

November 2, 2018

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

Dear Ms. Walli:

**Re: Nipigon LNG Corporation
Certificate of Public Convenience and Necessity
Ontario Energy Board File No. EB-2018-0248**

Pursuant to Procedural Order No. 1 in the above noted proceeding, Union Gas Limited hereby submits its interrogatories on the evidence of Nipigon LNG.

Should you have any questions on this submission, please do not hesitate to contact me.

Yours truly,

[Original signed by]

Patrick McMahon
Supervisor, Regulatory Research and Records
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Encl.

c.c. (email only): Joshua Samuel, Chief Executive Officer, Nipigon LNG
Rosemary Stevens, TransCanada PipeLines Limited
Lisa Jamieson, TransCanada PipeLines Limited
Roman Karski, TransCanada PipeLines Limited

UNION GAS LIMITED
INTERROGATORIES TO NIPIGON LNG

1. Reference: Nipigon LNG Application, page 1, paragraph 1

"Nipigon LNG Corporation ("Nipigon LNG") is the general partner for Nipigon LNG LP. Nipigon LNG was formed under the laws of the Province of Ontario, with its head office at 150 Connie Crescent, Unit 4, Concord, Ontario. It is a special purpose entity created for the sole purpose of conducting the business and affairs associated with the Nipigon LNG Project, a project approved by the Ontario Ministry of Infrastructure under the Natural Gas Grant Program."

Questions:

- (a) Please provide details of the approval of the Nipigon LNG project under the Natural Gas Grant Program (NGGP) as well as a copy of the NGGP application.
- (b) Please provide details and documentation related to any Transfer Payment Agreement that has been executed between Northeast Midstream and the Province of Ontario and how much of this funding will be used on the proposed project associated with this application.
- (c) Please provide the total capital cost proposed in the NGGP application, a list of the communities in which distribution systems will be installed, the expected number of distribution customers, and the amount of NGGP funding awarded.
- (d) Please confirm that no additional funding will be required from government, other gas distributors, or any other sources external to Nipigon LNG, to proceed with the project for which NGGP funding was awarded. If any other funding will be required, please provide details of the amount and timing.

2. Reference: Nipigon LNG Application, page 1, paragraph 2

"The Project is a transformative and regionally significant initiative for the economic development of Northern Ontario. Project infrastructure will help sustain existing industrial operations, accelerate new development, and provide a platform to extend natural gas service where feasible to Northern and First Nation communities."

Question:

Please identify which industrial operations and First Nation communities Nipigon LNG or its affiliates intend to serve.

3. Reference: Nipigon LNG Application, page 1, paragraphs 3 and 4

"As part of the Project, Nipigon LNG is proposing to build and operate a liquefied natural gas ("LNG") production plant (the "LNG Plant") in Ledger Township, 22 kilometres north of Nipigon, Ontario. It is also proposing to construct a connecting pipeline approximately 500 metres in length and up to 8 inches in diameter (the "Connecting Pipeline") to obtain natural gas from the nearby TransCanada Mainline for liquefaction at the LNG Plant."

The proposed LNG Plant and most of the Connecting Pipeline will be located on a 160-acre property that is owned by Nipigon LNG in unorganized territories (not within the boundaries of any particular municipality) in the unincorporated Township of Ledger. The metes and bounds description of the property is South ½ Lot 12, Concession 4 Ledger; S/T LPA23462, District of Thunder Bay. The property is proximate to the TransCanada Mainline and approximately 22 kilometres north of Nipigon."

Questions:

- (a) Please confirm that none of the proposed facilities will be located within areas currently covered under Certificates of Public Convenience and Necessity held by Union Gas.
- (b) Please provide details of the metes and bounds area for the requested Certificate.
- (c) Please confirm who the customers of Nipigon LNG will be, where they will be located and how they will be served.
- (d) Please explain why Nipigon LNG has not applied for Certificates that address proposed service areas.
- (e) Please provide copies of any franchise agreements that have been agreed to with any municipalities Nipigon LNG or its affiliates intend to serve.
- (f) Please provide a copy of Nipigon LNG's marketing plan.
- (g) Please provide the expected daily LNG production capacity of the plant.
- (h) Please provide customer density maps for any areas expected to be served by Nipigon LNG.

4. *Reference: Nipigon LNG Application, page 2, paragraph 7*

"Construction of the proposed Connecting Pipeline will take place in 2020 and cost approximately \$200,000. The design, installation and testing specifications will conform to the Canadian Standards Association (CSA) Z662-15 Oil and Gas Pipeline Systems Code and the requirements of Ontario Regulation 210/01 under the Technical Standards and Safety Act, 2000."

Reference: Nipigon LNG Application, page 3, paragraph 14

"The length of the Connecting Pipeline will be approximately 500 meters, the cost of building this short pipeline will be less than \$2 million and the nominal pipe size will be less than 12 inches. Therefore, construction of the proposed Connecting Pipeline does not require leave to construct pursuant to section 90(1) of the Ontario Energy Board Act."

Questions:

- (a) In the absence of details that would be provided through a leave to construct application, please provide the maximum operating pressure, wall thickness and minimum yield strength for the proposed pipeline.
- (b) Please provide details of any regulatory approvals that will be required related to planned distribution projects to be supplied by the plant.

5. *Reference: Nipigon LNG Application, page 2, paragraph 7*

"Completion of the Connecting Pipeline will require an agreement with TransCanada with whom Nipigon LNG is currently negotiating."

Questions:

- (a) Please provide an update on negotiations with TransCanada.
- (b) Please provide details of any regulatory approvals that will be required related to meter stations and any related facilities associated with the TransCanada connection.
- (c) Under what TransCanada rate and/or service will Nipigon LNG be served or expected to be served? Please provide the applicable TransCanada contracts or rate schedules.

6. *Reference: Nipigon LNG Application, page 2, paragraph 8*

“Nipigon LNG has the technical and financial capacity to build and operate the proposed Connecting Pipeline, with investment provided in part by the Ontario Ministry of Infrastructure through the Natural Gas Grant Program, subject to the duty to consult being satisfied and any necessary approvals being granted.”

Questions:

- (a) Please provide details on Nipigon LNG's technical capability and any previous experience in operating a gas transmission pipeline and responding to emergencies on such a pipeline.
- (b) Please provide a copy of Nipigon LNG's emergency preparedness and response procedures as required by the Canadian Standards Association.
- (c) Please confirm that Union Gas will not be expected to provide emergency response support to Nipigon LNG.

7. *Reference: Town of Marathon Letter Dated October 23, 2018*

“AND WHEREAS Northeast, the Township of Manitouwadge and the four other North Shore communities have concluded a feasibility study with the support of the Northern Ontario Heritage Fund Corporation, and have identified next steps to execute the Project, including securing financing from the Government of Ontario and approvals from the OEB;

AND WHEREAS Northeast plans to apply for financial support from the Government of Ontario to construct and operate the Project and regulatory approvals from the OEB for the Project;”

Questions:

- (a) Please provide a copy of the referenced feasibility study and details of the referenced next steps.
- (b) Please provide details of the referenced regulatory approvals required from the OEB.