landowners were underway and would continue.

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 stated that it has offered or will offer to all the affected landowners a form of easement agreement that has been approved by the OEB in Union's Panhandle System Reinforcement Project¹, which is included in Tab 13, Schedule 3 of the evidence.

Questions:

- a) What is the current status and prospect of negotiations with all the landowners of properties where PEs and TLUs are needed?
- b) What is the status of the crossing permits and other approvals Union Gas needs to complete the construction of the project?

¹ EB-2017-0186

Interrogatory # 7

Ref: Evidence Exhibit A, Tab 14 "Indigenous and Metis Nations Consultation", Schedule 1: "Indigenous Consultation Report", Schedule 2, pages 1-2 "Letter from the Ministry of Energy, dated March 5, 2018

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 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.

Union filed an Indigenous Consultation Report (ICR) as part of its evidence. The evidence includes a consultation sufficiency opinion letter by the Ministry of Energy (MOE) dated March 5, 2018. The MOE indicated in its letter that it has reviewed the ICR and that it is expected that Union will continue its consultation activities and will notify the MOE if new issues arise.

Question:

Please provide an update on Indigenous consultation activities since March 5, 2018. Identify any additional concerns and issues raised after the ICR was completed and describe actions that Union is committed to undertake to address any new concerns or issues.

Interrogatory # 8

Ref: Application EB-2018-0013

Preamble:

Union has applied for an OEB order granting leave to construct facilities under section 90(1) of the OEB Act.

Question:

Please comment on the following proposed draft conditions of approval prepared by OEB staff. Please note that these conditions are draft and subject to additions or changes.

**Leave to Construct Conditions of Approval
Application under Section 90 of the OEB Act
Union Gas Limited
EB-2018-0013**

1. Union Gas Limited (Union) shall construct the facilities and restore the land in accordance with the Board's Decision and Order in EB-2018-0013 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 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

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- 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 Protection Plan filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
4. Union shall advise the OEB of any proposed change to OEB-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 OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.
5. Concurrent with the final monitoring report referred to in Condition 6(b), Union shall file 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. Union shall also file a copy of the Post Construction Financial Report in the proceeding where the actual capital costs of the project are proposed to be included in rate base or any proceeding where Union proposes to start collecting revenues associated with the project, whichever is earlier.
6. Both during and after construction, Union 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'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;

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- 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 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.