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BY EMAIL

May 9, 2019

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4  
[BoardSec@oeb.ca](mailto:BoardSec@oeb.ca)

Dear Ms. Walli:

**Re: Ontario Energy Board (OEB) Staff Interrogatories  
Enbridge Gas Inc. - Georgian Sands Leave to Construct Application  
OEB File Number: EB-2018-0226**

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

Enbridge Gas Inc. is reminded that its response to the interrogatories are due by May 23, 2019.

Yours truly,

*Original Signed By*

Saleh Lavaee  
Advisor

Encl.



## **OEB Staff Interrogatories**

**Enbridge Gas Inc.  
Georgian Sands Pipeline Project**

**Application for Leave to Construct Gas Distribution Pipelines  
and Associated Facilities in Simcoe County**

**EB-2018-0226**

**May 9, 2019**

**Interrogatory #1**

**Ref: Exhibit A, Tab 2, Schedule 1, Page 1-4  
Exhibit B, Tab 1, Schedule 1, Page 1**

Enbridge Gas Inc. (Enbridge) requests leave to construct a total of approximately 8 meters of nominal pipe size (NPS) 8, extra high pressure and approximately 6.4 kilometers of NPS 6, intermediate pressure natural gas pipelines along with a new district station in Simcoe County (Project).

Enbridge states that the Project is a system expansion project that is being built to serve the Georgian Sands planned subdivision in Simcoe County.

**Questions:**

- a) Please provide a reference number for the applicable Municipal Franchise Agreement(s).
- b) Please provide a reference number for the applicable certificate(s) of public convenience and necessity.
- c) In Enbridge's view, what is the difference between a system expansion project and a community expansion project? Please explain why this Project is not a community expansion project in Enbridge's view.
- d) Explain why, in Enbridge's view, a letter requesting expressions of interest from potential competitors was not necessary in this situation.

**Interrogatory #2**

**Ref: Exhibit B, Tab 1, Schedule 1, Page 1-4 and Table 1  
Exhibit E, Tab 1, Schedule 1**

**Evidence in Support of Need, Alternatives and Economic Feasibility**

Enbridge states that the Project is needed to service the new residential and commercial customers in the proposed new subdivision and ensure reliability of natural gas to customers in the area.

Enbridge's evidence also notes that customer growth in the subdivision will reduce capacity within the existing gas network and therefore a reinforcement is needed to meet new customer growth. Enbridge further states that Demand Side Management

(DSM) was not considered as an alternative to the Project due to practicality and feasibility of DSM in the context of an expansion project.

Enbridge states that the Project has a Profitability Index (PI) of 1.00.

**Questions:**

- a) How did Enbridge establish its forecasted load, as shown in Table 1? What information is the forecast based on? Please file any supporting evidence that reinforces Enbridge's forecasted load, as shown in Table 1.
- b) What happens if the forecasted load does not materialize as anticipated by Enbridge in Table 1? How sensitive is the PI to changes in load forecast? Please file details regarding the minimum number of customers that need to connect in order to maintain a PI of 1.00.
- c) How will Enbridge ensure that other ratepayers are protected, if Georgian Sands overall load projection is not fully materialized by 2023?
- d) Is Enbridge in receipt of a letter of commitment from the developer for the proposed new subdivision? If so, please file the evidence.
- e) Does Enbridge have any reason to believe that the developer intends to expand the subdivision in the future? Please explain.
- f) If the developer intends to expand the subdivision in the future, does the Project provide sufficient capacity to serve the future expansion? Please explain.
- g) In determining the need for the Project, did Enbridge consider looping an existing pipeline to increase the capacity and then building a shorter, new extension into the area rather than building a longer, new pipeline? Why or why not? Would looping of an existing pipeline coupled with building a shorter, new extension pipeline have allowed for the staging of the Project to meet the forecasted load?
- h) Please describe and compare (in tabular format) the Project and all other alternative solutions considered. Please compare the cost, feasibility, timing, do-ability, reliability, flexibility (in terms of staging, operability and/or other factors), environmental performance and social acceptance of each of these alternatives.

- i) Please explain what is meant by the statement “it would not be practical to add the new customers to the system in the four phases in the timelines outlined in Table 1.” on page 1 of Exhibit B, Tab 1, Schedule 1.

### **Interrogatory #3**

**Ref: Exhibit C, Tab 1, Schedule 1, Page 1-3**

#### **Evidence on Route Selection**

Enbridge states that it retained Stantec Consulting Ltd. (Stantec), an independent environmental consultant to undertake an environmental study for the Georgian Sands expansion project and that one route was identified as the only feasible route for the pipeline.

Enbridge’s evidence notes that a route following the road allowance of Atkinson Road (the next road to the west), would result in additional turns, and a less direct and longer route.

#### **Questions:**

- a) Please file a map showing the preferred route, as well as all other alternative routes Enbridge and Stantec considered to determine the preferred route and briefly explain why each alternative route was not selected.
- b) It appears that there are existing pipelines along Atkinson Road. Please explain any advantages or disadvantages associated with installing new pipelines alongside an existing pipeline.

### **Interrogatory #4**

**Ref: Exhibit C, Tab 1, Schedule 3, Page 1**

#### **Environmental Report Submission to the Ontario Pipeline Coordination Committee (OPCC)**

Enbridge states that its Environmental Report was submitted to the OPCC on December 4, 2018 and that no comments had been received from the OPCC, at the time of submission of the application. Enbridge states that it will update the Ontario Energy Board (OEB) regarding the OPCC review process of the Environmental Report, should further information become available.

**Question:**

- a) Please file any comments (in tabular format) that Enbridge has received as part of the OPCC review. Include the dates of communication, the issues and concerns identified by the parties, as well as Enbridge's responses and actions to address these issues and concerns.

**Interrogatory #5**

**Ref: Exhibit C, Tab 1, Schedule 4, Page 1**

**Archaeological Assessments**

Enbridge states that a Stage 1 Archaeological Study was submitted to the Ministry of Tourism, Culture and Sport (MTCS) on October 17, 2018 and at the time of submission of the leave to construct application to the OEB (i.e. February 27, 2019), the MTCS had yet to provide comment on their review of the Stage 1 Archaeological Assessment.

Enbridge further states that the Stage 1 Archaeological Assessment determined that a Stage 2 Archaeological Assessment will be required and that the Stage 2 Archaeological Assessment is planned for the spring of 2019.

**Questions:**

- a) What is the status of MTCS' review of the Stage 1 Archaeological Assessment?  
When does Enbridge anticipate a response from the MTCS with respect to Stage 1 Archaeological Assessment?
- b) What is the status of Enbridge's Stage 2 Archaeological Assessment?
- c) When does Enbridge anticipate to submit its Stage 2 Archaeological Assessment?  
When does Enbridge anticipate a response from the MTCS with respect to Stage 2 Archaeological Assessment?
- d) What is the latest timeline by which Enbridge must receive approval from the MTCS to start the Project on time?
- e) What happens if Enbridge is unable to receive approval from the MTCS before the timeline specified in part (d)? Are there any potential implications on the Project and/or OEB approval?

**Interrogatory #6**

**Ref: Exhibit D, Tab 2, Schedule 1, Page 1**

**Total Estimated Project Cost**

The estimated Material, Labour and Construction and Internal costs are approximately \$2.1 million representing approximately 89% of the project sub-total (i.e., the cost of the Project less contingency and interest during construction). There is a 20% contingency applied to the project sub-total. Enbridge states that the “Total Estimated Project Cost” includes the installation of a district station to reduce the gas main pressure from extra high pressure to intermediate pressure.

**Questions:**

- a) Please explain how the estimates for Material, Labour and Construction and Internal costs were determined.
- b) Please explain the need for a 20% contingency.
- c) How much is Enbridge estimating it will spend specifically to construct and install the district station?
- d) How much is Enbridge estimating it will spend on various consultation activities, including Indigenous consultation? Where in the “Total Estimated Project Cost” table does Enbridge show these consultation costs?
- e) Please confirm that Enbridge has included all applicable overhead costs in its “Total Estimated Project Cost”.
- f) Please compare the total capital cost of the Project to three or more comparable projects completed by Enbridge in the last five years.

**Interrogatory #7**

**Ref: Exhibit E, Tab 1, Schedule 1, Page 3**

**Economic Feasibility**

The evidence shows a \$1,118,094 Customer Contribution in Aid of Construction (CIAC).

**Questions:**

- a) Please confirm that the CIAC is intended to cover the cost of distribution mains, services and meters.

- b) Has the developer agreed in writing to pay the CIAC? If yes, please file the evidence; if not, why not?
- c) Has Enbridge explored and/or implemented any other measures in addition to the use of a CIAC to mitigate the risk that customer additions are less than the forecast? Please explain.
- d) Please confirm no System Expansion Surcharge (SES) is required for the Project, and that the Project is economically feasible with existing rates.

### **Interrogatory #8**

**Ref: Exhibit F, Tab 1, Schedule 1, Page 1**

#### **Land Matters**

Enbridge states that the preferred pipeline route is entirely located within the public right of way and that the proposed route may require a bylaw or easement where municipal road allowances are not dedicated. There are four residential properties where the road allowance is forced. If it is determined that these four sections of the road are privately owned, easements will be obtained.

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.

#### **Questions:**

- a) Please provide an update on the four residential properties where the road allowance is forced.
- b) Please explain the process involved in resolving situations involving forced road allowances such that a proponent may construct facilities that occupy the land in question.
- c) Please confirm that none of the Project components (i.e. pipelines and the station) will be located outside of the road allowance on third party lands.
- d) Have the forms of agreement Enbridge intend to use been previously approved by the OEB? if so, in which proceeding(s)?



### **Interrogatory #9**

**Ref: Exhibit F, Tab 1, Schedule 2, Page 1-3**

#### **Other Permits and Approvals**

##### **Questions:**

- a) Please provide a table that lists all permits and approvals that are required to complete the construction of the Project, including a description of the purpose or need for each permit and the status of each permit/approval application. Please also provide dates for when Enbridge expects to receive any outstanding permits/approvals required, and what impact and delays in receiving these might have on the schedule.
- b) In Enbridge's view, how realistic is it to obtain all necessary permits and approvals to start the Project on time and complete it by December 2019?
- c) What measures is Enbridge undertaking to ensure there will be no delays in obtaining all permits and approvals necessary for the completion and the commissioning of the Project?

### **Interrogatory #10**

**Ref: Exhibit G, Tab 1, Schedule 1, Page 1-5**

#### **Indigenous Consultation**

Enbridge filed evidence on its Indigenous consultation activities. The evidence does not include a review letter or a letter of comment by the Ministry of Energy, Northern Development and Mines (Ministry) advising whether, in its opinion, the consultation and any accommodation has been adequate. Enbridge stated that the evidence reflects the Indigenous consultation activities up to February 27, 2019.

##### **Questions:**

- a) Please provide an update on Indigenous consultation activities since February 27, 2019 and identify any concerns and issues raised in the consultation process and steps that Enbridge has committed to undertake to address any concerns or issues.
- b) Please update the evidence with any correspondence between the Ministry and Enbridge after September 10, 2018 regarding the Ministry's review of Enbridge's consultation activities.
- c) In Enbridge' view, what is a realistic timeline for Enbridge to receive the consultation sufficiency letter from the Ministry?

**Interrogatory #11**

**Ref: Exhibit A, Tab 2, Schedule 1, Page 1-4**

**Leave to Construct Conditions of Approval under Section 90 of the OEB Act**

Enbridge applied for leave to construct facilities under section 90(1) of the OEB Act. If Enbridge does not agree with any of the draft conditions of approval noted below, please identify the specific conditions that Enbridge disagrees with and explain why.

For conditions in respect of which Enbridge would like to recommend minor changes, please provide the proposed changes.

**DRAFT**  
**Leave to Construct Conditions of Approval under Section 90 of the OEB Act**  
**Enbridge Gas Inc. - EB-2018-0226**

1. Enbridge Gas Distribution Inc. (Enbridge) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2018-0226 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) Enbridge 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
  - iv. of the in-service date, no later than 10 days after the facilities go into service.
3. Enbridge shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
4. Enbridge shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Enbridge 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), Enbridge shall file a Post Construction Financial Report, which shall provide a variance analysis of project cost, schedule and scope compared to the estimates filed in this proceeding, including the extent to which the project contingency was utilized. Enbridge 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 Enbridge proposes to start collecting revenues associated with the project, whichever is earlier.

6. Both during and after construction, Enbridge 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 Enbridge' 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;
  - iv. include a log of all complaints received by Enbridge, 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, licenses, 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 Enbridge' 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 of 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 Enbridge, including the date/time the complaint was received; a description of the complaint; any actions taken to address the complaint; and the rationale for taking such actions.

7. Enbridge shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, and shall provide the employee's name and contact information to the OEB and to all the appropriate landowners as well clearly posted on the construction site.
  
8. The OEB's designated representative for the purpose of these Conditions of Approval shall be the OEB's Manager of Supply and Infrastructure.