



BY EMAIL

July 23, 2019

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

Dear Ms. Walli:

**Re: Enbridge Gas Inc.
Application to Drill Well in the Ladysmith Storage Pool
OEB File No. EB-2019-0012**

Enbridge Gas Inc. (Enbridge Gas) filed an application with the Ministry of Natural Resources and Forestry (MNRF) for a licence to drill a stratigraphic test well, referred to as TL9, within the Ladysmith Storage Pool (LSSP). The application was referred to the Ontario Energy Board (OEB) by the MNRF on February 27, 2019, pursuant to section 40 of the *Ontario Energy Board Act, 1998* (OEB Act). Enbridge Gas requests that the OEB issue a favourable report to the MNRF pursuant to subsection 40(1) of the OEB Act (Report to the MNRF) recommending that the MNRF grant a licence to Enbridge to drill TL9.

The OEB issued a notice of hearing on May 30, 2019. No one applied for intervenor status.

On June 13, 2019, an adjacent landowner filed a letter of comment asserting that past work at the LSSP had resulted in drainage issues on their property, and expressing concern that additional work associated with TL9 could exacerbate the issues. The adjacent landowner requested that, before the OEB recommends the approval of Enbridge Gas' application, assurances be given and plans detailed as to how Enbridge Gas will address and mitigate the water drainage problem.

On July 17, 2019, Enbridge Gas filed a letter with the OEB stating that it had met with the landowner to discuss the matter, and had retained a drainage contractor to survey the area and determine potential solutions to mitigate the drainage issue.

At the direction of the Panel, OEB staff contacted Enbridge Gas and asked it to review and comment on a set of draft conditions of approval of the requested licence, which

are also attached to this letter. Since the work is part of its unregulated storage operations, Enbridge requested that condition #6, which requires the reporting of actual costs, be omitted. OEB staff does not object to the removal of that condition.

OEB staff has reviewed Enbridge Gas' application and have no issues that require interrogatories. OEB staff accepts that the drilling and monitoring of TL9 is needed to assist Enbridge Gas in determining whether additional capacity can safely and economically be developed in the LSSP in order to create incremental storage capacity to be sold as part of Enbridge Gas' unregulated storage operations. OEB staff submits that, because TL9 is part of Enbridge Gas's unregulated storage operations, there will be no rate impact to Enbridge Gas' rate-payers. OEB staff submits that Enbridge Gas has taken reasonable steps to address the adjacent landowner's concerns, and OEB staff notes that should any further issues arise moving forward, the OEB has a process for receiving complaints from the public regarding regulated entities. Subject to the proposed conditions of approval discussed above, OEB staff has no concerns with the OEB issuing a favourable Report to the MNRF.

Yours truly,

Original Signed By

Ritchie Murray
Project Advisor, Supply & Infrastructure

Appendix A
DRAFT Conditions of Licence - Well Drilling and Operation

1. Enbridge Gas Inc. (Enbridge Gas) shall rely on the evidence filed with the OEB in EB-2019-0012 proceeding and comply with applicable laws, regulations and codes pertaining to the construction of the proposed wells.
2. The authority granted under this licence to Enbridge Gas is not transferable to another party without leave of the OEB. For the purpose of this condition another party is any party except Enbridge Gas Inc.
3. Enbridge Gas shall construct the facilities and restore the land in accordance with its Application and evidence given to the OEB, except as modified by this licence and these Conditions.
4. Enbridge Gas shall implement all the recommendations of the Environmental Screening Report filed in the proceeding.
5. Enbridge Gas shall ensure that the movement of equipment is carried out in compliance with all procedures filed with the OEB, and as follows:
 - i. Enbridge Gas shall make reasonable efforts to keep the affected landowner as well as adjacent landowners and their respective tenant farmers, or their designated representatives, informed of its plans and construction activities; and
 - ii. The installation of facilities and construction shall be coordinated to minimize disruption of agricultural land and agricultural activities.
6. Concurrent with the Final Monitoring report referred to in Condition 8(b), Enbridge 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.
7. Enbridge Gas shall, subject to the recommendation by an independent tile contractor and subject to the landowner's approval, construct upstream and downstream drainage headers adjacent to the drilling area and access roads that cross existing systematic drainage tiles, prior to the delivery of heavy equipment, so that continual drainage will be maintained.
8. Both during and after construction, Enbridge Gas 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 Gas' 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 Gas, 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 Enbridge' adherence to Condition 1;
 - ii. Describe the condition of any rehabilitated land;
 - iii. Describe the effectiveness of any actions taken to prevent or mitigate any identified impacts during 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 Gas, 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.
9. For the purposes of these conditions, conformity of Enbridge Gas:
- a) With CSA Z341.1-18 "Storage of Hydrocarbons in Underground Formations" shall be to the satisfaction of the Ministry of Natural Resources and Forestry (MNRF); and
 - b) With the requirements for wells as specified in the Oil, Gas and Salt Resources Act, its Regulation 245/97, and the Provincial Operating Standards v.2 shall be to the satisfaction of the MNRF.

10. Enbridge Gas shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, shall provide the employee's name and contact information to the OEB and to all the appropriate landowners, and shall clearly post the project manager's contact information in a prominent place at the construction site.

The OEB's designated representative for the purpose of these Conditions of Approval shall be the OEB's Manager of Supply and Infrastructure (or the Manager of any OEB successor department that oversees leave to construct applications).