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BY EMAIL

September 16, 2019

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

Dear Ms. Walli:

**Re: Enbridge Gas Inc.
Application for amendments of certificates of public convenience and
necessity for the Municipality of Thames Centre and the Municipality of
Central Elgin
OEB Staff Submission**

Ontario Energy Board File Number: EB-2019-0195

In accordance with Procedural Order No. 1, please find attached the OEB Staff Submission for the above proceeding. This document has been sent to Enbridge Gas Inc. and to all other registered parties to this proceeding.

Enbridge Gas Inc. is reminded that its Reply Submission is due by September 20, 2019, should it choose to file one.

Yours truly,

Original Signed By

David Martinello
Advisor, Supply & Infrastructure

Encl.



OEB Staff Submission

**Application for amendments of certificates of
public convenience and necessity for the
Municipality of Thames Centre and the
Municipality of Central Elgin**

Enbridge Gas Inc.

EB-2019-0195

September 16, 2019

1 INTRODUCTION AND SUMMARY

These are the submissions of Ontario Energy Board (OEB) staff on the application filed by Enbridge Gas Inc. (Enbridge Gas) on July 30, 2019, under section 8 of the *Municipal Franchises Act*.

The application is for an order of the OEB amending Enbridge Gas' certificates of public convenience and necessity (CPCN) for each of the Municipality of Thames Centre and the Municipality of Central Elgin (collectively, the Municipalities).

In making the application, Enbridge Gas seeks the OEB's approval to construct natural gas service extensions to the following five new proposed subdivisions in the Municipalities (Subdivisions):

Proposed Subdivisions in the Municipality of Thames Centre

- Boardwalk at Millpond
- Rosewood
- Foxborough
- Hawthorne Park

Proposed Subdivision in the Municipality of Central Elgin

- Kokomo Beach Club

Based on the information provided by Enbridge Gas, and with consideration given to the parallel proceeding related to overlapping CPCN boundary rights between Enbridge Gas and EPCOR Natural Gas Limited Partnership (ENGLP) (Overlap Proceeding)¹, OEB staff does not have any concern with regard to the OEB approving the application and authorizing Enbridge Gas to provide natural gas service to the Subdivisions.

2 PROCESS

The OEB issued a Notice of Hearing on August 12, 2019, which was served and published as directed. On August 27, 2019, ENGLP filed a letter with the OEB requesting intervenor status.

The OEB issued Procedural Order No. 1 on September 4, 2019, which set the schedule for a written hearing and approved ENGLP as an intervenor.

¹ EB-2017-0108

ENGLP did not file interrogatories while OEB staff filed interrogatories on September 4, 2019, and Enbridge Gas filed interrogatory responses on September 9, 2019.

3 THE APPLICATION

Background

Enbridge Gas is currently authorized to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works in each of the Municipalities, pursuant to the following:

Municipality of Thames Centre

- Municipal Franchise Agreement, EB-2009-0033 (expires May 4, 2029)
- CPCN, EB-2009-0034 (dated April 14, 2009)

Municipality of Central Elgin

- Municipal Franchise Agreement, EB-2007-0809 (expires January 28, 2028)
- CPCN, EB-2007-0810 (dated January 14, 2008)

Enbridge Gas noted that, in the normal course, it would not need to seek the OEB's further approval to serve the Subdivisions, as the service extensions do not trigger the utility's need to apply for leave to construct. However, Enbridge Gas filed the application given that the utility's authorization to serve in the Municipalities is also currently being reviewed by the OEB in the parallel Overlap Proceeding. As stated in its application:

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 infrastructure². 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.³

² Decision and Order, EB-2017-0108, October 11, 2018, p. 3

³ Application, p. 1

Enbridge Gas states that, while waiting for final CPCN boundaries to be determined in the Overlap Proceeding, it has continued to receive requests for service. Enbridge Gas states that this application addresses five of the most urgent requests for service extensions within the Municipalities related to the Overlap Proceeding.

Relief Requested

Enbridge Gas filed the application under section 8 of the *Municipal Franchises Act* for authorization to construct pipelines to provide natural gas service to the Subdivisions.

In response to an OEB staff interrogatory, Enbridge Gas confirmed that none of the Subdivisions are to be located in an area within the Municipalities where there is a known overlap with ENGLP's CPCNs.⁴

The specific lots and concessions in which each of the five proposed subdivisions will be located are outlined in Table 1, below⁵:

Table 1: Lots and Concessions of the Five Proposed Subdivisions

Subdivision	Lot/Concession
Boardwalk at Millpond	Concession B SRT, Lots 18 & 19, North Dorchester
Rosewood	Concession 3, Lot 15, West Nissouri
Foxborough	Concession 3, Lot 15, West Nissouri
Hawthorne Park	Concession B SRT, Lot 17, North Dorchester
Kokomo Beach Club	Lot 15, Range 1, North of Lake Road, Southwold Lot 15, Range 1, South of Lake Road, Southwold

Enbridge Gas confirmed that the pipelines to be used to service the Subdivisions do not require leave to construct pursuant to section 90(1) of the *Ontario Energy Board Act, 1998*, nor do they require a system expansion surcharge.⁶ The service requests are required in order to meet the anticipated growth in customer numbers for natural gas service in the Subdivisions in each of the Municipalities. Enbridge Gas estimates that the first phase of the proposed Subdivisions will add 183 and 29 customers in the Municipality of Thames Centre and Municipality of Central Elgin, respectively.⁷

In response to interrogatories, Enbridge Gas highlighted that it continuously responds to customers requesting feasibility estimates to extend natural gas service to their locations. However, at this time, Enbridge Gas does not have active projects for service

⁴ Enbridge Gas Response to OEB Staff-1(a)

⁵ Enbridge Gas Response to OEB Staff-1(b)

⁶ Enbridge Gas Response to OEB Staff-1(d)

⁷ Enbridge Gas Response to OEB Staff-2(a)

extensions within the Municipalities, other than for the Subdivisions.⁸ Enbridge Gas highlighted the need for a timely Decision and Order regarding the amendment of the CPCNs for each of the Municipalities.^{9,10}

4 OEB STAFF'S SUBMISSIONS

OEB staff does not have any concern regarding the OEB granting Enbridge Gas' application. OEB staff's understanding is consistent with Enbridge Gas' confirmation that the Subdivisions are not within known overlap areas covered by the CPCN rights of ENGLP. Further, OEB staff agrees that given the specifications provided, the pipelines to be constructed by Enbridge Gas in the Subdivisions do not appear to require leave to construct approval from the OEB.

In OEB staff's view, if the OEB were to approve the application, the authorizations could be granted in one of two ways. The OEB could amend Enbridge Gas' existing CPCNs for each of the Municipalities to specifically include the respective Subdivisions. Alternatively, the OEB could issue a new CPCN for each of the two Municipalities, in which case the new CPCNs would be specific to the lots and concessions of each of the Subdivisions. If this latter option were preferable to the OEB, the CPCNs could be drafted as outlined in Schedules A and B, attached hereto. OEB staff submits that the second approach of issuing a new CPCN for each of the two Municipalities specific to the lots and concessions of each of the Subdivisions would be suitable as the existing CPCNs for the Municipalities are in the process of being amended in the Overlap Proceeding. This approach would avoid any possible ambiguities or unforeseen complications that could arise as the OEB would not be amending CPCNs that are in the process of being determined. The new CPCNs established through this proceeding for each of the Municipalities could then be cancelled and superseded to be included in the CPCNs established for the Municipalities once a final determination is made in the Overlap Proceeding.

Enbridge Gas highlighted that it has no additional service extension requests for either of the Municipalities at this time. However, OEB staff notes that in Procedural Order No. 11 for the Overlap Proceeding, the OEB identified that it recognized, pending a final resolution of the Overlap Proceeding, there may be other requests for natural gas service in areas in which Enbridge Gas and ENGLP may currently have overlapping CPCN boundaries. The OEB stated that in such instances, the requests should be

⁸ Enbridge Gas Response to OEB Staff-2(b)

⁹ Enbridge Gas Response to OEB Staff-3(a)

¹⁰ Enbridge Gas Response to OEB Staff-3(b)

brought to the OEB's attention in the Overlap Proceeding, together with the utility's proposed resolution. OEB staff submits that, until a final decision in the Overlap Proceeding is issued, Enbridge Gas should act in accordance with the OEB's directions outlined in Procedural Order No. 11 with regard to any request for a new service extension within the Municipalities.

All of which is respectfully submitted.

Schedule A
EB-2019-0195

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

Enbridge Gas Inc.

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply natural gas in the Municipality of Thames Centre to the four proposed subdivisions identified as:

- Boardwalk at Millpond: Concession B SRT, Lots 18 & 19, North Dorchester
- Rosewood: Concession 3, Lot 15, West Nissouri
- Foxborough: Concession 3, Lot 15, West Nissouri
- Hawthorne Park: Concession B SRT, Lot 17, North Dorchester

as it is constituted on the date of this Decision and Order.

DATED at Toronto, September XX, 2019

ONTARIO ENERGY BOARD

Pascale Duguay

Manager, Application Policy and Climate Change

Schedule B
EB-2019-0195

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

Enbridge Gas Inc.

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply natural gas in the Municipality of Central Elgin to the proposed subdivision identified as:

- Kokomo Beach Club: Lot 15, Range 1, North of Lake Road, Southwold and Lot 15, Range 1, South of Lake Road, Southwold

as it is constituted on the date of this Decision and Order.

DATED at Toronto, September XX, 2019

ONTARIO ENERGY BOARD

Pascale Duguay

Manager, Application Policy and Climate Change