

July 30, 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 for Certificates of Public Convenience and Necessity Municipality of Thames Centre and the Municipality of Central Elgin

Attached is an Application by Enbridge Gas Inc. for Orders of the Ontario Energy Board with respect to amended Certificates of Public Convenience and Necessity ("CPCN") rights within the Municipality of Thames Centre and the Municipality of Central Elgin.

As is noted in the application, while waiting for final CPCN boundaries to be determined in the EB-2017-0108 proceeding addressing overlapping CPCNs held by Enbridge Gas and EPCOR Natural Gas Limited Partnership, Enbridge Gas has continued to receive requests for service. This application addresses five of the most urgent requests for service extensions within the Municipality of Thames Centre and the Municipality of Central Elgin in which Enbridge Gas' CPCN rights are being limited to where existing infrastructure is in place. The application includes letters of support from the developers that support Enbridge Gas providing the requested services.

This application illustrates the negative impacts on developers and community residents of the added time required to pursue OEB approval of new customer attachments in areas where Enbridge Gas has infrastructure in close proximity but the OEB has limited Enbridge Gas' CPCN rights. These negative impacts include construction and development uncertainties, as well as delays and increased costs for both the developers and consumers. In Enbridge Gas' opinion, this is contrary to the OEB's mandate to facilitate the rational expansion of gas distribution systems and promote cost effective and reliable gas service for consumers.

Enbridge Gas made significant investments in the Municipality of Thames Centre several years ago to upgrade the pressure regulating station and install a sufficiently sized plastic main for future growth in the area on the understanding that Enbridge Gas would be permitted to attach additional customers in accordance with its existing CPCN rights in the municipality. The OEB's determination on this application and its determination of how to amend the CPCN boundaries within the EB-2017-0108 proceeding will influence Enbridge Gas' utilization of existing investments and any decisions to pursue similar long-term investments in other municipalities that may be subject to uncertainty of CPCN rights.

Should you have any questions on this application, please do not hesitate to contact me. I look forward to receiving your instructions.

Yours truly,

[Original Signed By]

Patrick McMahon Specialist, Regulatory Research and Records patrick.mcmahon@enbridge.com (519) 436-5325

Encl.

c.c. (email only): Bruce Brandell, EPCOR Utilities Inc.

Dana Bissoondatt, EPCOR Utilities Inc. Vince Cooney, EPCOR Utilities Inc. Penny Garnsworthy, EPCOR Utilities Inc.

R.W. Stratford Consulting (Boardwalk at Millpond Subdivision)

Norquay Foxborough Land Corporation

Sifton Properties (Rosewood and Hawthorne Subdivisions)

Wastell Homes (Kokomo Beach Club Subdivision)

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 Enbridge Gas Inc. for an Order amending Certificates of Public Convenience and Necessity to construct works to supply natural gas in the Municipality of Thames Centre and the Municipality of Central Elgin.

APPLICATION

- 1. Enbridge Gas Inc. ("Enbridge Gas"), a regulated public utility, is a corporation incorporated under the laws of the Province of Ontario, with its offices in the City of Toronto and the Municipality of Chatham-Kent.
- 2. The Municipality of Thames Centre ("Thames Centre") is a lower-tier municipality located within the County of Middlesex that was formed on January 1, 2001 when the former townships of West Nissouri and North Dorchester were amalgamated. Enbridge Gas and its predecessors have been providing gas distribution services within Thames Centre since 1913. Enbridge Gas currently serves approximately 2,164 customers in Thames Centre.
- 3. The Municipality of Central Elgin ("Central Elgin") is a lower-tier municipality located within the County of Elgin that was formed on January 1, 1998 through the amalgamation of the former Township of Yarmouth, the former Village of Belmont and the former Village of Port Stanley. Enbridge Gas and its predecessors have been providing gas distribution services within Central Elgin since 1931. Enbridge Gas currently serves approximately 4,091 customers in Central Elgin.
- 4. Enbridge Gas has Franchise Agreements¹ with and Certificates of Public Convenience and Necessity ("CPCN")² for Thames Centre and Central Elgin.
- 5. In February 2017, Union Gas Limited (now Enbridge Gas) submitted an application to the Ontario Energy Board (EB-2017-0108) to eliminate the overlap of CPCNs held by Enbridge Gas and EPCOR Natural Gas Limited Partnership ("EPCOR"). In its Decision and Order dated October 11, 2018, the Ontario Energy Board determined that since both Enbridge Gas and EPCOR have infrastructure in place within Thames Centre and Central Elgin, each utility is only entitled to hold CPCN rights bounded by the lots and concessions in which each utility currently has infrastructure³. A final decision in the EB-2017-0108 proceeding is still pending regarding exactly where the final CPCN boundaries for each utility will be located within Thames Centre and Central Elgin.
- 6. While waiting for final CPCN boundaries to be determined in the EB-2017-0108 proceeding, Enbridge has continued to receive requests for service. Within Thames

¹ Approved by Order EB-2009-0033 for Thames Centre (expires on May 4, 2029) and by Order EB-2007-0809 for Central Elgin (expires on January 28, 2028).

² EB-2009-0034 dated April 14, 2009 for Thames Centre and EB-2007-0810 dated January 14, 2008 for Central Elgin.

³ EB-2017-0108 - Decision and Order, October 11, 2018, page 3

Centre and Central Elgin, five of the most immediate requests for service extensions are described below:

1. Boardwalk at Millpond Subdivision

This is a 58 hectare residential development in the former Township of North Dorchester within Thames Centre consisting of 328 lots for single unit residences, 14 blocks for future single unit development (that could be developed for approximately 170 lots), a 5.2 hectare medium density block (that could be developed for approximately 75 units), a 4.2 hectare stormwater / parkland block, and several servicing / walkway blocks, along with a series of new roads.

This development property is located along Mill Road and Dorchester Road and is bounded by agricultural land, future development lands, and natural areas including the Dorchester Mill Pond (see map at Schedule E). The developers have already spent \$4 million on infrastructure developments and have requested natural gas service by September 1, 2019.

Enbridge Gas operates a gas main line in immediate proximity to the subdivision development and can easily make connections to this subdivision within the requested timeline as long as a decision approving CPCN rights in this area is issued in a timely manner. A delay to providing gas service by September 1, 2019 will result in a delay to the start of home construction and a significant adverse impact on the developer's ability to follow through on their commitments to the builders and, in turn, to home buyers. A letter from the developers supporting this application for extended CPCN rights is attached (see Schedule A).

2. Rosewood Subdivision

Rosewood is a new residential neighbourhood located in the Thorndale area of Thames Centre (see map at Schedule E). The developer plans to start building homes in 2020 and have requested gas service by the end of 2019.

A delay to providing gas service by the end of 2019 will result in a delay to the start of home building construction and a significant adverse impact on the developers.

Enbridge Gas operates a gas main line in immediate proximity to this subdivision development and can easily make connections to this subdivision within the requested timeline as long as a decision approving CPCN rights in this area is issued in a timely manner. A letter supporting this application for extended CPCN rights is attached (see Schedule B).

3. Foxborough Subdivision

Foxborough is a new residential development abutting Fairview Road in the Thorndale area of Thames Centre (see map at Schedule E). The developer has already completed servicing of the first phase of 21 lots (which is serviced by Enbridge Gas) and house construction is well underway. The developer has requested gas service by December 2019 for the second phase.

Enbridge Gas operates a gas main line in immediate proximity to this subdivision development and can easily make connections to this subdivision within the requested timeline given that this is a natural extension of Enbridge Gas' current pipeline system, as long as a decision approving CPCN rights in this area is issued in a timely manner. A

letter supporting this application for extended CPCN rights is attached (see Schedule C).

4. Hawthorne Park Subdivision

The Hawthorne Park development will include single family and multi-family living options located in the Dorchester area bounded by Dorchester Road, Byron Road and Oakwood Drive (see map at Schedule E) in Thames Centre. Construction is scheduled to commence in 2021.

Enbridge Gas operates a gas main line in proximity to this subdivision development and can easily make connections to this subdivision within the requested timeline as long as a decision approving CPCN rights in this area is issued in a timely manner. A letter supporting this application for extended CPCN rights is attached (see Schedule B).

5. Kokomo Beach Club Subdivision

The Kokomo Beach Club subdivision is a new condominium and single family home development currently in pre-construction at the intersection of George Street and River Road within the Port Stanley community in Central Elgin (see map at Schedule F). The developer is currently working on phase 1 of this subdivision and has requested gas service by December 31, 2019. The Kokomo Beach Club subdivision is scheduled to contain a total of 500 units by the end of 2022.

Enbridge Gas operates gas mainlines along George Street in close proximity to the development and can easily make connections to this subdivision within the requested timeline as long as a decision approving CPCN rights in this area is issued in a timely manner. A letter supporting this application for extended CPCN rights in Central Elgin is attached (see Schedule D).

- 7. As was argued by Enbridge Gas in the EB-2017-0108 proceeding, reducing existing lower-tier CPCN boundaries within the County of Elgin and the County of Middlesex to include only the metes and bounds of existing infrastructure means that a new OEB proceeding is required before existing infrastructure can be expanded, even within areas of municipalities in which only one distributor has existing facilities that can feasibly serve additional customers. This application illustrates the potential negative impacts on community residents of requiring OEB approval of new customer attachments in these areas, including construction and development uncertainties, delays and increased costs. This is contrary to the OEB's mandate to facilitate the rational expansion of gas distribution systems and promote cost effective and reliable gas service for consumers.
- 8. Further, Enbridge Gas made significant investments in the Thorndale area of Thames Centre several years ago to upgrade the pressure regulating station and install a sufficiently sized plastic main for future growth in the area on the understanding that Enbridge Gas would be permitted to attach additional customers in accordance with its existing CPCN rights in Thames Centre. The OEB's determination of this application and its determination of how to amend the CPCN boundaries within the EB-2017-0108 proceeding will influence Enbridge Gas' utilization of existing investments and any decisions to pursue similar long-term investments in other municipalities that may be subject to uncertainty of CPCN rights.
- 9. Attached hereto as Schedules E and F are customer density maps for Thames Centre and Central Elgin showing the locations of the five requested service extensions described above.

10. Enbridge Gas now applies to the Ontario Energy Board for an Order pursuant to Section 8 of the *Municipal Franchises Act* for amended Certificates of Public Convenience and Necessity for the Municipality of Thames Centre and the Municipality of Central Elgin which includes the five proposed service extensions identified as the Boardwalk at Millpond Subdivision, the Rosewood Subdivision, the Foxborough Subdivision, the Hawthorne Park Subdivision and the Kokomo Beach Club Subdivision.

DATED at the Municipality of Chatham-Kent, in the Province of Ontario this 30th day of July, 2019.

ENBRIDGE GAS INC.

[Original Signed By]

Patrick McMahon Specialist, Regulatory Research and Records

Comments respecting this Application should be directed to:

Mr. Patrick McMahon
Specialist, Regulatory Research and Records
Enbridge Gas Inc.
50 Keil Drive North
Chatham, ON N7M 5M1
patrick.mcmahon@enbridge.com

Telephone: (519) 436-5325

Schedule A Letter of Support - Boardwalk at Millpond Subdivision



R.W. Stratford Consulting Inc.

July 12, 2019

Mr. James Whittaker Manager Regional Construction, Enbridge, Southwest PO Box 5353 Stn A London, ON N6A 4P1

Subject: Enbridge Gas Inc. Project 04-19-331

Boardwalk at Millpond Sub. Div. Phase 1, Dorchester Village

Letter of Support

Dear Sir:

We represent the Owners of the above noted proposed subdivision in the Municipality of Thames Centre.

We understand that your shelf-ready project to install gas services at this project, which we have worked on with you since 2018, is the subject of a future OEB Technical Conference, such that your installation is, at a minimum, delayed. We understand that your extension of gas services into this development can occur with minimal external investments on your part.

For this 91 lot subdivision, we have recently completed the installation of storm and sanitary sewers, watermains and road base construction. The Hydro and telecommunications installation is commencing <u>next week</u>. We had discussed and anticipated that Enbridge Gas Inc. (Enbridge) would be in a position to commence construction immediately after our hydro works are installed around the beginning to middle of August this year. The Owners have spent over \$4M on infrastructure servicing this year and four builders have executed Purchase and Sale Agreements and provided significant cash deposits on the premise that they would be in a position to commence home building construction, which requires your gas services, by September 1, 2019. Approximately 10 pre-sales to end-purchasers have already been established. We expect that new home purchasers will be in a move-in position by February 1, 2020.

Any delay of the installation of your services will have a significant adverse impact on the Owner's ability to follow through on his commitments to the builders.

We understand that Enbridge can apply to the Ontario Energy Board to include this development in their service area and we fully support Enbridge for servicing within this new subdivision. This project is a logical extension of your services.

Should you have any questions or require any additional information, please do not hesitate to contact the undersigned.

Very truly yours,

R.W. Stratford Consulting Inc.

R.W. Strattord, P.Eng.

Schedule B Letter of Support - Rosewood and Hawthorne Park Subdivisions



July 17, 2019

James Whittaker
Manager Regional Construction
Enbridge, Southwest
PO Box 5353 Stn A
London, ON N6A 4P1

RE: Sifton Properties Limited Rosewood Subdivision Phase 1, Thorndale, Thames Centre Hawthorne Subdivision, Dorchester, Thames Centre

Dear James,

Sifton Properties Limited's current project Rosewood (Thorndale) Subdivision is located at Nissouri Road and King Street in Thorndale, Thames Centre, and has an approved draft plan for servicing 56 single family homes in the first phase and connects that will lead to the second phase of the development.

This site is currently in the process of site preparations and area grading, site servicing will follow, then electrical service needs to be completed before the natural gas main can be installed. Sifton is aiming to stay on schedule for this project for a service date for gas lines/main to be starting in **November 2019**.

Sifton has been working with Enbridge Gas Inc. on Rosewood over the course of the year on plans and details. We have a growing relationship with Enbridge and are pleased with their service and direction to keep the schedule on track for all projects that we have been working on.

Future developments by Sifton will also take place in Thames Centre, Hawthorne Park subdivision located at Dorchester Rd and Byron Rd, in Dorchester, Thames Centre with current concept plan for this development with 193 single family homes to be constructed in 2021.



Enbridge has provided Sifton Properties Limited with exceptional service with our developments over the years, with efficiency that has been proven to be a professional standard. Sifton would like to continue with Enbridge Gas Inc.'s services in the future.

Yours truly,

SIFTON PROPERTIES LIMITED

Phillip R. Masschelein

Vice President

Neighbourhood Developments

Schedule C Letter of Support - Foxborough Subdivision

Norquay Foxborough Land Corp

#301 - 100 Wellington Street London, ON N6B 2K6

July 12, 2019

Enbridge Gas Inc. PO Box 5353 Stn A London, ON N6A 4P1

ATTENTION: Mr. James Whittaker, Manager Regional Construction

Dear Mr. Whittaker,

Re: Foxborough Thorndale Phase 2 Utility Servicing

This letter is to confirm that Norquay Foxborough Land Corp supports the continued use of Enbridge Gas Inc. (Enbridge) in the Foxborough development located in Thorndale. I can confirm that all utility designs (Hydro One, Rogers, Bell, Enbridge) are completed and construction of these utilities should commence in December 2019, to coincide with the projected completion of our sewer, watermain and road construction.

It is my understanding that Epcor does not have infrastructure close to our development and would have to undertake significant works external to our development in order to provide service. The contemplation of introducing an entirely new natural gas provider is troubling at this stage of our development as it would severely impact the timing of provision of gas servicing.

Should you require further information, or require clarification, please do not hesitate to contact me.

Sincerely,

Craig Linton
President

Norquay Developments Limited

519-672-4011 clinton@ndev.ca

Schedule D Letter of Support - Kokomo Beach Club Subdivision



July 25, 2019

Enbridge Gas Inc. 109 Commissioners Rd W London, ON N6I 1X7

Attention:

James Whittaker

Manager, Regional Construction, Southwest

Re:

Letter of Support for Enbridge Servicing

Kokomo Beach Club, Port Stanley

We are the developer and homebuilder of the new Kokomo Beach Club subdivision in Port Stanley, Ontario. This project is a \$250M+ master-planned community that consists of 6 new streets, 150 single-family homes, approximately 400 apartment residences, and a future medium-density block.

Phase 1, which consists of 30 single-family lots along George Street, has already been serviced with sewer and watermain. We had anticipated that your crews would be on site to install gas main and services in late August / early September. Foundation construction is scheduled to begin around same time or sooner.

Enbridge (and the former Union Gas) has worked with us on every subdivision and condominium development that our company has built. The level of service and responsiveness of your staff from design through to construction has always been outstanding. Our prime contact at your office has always been incredibly reliable and helpful to every division of our company.

We truly appreciate your work and quality of service; we have not worked with a better utility company on any project.

You have our unwavering support for Enbridge servicing this development.

If you have any questions, please contact the undersigned at 519-850-0020.

Yours truly,

Wastell Developments Inc.

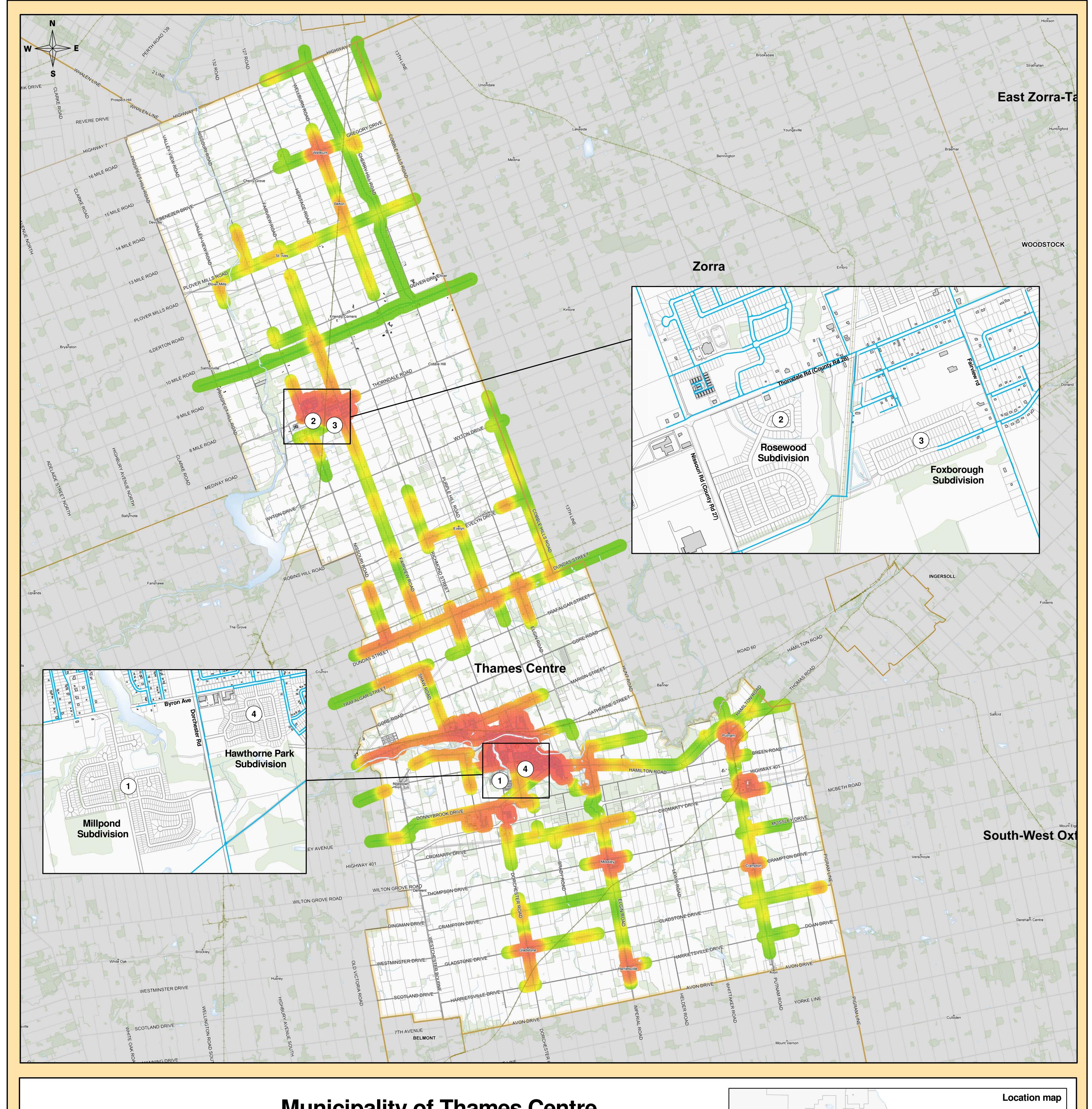
per

Julian N. Novick, P.Eng

Director of Operations

Headquarters: (519) 850-0020

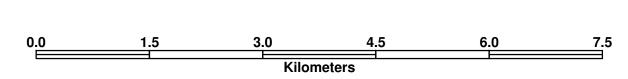
Schedule E Customer Density Map - Thames Centre



Municipality of Thames Centre Legend

Existing Enbridge Gas Pipelines Enbridge Gas CPCN Area Municipality of Thames Centre Roads Railway Municipal and Township Boundaries First Nation Boundaries **Customer Density** Low

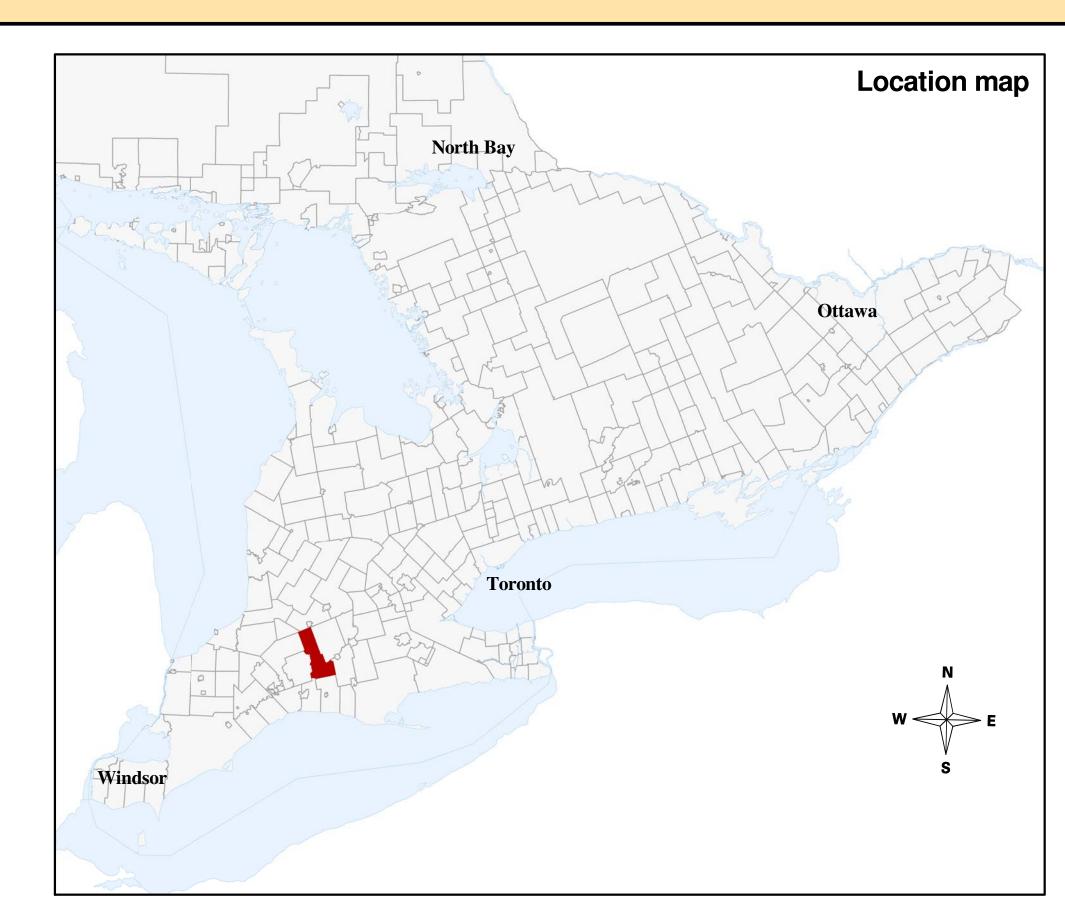
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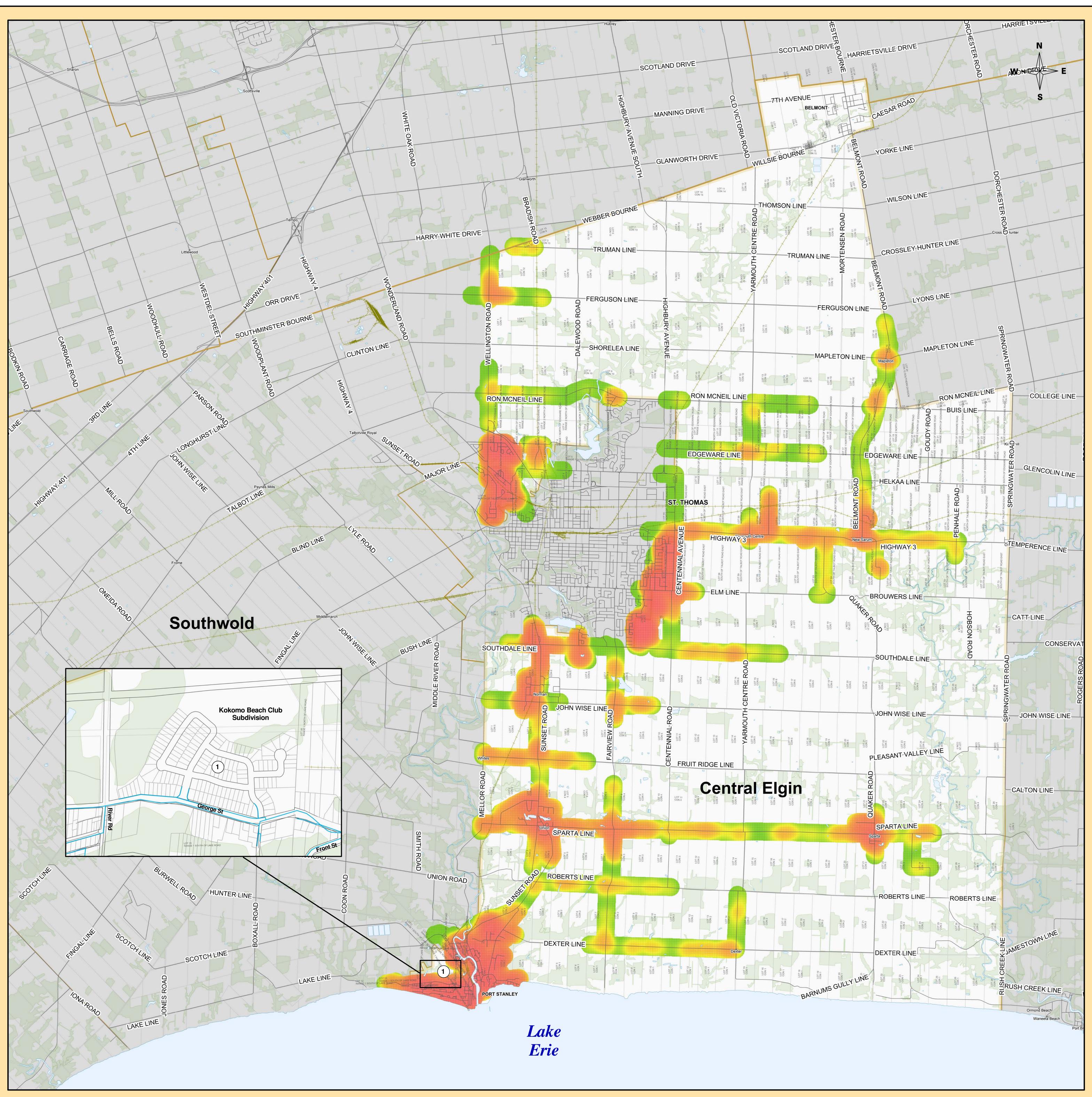
The map is provided with no warranty express or Implied and is subject to change at any time. Any Person using the Density Map shall do so at its own Risk and the Density Map is not intended in any way As a tool to locate underground infrastructure for the purposes of excavation





Schedule E

Schedule F Customer Density Map - Central Elgin



Municipality of Central Elgin Legend Existing Enbridge Gas Pipeline Disclaimer: Enbridge Gas Pipeline Coverage Areas The map is provided with no warranty express or Municipality of Central Elgin Implied and is subject to change at any time. Any Person using the Density Map shall do so at its own Roads Risk and the Density Map is not intended in any way As a tool to locate underground infrastructure for the Railway Municipal and Township Boundaries purposes of excavation First Nation Boundaries **Customer Density** ENBRIDGE® High Low

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