

February 27, 2019

BY RESS & COURIER

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
Suite 2700, 2300 Yonge Street  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Inc. (“Enbridge Gas”)  
Stratford Reinforcement Project  
Board File# EB-2018-0306**

The following are Enbridge Gas Inc. (“Enbridge Gas”) (formerly Union Gas Ltd (“Union”) and Enbridge Gas Distribution (“EGD”)) reply submissions for the Stratford Reinforcement Project, EB-2018-0306.

## **Introduction**

In response to a demonstrated need of increasing natural gas demands in the Forest Hensall Goderich Transmission System (“FHG System”) market area, Enbridge Gas is proposing to construct 10.8 km of NPS 12 transmission pipeline extending north from the Dawn-Parkway System. The Stratford Reinforcement project is a transmission project that increases capacity on the FHG System to meet forecasted demand growth generally that arises from a variety of sources over a large geographic area. The Proposed Facilities serve to reinforce the existing Stratford Pipeline which is classified as a transmission line.

Enbridge Gas has committed to follow its standard practices in relation to pipeline design, construction, environmental protection, and land rights negotiation.

Submissions were received from the Ontario Energy Board (“Board Staff”), the School Energy Coalition (“SEC”), and the Industrial Gas Users Association (“IGUA”). None of the intervenor submissions oppose the Project and Board Staff and SEC state that the Board should approve the Project. Based on the record in this proceeding, Enbridge Gas submits that the Board should approve the project as filed.

Enbridge Gas’s reply submissions address three issues that are identified by SEC, IGUA, and Board Staff.

## **Demand Side Management and Integrated Resource Planning**

Enbridge Gas did consider Demand Side Management (“DSM”) in its review of alternatives to the Proposed Facilities. As stated in Enbridge Gas’s response to Board Staff Interrogatory 3, the response identifies the issues and challenges with implementing geo-targeted DSM programs. This interrogatory also identifies that ICF looked at geo-targeted DSM in its 2018 report and determined that the proposed growth on the Forest Hensall Goderich System is greater than what can be met with DSM programs.

Enbridge Gas is committed to continuing to take steps to study and evolve natural gas IRP. ICF’s conclusions from the IRP Report finds that integrating the potential for DSM to reduce infrastructure requirements into the

facilities planning process will require significant changes in policy, as well as changes in the utility planning process.

Enbridge Gas is reviewing potential reinforcement projects with in-service dates sufficiently in the future to allow geo-targeted DSM and other non-facility options to be considered as alternatives. Enbridge intends to make an application to the OEB seeking approval of any IRP proposals later this year.

### **Economic Feasibility**

In order to determine the economic feasibility of a project Enbridge Gas reviews the different economic tests to determine which test is appropriate for that particular application. There is no one test that is appropriate in all situations. For the current application Enbridge Gas determined that the E.B.O. 134 test was the appropriate test.

This determination was based on the following factors:

- The Proposed Facilities will allow Enbridge Gas to serve over 6000 new customers over a broad geography area; Grand Bend to the west, Stratford to the east, London to the south, and Goderich to the north.
- While the Proposed Facilities will serve over 6,000 new customers there is no one customer underpinning the Project. Over 5,500 of the new customers are residential customers.
- There are no customers directly attached to the Proposed Facilities.
- The Proposed Facilities provide benefits to multiple classes of customers over a broad geographic area.
- The Project is a transmission pipeline.

### **Indigenous Consultation**

Enbridge Gas has completed extensive consultations with Indigenous communities regarding the Stratford Reinforcement Project. At Schedule 21 of the pre-filed evidence is a copy of the Indigenous Consultation Report. This report documents all of the consultation activities that had been carried out to that point in time and confirmed the company's commitment to continue consultation activities with the impacted communities as the process evolved. A copy of the report was also sent to the Ministry of Energy, Northern Development and Mines ("MENDM"). On February 7, 2019 MENDM sent a letter to the Chair of the OPCC identifying that one of the groups that Enbridge Gas had identified and consulted with prior to filing its OEB application, requested additional consultation activities to resolve outstanding concerns. Since February 7, 2019 Enbridge Gas has been in contact with this community to further discuss consultation and can confirm that the community is satisfied to this point with the adequacy of consultation. The MENDM will be in a position to issue a letter of sufficiency of consultation on the Proposed Project, once they receive written confirmation from the community.

Board Staff submitted that they have no concerns with other aspects of this application and identified two options in order to address this matter. The first option proposed that the Board approve this application subject to receiving MENDM's confirmation that the duty to consult has been sufficiently discharged for the Proposed Project. It is Enbridge Gas's position that this option is the preferred option as consultations are ongoing and it is expected that MENDM will be able to provide the Board with a letter of sufficiency in the near term.

## Summary

As there is general support for application and the company has agreed to the proposed Conditions of Approval it is Enbridge Gas's position that the Ontario Energy Board should approve the application as filed, with the condition added regarding indigenous consultation as noted above.

Yours truly,

*[original signed]*

Mark Murray, J.D.  
Manager, Regulatory Projects and Lands Acquisition

:sb

cc: N. Marconi  
A. Manzano  
Industrial Gas Users Association (IGUA)  
School Energy Coalition (SEC)  
A. Innes  
S. Veldman  
Regulatory Library