

Enbridge Gas Inc.

Application for approval to drill natural gas storage wells in each of the Kimball-Colinville Storage Pool and the Payne Storage Pool, in St. Clair Township in the County of Lambton.

PROCEDURAL ORDER NO. 3

July 24, 2020

On April 9, 2020, pursuant to section 40(1) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B), Enbridge Gas Inc. (Enbridge Gas) requested from the Ontario Energy Board (OEB) a favourable report to the Ministry of Natural Resources and Forestry (MNRF) in respect of Enbridge Gas' application to the MNRF for licences to drill wells in the Kimball-Colinville Storage Pool and the Payne Storage Pool. Both pools are located in St. Clair Township in the County of Lambton.

On May 7, 2020, the OEB issued a Notice of Hearing. On June 8, 2020, the OEB issued Procedural Order No. 1 that established timelines for a written proceeding and that approved the MNRF, Mr. Arnold and Mr. Henderson as intervenors.

In its application, Enbridge Gas stated that the capital costs for the well in the Payne pool (UP 24) would be allocated to regulated and unregulated storage operations in accordance with the allocation factors that Enbridge Gas updates annually. In response to an OEB staff interrogatory, Enbridge Gas stated that it expects the allocation factors will be approved by the OEB in Enbridge Gas' next rebasing application.

In their letters of comment and intervention requests, Mr. Arnold and Mr. Henderson expressed concerns about compensation under the existing Gas Storage Lease (GSL) agreements for storage rights. Mr. Arnold also alleged past damages arising from Enbridge Gas' construction, reinstatement, and other practices.

On July 10, 2020, in response to a request from Mr. Henderson, the OEB issued Procedural Order No. 2 that extended the due date for submissions by two weeks from July 13, 2020 to July 27, 2020, and set August 10, 2020 as the due date for Enbridge Gas' reply submission.

The OEB considers it necessary at this time to address certain matters raised by Mr. Arnold and Mr. Henderson.

Findings

The matters of compensation under the existing GSL agreements and alleged inadequate past restoration of intervenors' properties and awards for damage are matters that are outside the scope of this proceeding. The OEB finds that changes to the terms of GSL agreements would be more appropriately dealt with in a generic proceeding given that the issue may affect other landowners in the province. The OEB also finds that the alleged issue of inadequate restoration and payment of damages with respect to past activities should be addressed by Enbridge Gas and the affected landowners through avenues other than this proceeding. The OEB expects Enbridge Gas to inspect the premises and respond to those alleged inadequate restoration practices.

The OEB further notes that the regulated portion of the proposed facilities, if and to the extent approved, would not be included in Enbridge Gas' rate base until the time of rebasing. As such, the inclusion of the regulated portion of these assets in rate base, and the matter of cost allocation between regulated and unregulated gas storage operations, will be considered as part of Enbridge Gas' 2024 rates application, and are beyond the scope of this proceeding.

Accordingly, intervenors and OEB staff are to limit the scope of their submissions to matters other than compensation under existing GSL agreements for storage rights and past damages, and cost allocation between regulated and unregulated gas storage operations. The OEB is extending the procedural schedule by one week to enable intervenors and OEB staff to revise their submissions accordingly.

It is necessary to make provision for the following matters related to this proceeding. Further procedural orders may be issued by the OEB.

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. The remaining procedural steps established in Procedural Order No. 2 are cancelled.
2. Any written submissions from OEB staff and intervenors shall be filed with the OEB and served on all parties by, **August 4, 2020**.
3. Any written reply submissions from Enbridge Gas shall be filed with the OEB and served on intervenors by, **August 18, 2020**.

All filings to the OEB must quote the file number, **EB-2020-0105**, and be submitted in a searchable / unrestricted PDF format with a digital signature through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. Filings must clearly state the sender's name, postal address, telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guidelines found at <http://www.oeb.ca/OEB/Industry>. If the web portal is not available, parties may email their documents to boardsec@oeb.ca.

All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Ritchie Murray at ritchie.murray@oeb.ca and OEB Counsel, James Sidlofsky at james.sidlofsky@oeb.ca.

ADDRESS

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4
Attention: Registrar

Email: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, July 24, 2020

ONTARIO ENERGY BOARD

Original signed by

Christine E. Long
Registrar and Board Secretary