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BY EMAIL

December 20, 2019

Christine E. Long
Registrar and Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
BoardSec@oeb.ca

Dear Ms. Long:

**Re: Enbridge Gas Inc. (Enbridge Gas)
Application for leave to construct a natural gas pipeline and associated
facilities in the Township of St. Clair in the County of Lambton
OEB Staff Interrogatories
OEB File Number: EB-2019-0218**

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

Yours truly,

Original Signed By

Judith Fernandes
Project Advisor, Natural Gas Applications

Encl.



OEB Staff Interrogatories

Application for leave to construct a natural gas pipeline and associated facilities in the Township of St. Clair in the County of Lambton

Enbridge Gas Inc.

EB-2019-0218

December 20, 2019

1-Staff-1

Ref: Exh B/Tab 1/Sch 1/p.1

Enbridge Gas Inc. (Enbridge Gas) requests leave to construct approximately 1.2 kilometres of Nominal Pipe Size (NPS) 20 pipeline and ancillary facilities from the Dow Valve Site to the Bluewater Interconnect in the Township of St. Clair (Project). Enbridge Gas states that it has the necessary Certificate and Franchise Agreements in place to construct the Project.

- a) Please provide copies of the applicable Municipal Franchise Agreement and Certificate of Public Convenience and Necessity that confirms that Enbridge Gas can construct in this area.

1-Staff-2

**Ref: Exh B/Tab 1/Sch 2/p.9
Exh B/Tab 1/Sch 3/p.1,2**

The proposed Project is expected to provide an incremental 73.6 TJ/d of SIL system capacity, consisting of a minimum of 61.4 TJ/d of incremental SIL system capacity to serve NOVA demand beginning November 1, 2021 and 12.2 TJ/d of capacity to serve future growth in the Sarnia market.

- a) Please advise of the maximum incremental SIL capacity that would be required to serve NOVA demand.
- b) Please advise of each of the anticipated incremental demands from Ainsworth Ainsworth Energy Company Ltd (Ainsworth) and Advanced Chemicals Technologies (ACT), including an explanation of how forecasted demand has been determined.
- c) Please provide any updates on new or continuing discussions with Ainsworth or ACT.
- d) Please provide a breakdown of the 12.2 TJ/d of incremental capacity created by the Project between forecasted load growth and what Enbridge Gas determines to be for security of supply, if any.

1-Staff-3

Ref: Exh B/Tab 1/Sch 3

Enbridge Gas assessed the proposed Project to eight other facility alternatives (i.e., additional pipeline/station infrastructure) and two non-facility alternatives (commercial third-party and integrated resource planning options).

- a) For each alternative, please provide, as applicable, total estimated pipeline capital costs, total estimated station capital costs; and /or total estimated contract for transportation of supply costs.
- b) Please provide the Discounted Cash Flow and Profitability Index for the alternatives that have not been selected.

1-Staff-4

Ref: Exh B/Tab 1/Sch 3/pp. 1,11

Enbridge Gas states that it has just executed a new firm natural gas delivery service contract with NOVA in July 2019, for service beginning in November 1, 2021 and that the proposed Project is designed to serve this need in the most efficient and cost-effective manner possible. Enbridge Gas states that it has not identified any IRP alternatives feasible to implement and verify before November 1, 2021. However, Enbridge Gas also states that consideration of non-facility alternatives includes IRP options that could offset the need for facilities or commercial alternatives to serve demand growth forecasted for 2021 and beyond.

- a) Please indicate the timelines that would be required to deploy any DSM programs that Enbridge Gas has considered. Also, please indicate the timelines that would be required to achieve the full impact of the DSM programs.

1-Staff-5

**Ref: Exh B/Tab 1/Sch 4/p.1
Exh C/Tab 4/Sch 1/p.1**

The application states that the total estimated cost of the Project is \$30.8M, which includes pipeline costs of \$23.4M, and station costs of \$7.3M.

- a) Please provide an estimate of the costs of consultation (with affected landowners and Indigenous peoples) for the Project. Please confirm whether consultation costs have been included in the total estimated costs of the Project. If this is not included in the Project costs, please explain how Enbridge Gas intends to fund the costs of consultation.

- b) Please provide comparable projects that Enbridge Gas has completed in the past and that were approved by the OEB. Please provide a breakdown of the costs for these projects.
- c) Please confirm whether this project is included in Enbridge Gas' Utility System Plan and Asset Management Plan that has been approved by the OEB.

1-Staff-6

Ref: Exh B/Tab 1/Sch 6/p.2

Enbridge Gas states that its Environmental Report(ER) was provided to the Ontario Pipeline Coordinating Committee (OPCC) on August 15, 2019. Enbridge Gas indicates that it has consulted with various agencies, municipalities, First Nations and landowners along the proposed Project route.

- a) Please file a summary of comments and concerns received from the public consultation and OPCC review. Please include Enbridge Gas' responses and actions to address the issues and concerns.

1-Staff-7

**Ref: Environmental Report, Table 1-1 and Section 4.4.9
Exh B/Tab 1/Sch 6/p.3**

The ER states that a Stage 1 Archaeological Assessment (AA) was completed and that the Stage 1 AA report was submitted to the Ministry of Tourism, Culture and Sport (MTCS). It is stated that a Stage 2 AA is required and that depending on the results of the Stage 1-2 AA, Stage 3 and 4 AAs may be required. Enbridge Gas proposes to complete the majority of the AAs during the 2019/2020 field season.

- a) Please identify the date on which Enbridge Gas submitted the Stage 1 AA to the MTCS.
- b) Please provide an update on status of the MTCS' review of the Stage 1 AA and when Enbridge Gas expects a response from the MTCS with respect to the Stage 1 AA. Please include the response from MTCS on the Stage 1 AA, if available.
- c) Please provide an update on the status of Enbridge Gas' Stage 2 AA, indicating if Enbridge Gas has submitted its Stage 2 AA to the MTCS, whether the Stage 2 AA field work is underway and when this will be completed.

- d) Please indicate when Enbridge Gas anticipates a response from the MTCS with respect to the Stage 2 AA. Please include the response from MTCS on the Stage 2 AA, if available.
- e) Please confirm whether Stage 3 and 4 AAs are required, including information on the status of these AAs if required.
- f) Please indicate the latest timeline by which Enbridge Gas must receive responses from the MTCS to start the Project on time.
- g) Please comment on the implications for the Project if Enbridge Gas does not receive responses from the MTCS before the timeline specified in part (f).

1-Staff-8

Ref: Environmental Report, Section 3.5.2

According to the ER, a consultation and engagement program was undertaken to permit interested and potentially affected parties to provide input into the project. Hydro One Networks Inc. (HONI) advised that a section of the proposed pipeline is located within HONI owned lands known as Sarnia South Transmission Station and that Enbridge Gas would have to remove the pipeline if necessary, to accommodate HONI's future needs.

- a) Please state what proportion of the proposed line is located within the above-described HONI owned lands.
- b) Please provide a description of the future potential need for a station on these lands commenting on the likelihood that this land may be required for a station.
- c) Please comment on whether Enbridge Gas has entered into an easement agreement with HONI for these lands. Please describe the type of easement that is required. Please provide a copy of the easement agreement.
- d) Please comment on the implications for the proposed pipeline and what Enbridge Gas intends to do in the event that HONI requires these lands for a station in the future.

1-Staff-9

Ref: Environmental Report, Table 1-1

Exh B/Tab 1/Sch 7/pp.1-2

Enbridge Gas states that it is required to obtain environmental permits and approvals and notifications from federal, provincial and municipal agencies. Enbridge also states that it has initiated negotiations with directly impacted landowners from whom either fee simple, permanent or temporary land rights are required. Enbridge Gas states that it will have all land rights in place prior to construction.

- a) Table 1-1 provides a summary of permits and approvals to complete the construction of the Project, including a description of the purpose or need for each permit.
 - i. Please provide the status of each permit/approval application.
 - ii. Please provide dates for when Enbridge Gas expects to receive any outstanding permits/approvals required, and what impact and delays in receiving these might have on the Project schedule.
- b) Please provide an update on the negotiations with private landowners for the purchase of lands (fee simple lands) required for the project, including any concerns that have been expressed by landowners with respect to the proposed Project. Please comment on when Enbridge Gas expects these agreements to be executed.
- c) Please provide an update on the status of the temporary land use (TLU) rights and permanent easement rights required for the Project, including any concerns that have been expressed by landowners. Please indicate the number of TLU rights and the number of permanent easement rights that are required.
- d) Please discuss any concerns that Enbridge Gas has with respect to obtaining any of the required land rights and/or permits for the Project.
- e) Please provide the file numbers for the OEB decisions approving the forms of agreements provided in this application.

1-Staff-10

Ref: Exh B/Tab 1/Sch 8/pp.1,2

Enbridge Gas' evidence indicates that on September 10, 2018, it received a letter from the Ministry of Energy, Northern Development and Mines (MENDM) indicating that Enbridge Gas had been delegated the procedural aspects of consultation for the Project. Enbridge Gas states that it would provide its Indigenous Consultation Report (ICR) to the MENDM on October 7, 2019, requesting that the MENDM determine if the procedural aspects of the duty to consult for the Project are sufficient.

- a) Please provide an update on Indigenous consultation activities since August 28, 2019 and identify any concerns and issues raised in the consultation process and steps that Enbridge Gas has committed to undertake to address any concerns or issues.
- b) Assuming the ICR was provided to the MENDM on October 7, 2019, please update the evidence with any correspondence between the MENDM and Enbridge Gas after October 7, 2019, regarding the MENDM's review of Enbridge Gas' consultation activities.
- c) Please indicate when Enbridge Gas expects to receive the consultation sufficiency letter from the MENDM.

1-Staff-11

Ref: Exh A/Tab 2/ Sch 1/ pp.1-3

Enbridge Gas applied for leave to construct facilities under section 90(1) of the OEB Act.

- a) Please comment on the following draft conditions of approval proposed by OEB staff. 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 changes, please provide the proposed changes.

DRAFT

Leave to Construct Conditions of Approval under Section 90 of the OEB Act Enbridge Gas Inc. – EB-2019-0218

1. Enbridge Gas Inc. (Enbridge Gas) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2019-0218 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 Gas 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 Gas 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 Gas shall advise the OEB of any proposed change in the project, including but not limited to changes in: OEB-approved construction or restoration procedures, the proposed route, construction schedule and cost, the necessary environmental assessments and approvals, and all other approvals, permits, licences, certificates and rights required to construct the proposed facilities. Except in an emergency, Enbridge Gas 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 Gas 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 Gas 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 Gas proposes to start collecting revenues associated with the project, whichever is earlier.
6. 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 Gas' 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 Gas, 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 Gas 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, 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 Natural Gas (or the Manager of any OEB successor department that oversees natural gas leave to construct applications).