

Joshua Samuel
President & CEO of the General Partner
150 Connie Crescent, Unit 4
Concord, Ontario L4K 1L9

Direct Line: +1 (416) 848-1165
jsamuel@northeastmidstream.com

November 14, 2018

Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Subject: Nipigon LNG Corporation
Application for certificate of public convenience and necessity to
construct a pipeline in the unincorporated Township of Ledger
Ontario Energy Board File Number EB-2018-0248**

Please find herewith the written reply submission by Nipigon LNG Corporation,
regarding the above-mentioned proceeding.

Yours truly,

Original signed by

Joshua Samuel

Enclosed

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Municipal Franchises Act*, R.S.O. 1990, c.M.55, as amended;

AND IN THE MATTER OF an Application by Nipigon LNG Corporation (Nipigon LNG) as the general partner of and on behalf of Nipigon LNG LP, for an order or orders approving a Certificate of Public Convenience and Necessity to construct works to supply natural gas in the unincorporated Township of Ledger.

REPLY SUBMISSIONS OF NIPIGON LNG CORPORATION AS THE GENERAL PARTNER OF AND ON BEHALF OF NIPIGON LNG LP

I. Introduction and Summary

1. Nipigon LNG has reviewed comments filed by Ontario Energy Board (OEB) staff¹ and Union Gas Limited (“Union”)² dated November 9, 2018. Nipigon LNG responds to these comments. Silence on any issue does not necessarily indicate Nipigon LNG’s agreement with those views.
2. In summary, Nipigon LNG responds as follows:
 - Union attempts to confuse the scope of Nipigon LNG’s Application before the OEB. The arguments by Union that Nipigon LNG ought to provide additional evidence and information are irrelevant and should be disregarded.
 - The Project before the Board is a Connecting Pipeline to supply gas from the TransCanada Mainline to the LNG Plant.
 - It is conclusive that the Connecting Pipeline is not in any utility’s franchise area and is not a bypass.
 - The Connecting Pipeline is in the public interest. Nipigon LNG has provided boundaries for the Certificate as set out below.
 - Nipigon LNG will obtain additional certificates and approvals where required. In particular, Nipigon LNG will apply to the OEB for any necessary certificates and

¹ OEB Staff Submission, November 9, 2018 (“OEB Staff Comments”).

² Union Gas Limited Final Arguments, November 9, 2018 (“Union Comments”).

franchise agreement approvals, if Nipigon LNG intends to construct works to supply natural gas in any municipality in Ontario.

- Contrary to statements respecting the OEB's regulation of LNG, the Board expressly decided to forebear from regulating LNG in EB-2014-0002.
- Nipigon LNG respectfully requests that the Board grant the Certificate.

II. Detailed Submissions

A. Union attempts to confuse the scope of the Application

3. Union, without basis, attempts to broaden the scope of Nipigon LNG's Application before the OEB and introduce irrelevant considerations.
4. In particular, and contrary to Union's position, the Application before the Board by Nipigon LNG does not seek OEB approval to provide LNG to various communities in northwestern Ontario.
5. Union seeks further information regarding distribution systems that are not being proposed in this Application as well as marketing plans, customer lists, density maps, franchise agreements and other information confidential to Nipigon LNG and its affiliates. The additional information requested by Union is irrelevant because it is beyond the scope of the Application before the Board, and Union's demands should be disregarded.

B. The Project before the Board is a Connecting Pipeline to supply gas from the TransCanada Mainline to the LNG Plant

6. Nipigon LNG reiterates that the Application is for a certificate of public convenience and necessity to construct an approximately 500-metre, 8-inch diameter pipeline to obtain gas from the TransCanada Mainline for the LNG Plant.
7. The Connecting Pipeline does not require leave to construct pursuant to section 90(1) of the *Ontario Energy Board Act, 1998* (the "OEB Act").

C. The Project is not a bypass of any utility's franchise rights

8. It is conclusive that the Connecting Pipeline is not in any utility's franchise area and is not a bypass as set out in the Application.
9. Union's indication of its speculative interest in distributing natural gas within the Township of Ledger, including the area of the proposed LNG Plant, is irrelevant in this proceeding and should be disregarded.

D. The Information requested by Union is unnecessary for the Application before the OEB

10. All the information requested by Union is outside the scope of the current Application and therefore irrelevant to the Board's consideration in granting a Certificate for the construction of the Connecting Pipeline.
11. Contrary to Union's assertions, all of the evidence that supports the Application and aid a determination of whether the Certificate for the Connecting Pipeline is in the public interest is before the OEB.
12. There is no requirement to submit in confidence information irrelevant to the Application before the Board.

E. Nipigon LNG proposes boundaries for the Certificate

13. Nipigon LNG is agreeable to a Certificate with circumscribed boundaries, as proposed by OEB staff. The proposed Connecting Pipeline is located within the following Lots and Concessions:

Lot 11, Concession 4, Ledger, District of Thunder Bay
South ½ Lot 12, Concession 4, Ledger, District of Thunder Bay

14. The Lots and Concessions are bounded by the following GPS coordinates, using Google Earth where actual survey data is not available:

49.1913 N, 88.2488 W; 49.1841 N, 88.2488 W; 49.1841 N, 88.2265 W;
49.1987 N, 88.2265 W; 49.1984 N, 88.2376 W; 49.1913 N, 88.2376 W.

15. Attached hereto as Schedule 1 is a map indicating the area of the requested Certificate.

F. The OEB decided to forebear from regulating the provision of LNG

16. Union and OEB staff unnecessarily limit the scope of the Board's decision in EB-2014-0012. The Board's decision to forebear from regulating the provision of LNG was not limited to Union's Hagar LNG facility but regulation of LNG generally.
17. In EB-2014-0012, Union applied, pursuant to section 36(1) of the OEB Act, for an order approving rates and other charges for a new interruptible natural gas liquefaction service at its LNG facility at Hagar. Northeast Midstream L.P. ("Northeast") filed a motion requesting that the OEB refrain from regulating natural gas liquefaction service. The OEB held an oral hearing to address all aspects of the Northeast motion and the application.
18. The OEB granted the motion brought by Northeast. In particular, the Board stated:

*The OEB grants the motion brought by Northeast and will forebear from regulating the provision of LNG. The OEB comes to this decision based on a number of factors as discussed below. Northeast presented evidence that there is already a competitive market for liquefied natural gas as a transportation fuel, and that the OEB should forebear from regulation. Union did not dispute the fact that LNG as a transportation fuel competes with diesel fuel, but argued that the unique circumstances of the Hagar facility require that the new service be regulated by the OEB. For the reasons described below, the OEB finds that the new service that Union proposes to provide is already competitive and thus will not set rates or otherwise regulate this activity [emphasis added].*³

19. The EB-2014-002 decision is generic determination to forebear from regulating the provision of LNG as there is competition sufficient to protect the public interest. It is not a specific decision to only forebear for Union's service.

III. Relief Requested

20. The Project before the Board meets the public interest requirements as evidenced in the materials in support of the Application.
21. Nipigon LNG respectfully requests that the Board grant the Certificate for the Connecting Pipeline.

³ EB-2014-0012, at page 3.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated at the City of Vaughan in York Region in the Province of Ontario this 14th day of November, 2018.

NIPIGON LNG COPORATION as the general partner of and on behalf of **NIPIGON LNG LP**

Original signed by

Joshua Samuel
Chief Executive Officer

Schedule 1

