

BY E-MAIL

April 24, 2020

Ms. Christine E. Long  
Board Secretary and Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto ON M4P 1E4  
[BoardSec@oeb.ca](mailto:BoardSec@oeb.ca)

Dear Ms. Long:

**Re: Enbridge Gas Inc.  
2020 Storage Enhancement Project  
OEB Staff Interrogatories to Applicant  
OEB File No. EB-2020-0074**

In accordance with Procedural Order No. 1, please find attached the OEB staff interrogatories for the above proceeding. This document has been sent to Enbridge Gas Inc. and copied to all intervenors.

Enbridge Gas Inc. is reminded that its response to the interrogatories are due by May 11, 2020.

Yours truly,

*Original signed by*

Ritchie Murray  
Project Advisor

c. Mr. Rakesh Torul, [Rakesh.Torul@enbridge.com](mailto:Rakesh.Torul@enbridge.com)  
Ms. Tania Persad, [Tania.Persad@enbridge.com](mailto:Tania.Persad@enbridge.com)  
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Encl.

**ENBRIDGE GAS INC.  
2020 STORAGE ENHANCEMENT PROJECT  
EB-2020-0074**

**OEB STAFF INTERROGATORIES**

**OEB Staff No. 1**

**Ref.:** Exhibit A, Tab 2, Schedule 1  
Exhibit B, Tab 1, Schedule 1

**Preamble**

Enbridge Gas Inc. (Enbridge Gas) is applying for leave to vary the maximum operating pressures (MOPs) of its Black Creek, Coveny and Wilkesport natural gas storage pools (Pools). The stated purpose of the 2020 Storage Enhancement Project (Project) is to meet the growing market demand for incremental storage space. The additional capacity would be used to meet the requirements of Enbridge Gas' storage service customers and will be sold at non-utility, market-based prices.

The Project includes the installation of wellhead upgrades and the installation of emergency shut-down valves on each of the natural gas storage wells within the Pools.

**Questions**

- a) Please provide the split of the current capacity of the Pools between regulated and unregulated storage customers.
- b) Please confirm that the proposed facilities (i.e., upgraded wellheads and new emergency shutdown valves) will not benefit regulated customers. If this cannot be confirmed, please explain.
- c) If regulated customers will benefit from the proposed facilities, please provide a complete breakdown of all capital costs associated with the Project. Also, provide an explanation for why all costs are proposed to be allocated to unregulated storage operations.
- d) Please provide a summary of the forecast long-term demand in Ontario for regulated and unregulated storage space and deliverability annually, starting

in 2020. Please make reference to any studies or other sources of information used for the forecast.

## **OEB Staff No. 2**

**Ref.:** Exhibit A, Tab 2, Schedule 1, page 2

### **Preamble**

The OEB Act permits the OEB, when making an order, to “impose such conditions as it considers proper.”<sup>1</sup> In its application, Enbridge Gas requests that the following condition be placed on the Pools:

Enbridge Gas shall not operate the storage pool above a pressure representing a pressure gradient of 17.2 kPa/m (0.76 psi/ft) of depth without leave of the OEB. Enbridge Gas shall provide summaries of an engineering study and geological study in support of any leave applications and a formal confirmation from the Ministry of Natural Resources and Forestry that operating the pool at the increased operating pressure complies with the requirements of the CSA Z341 standard.

Enbridge Gas says that a similar condition was “attached” to the OEB’s approval in the proceeding for the delta pressuring of the Sarnia Airport Pool, EB-2017-0362<sup>2</sup>.

OEB staff notes that a similar condition was *proposed* in the Sarnia Airport Pool case. However, the OEB only approved the first part of the condition. In its decision and order<sup>3</sup>, the OEB stated:

The OEB considers it inappropriate to set the requirements for filing evidence in support of any request for a further increase of the maximum operating pressure at this time. The OEB also notes that the form and the scope of the MNRF’s formal confirmation that operating the pool at the increased operating pressure complies with the requirements of the CSA Z341.1-14 standard does not have to be set at this time as the future regulatory framework may

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<sup>1</sup> OEB Act, s. 23

<sup>2</sup> Exhibit A, Tab 2, Schedule 1, page 2, paragraph 5

<sup>3</sup> EB-2017-0362, Sarnia Airport Storage Pool LP delta pressure application, Decision and Order issued April 26, 2018, page 5

differ from the current framework. The MNRF expressed a concern in its interrogatories to SASP that the wording of the condition as proposed by SASP leads to "...an abridged process for any future gradient increase request, as set out in the condition request...".

### **Question**

Please explain why Enbridge Gas believes the second part of the proposed condition is appropriate in this case.

### **OEB Staff No. 3**

**Ref.:** Exhibit B, Tab 1, Schedule 1, page 3

### **Preamble**

Enbridge Gas states that the Project is the first phase of a larger project to increase deliverability and storage capacity at Enbridge Gas' storage facilities. The additional deliverability and storage capacity will be sold as part of Enbridge Gas' unregulated storage portfolio. In developing this Project, Enbridge Gas determined that the Pools were preferred for increases in pressure.

### **Questions**

- a) Please provide an overview of the overall project in terms of the proposed types of work (e.g., delta pressuring, well drilling, pipeline construction), pool names and locations, increased capacity per pool, possible timing, estimated costs, proposed treatment of costs (i.e., allocation between regulated and unregulated operations), expected land use requirements, unusual environmental concerns, and any potential Indigenous consultation concerns. Bulleted lists and summary tables are acceptable.
- b) Please discuss the rationale for Enbridge Gas' decision to enhance deliverability in more than one phase. Address business, economic, environmental and cost aspects, as well as technical and operational aspects of the multi-phase plan. Would there be any efficiencies gained by addressing the full demand at once (e.g., from the perspectives of regulatory approvals, permits, consultations, construction, etc.)?
- c) Please indicate which studies or models were the basis for Enbridge Gas' assessment and selection of the Pools as the preferred options for meeting

the identified needs. Please summarize and define the criteria used to select the Pools for the Project.

**OEB Staff No. 4**

**Ref.:** Exhibit C, Tab 1, Schedule 1, page 2

**Preamble**

Enbridge Gas engaged Stantec Consulting Ltd. (Stantec) to complete the necessary Environmental Screenings. The Environmental Screening process was completed in October 2019. The screening results have been documented in Environmental Screening Reports (ESRs). Enbridge Gas says the ESRs conform to the OEB's *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario* (7th Edition, 2016) and the generally accepted principles of *Environmental Screening Principles for Distribution System Expansion Projects by Ontario Natural Gas Utilities*, as outlined in E.B.O. 188.

Based on results of a background records review, habitat assessment and Stantec's experience for the surrounding landscape, Butler's Gartersnake and Eastern Foxsnake are the only Species at Risk (SAR) that may be impacted by the Project. In order to limit impacts to this species, Enbridge Gas has begun consultation with the Ministry of Environment, Conservation and Parks (MECP) to confirm recommended mitigation measures. On December 3, 2019, Enbridge Gas provided the MECP recommendations to be implemented during the Project.

**Question**

Please provide an update on consultations with the MECP regarding the SARs that may be impacted by the Project and any other topics that have arisen since December 3, 2019.

**OEB Staff No. 5**

**Ref.:** Exhibit E, Tab 1, Schedule 1

**Preamble**

As of the date of application, one landowner in the Coveny Pool had not yet been contacted. Enbridge states that all work in this pool will be completed off of the existing laneways. However, Enbridge Gas says that if any of this landowner's property is affected by the work, they will be compensated accordingly. All other lands are owned by Enbridge Gas. Enbridge Gas is not aware of any unresolved land matters.

### **Questions**

- a) Please confirm that there is one or more existing land use agreement(s) between Enbridge Gas and the affected Coveny Pool landowner that apply to the existing laneways. If so, please confirm whether the existing agreement(s) also apply to land adjacent the existing laneways. If so, please confirm that the nature and extent of any compensation would be governed by the existing agreement(s). If any of the preceding cannot be confirmed, please explain how land use and compensation would be addressed with this landowner.
- b) Please confirm that this landowner has been served with the Notice of Hearing for this application. If not, please provide a status update on service.
- c) Aside from the Notice of Hearing, has the landowner in the Coveny Pool been contacted by Enbridge Gas to discuss the potential need for a portion of their lands? If so, please summarize the discussions including any concerns the landowner has expressed and the actions Enbridge Gas proposes to address those concerns. If not, please explain why not.

### **OEB Staff No. 6**

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

### **Preamble**

On September 23, 2019, Enbridge Gas received a letter from the Ministry of Energy, Northern Development and Mines (MENDM) indicating that it did not anticipate any appreciable adverse impact on the asserted or established rights of First Nation or Métis communities. Based on this determination, no duty to consult was triggered and the MENDM will not be providing a letter of opinion regarding the adequacy of consultation. Should new information on the Project become available that indicates a potential to impact Aboriginal and treaty rights, Enbridge Gas will notify the MENDM.

### **Question**

After the Notice of Hearing was published on March 12, 2020, did Enbridge Gas receive any communications from Indigenous communities? If so, please provide a summary of the communications and any actions taken by Enbridge Gas in response.

## **OEB Staff No. 7**

**Ref.:** Exhibit H, Tab 1, Schedule 1

### **Preamble**

Section 10 of the *Oil, Gas and Salt Resources of Ontario, Provincial Operating Standards*<sup>4</sup> requires that facilities for storage of hydrocarbons in underground formations shall be designed, constructed, operated, maintained and abandoned in accordance with CSA Standard Z341 – *Storage of Hydrocarbons in Underground Formations* (CSA Z341).

As a condition of approval in past proceedings, the OEB has required that the applicant conform with the relevant requirements of the CSA Z341 to the satisfaction of the Ministry of Natural Resources and Forestry (MNRF)<sup>5</sup>.

Enbridge Gas advises that it met with the MNRF on January 7, 2020, to discuss the Project, and that, at that meeting, Enbridge Gas provided the MNRF with the following reports (Reports) for its review:

- i. Engineering Assessments by Geofirma Engineering Ltd. that confirm the maximum safe operating pressure for the Pools exceeds 17.2 kPa/m
- ii. An Assessment of Neighbouring Activities for each of the storage pools
- iii. An analysis of hazards and operability (HAZOP) for each of the storage pools

Enbridge Gas stated that it understands that the MNRF will file comments on compliance with the Z341 and on the Reports in its final submissions in this proceeding.

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<sup>4</sup> <https://www.ontario.ca/document/oil-gas-and-salt-resources-ontario-provincial-operating-standards>

<sup>5</sup> E.g.: EB-2017-0363, Decision and Order, Union Gas Limited, 2018 Storage Enhancement Project; EB-2017-0362, Decision and Order, Sarnia Airport Storage Pool LP, Delta Pressure Project; EB-2016-0322, Decision and Order, Union Gas Limited, 2017 Storage Enhancement Project

**Questions**

- a) Did Enbridge Gas discuss with the MNRF the option of obtaining its comments on Enbridge Gas' compliance with the Z341 prior to the date for written submissions in this proceeding? If so, please provide a summary of those discussions.
- b) Does Enbridge Gas have any objection the OEB imposing a condition of approval that requires Enbridge Gas to conform to the relevant requirements of the CSA Z341 to the satisfaction of the Ministry of Natural Resources and Forestry? If so, please explain Enbridge Gas' opposition to such a condition.