

BY E-MAIL

January 15, 2020

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

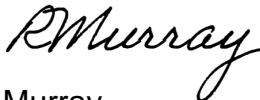
Dear Ms. Long:

**Re: Enbridge Gas Inc.
Branchton Relocation Project
OEB Staff Interrogatories to Applicant
OEB File No. EB-2020-0065**

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 all intervenors.

Enbridge Gas Inc. is reminded that its responses to the interrogatories are due by January 25, 2021. Responses to interrogatories, including supporting documentation, must not include personal information unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Yours truly,



Ritchie Murray
Project Advisor

c. Applicant and intervenors

Encl.



OEB STAFF INTERROGATORIES

BRANCHTON RELOCATION PROJECT

ENBRIDGE GAS INC.

EB-2020-0065

JANUARY 15, 2021

OEB staff No. 1

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

Preamble

Enbridge Gas Inc. (Enbridge Gas) has applied for leave to construct (LTC) approximately two kilometers of NPS 26 natural gas pipeline in the Township of North Dumfries (North Dumfries) within the Regional Municipality of Waterloo (Waterloo). Enbridge Gas states that the relocation of the existing pipeline is required to comply with the class location designation requirements of Canadian Standards Association (CSA) Z662: *Oil and Gas Pipeline Systems* (Z662). Enbridge Gas submits that the proposed pipeline would be a like-for-like relocation of an existing 1.7 kilometer segment of pipeline that is part of Enbridge Gas's NPS 26 Trafalgar Transmission Pipeline, which connects the Dawn Hub to Enbridge Gas's Parkway Compressor Station in Mississauga. The construction of the proposed pipeline together with the abandonment and removal of the existing pipeline is collectively referred to as the Project.

Enbridge Gas states that the Technical Standards and Safety Authority (TSSA) has been made aware that the existing facilities are out of compliance with the Class Location Designation requirements of the CSA Z662. Enbridge Gas states that it submitted an application to the TSSA requesting it review the Project. Enbridge Gas states that the TSSA requested additional information, which Enbridge Gas provided. Enbridge Gas states that it will not start construction until the TSSA has completed its review.

Questions

- a) Please provide evidence that demonstrates that the existing pipeline is out of compliance with the class location requirements of the CSA Z662. At a minimum, please include in the response:
- An excerpt(s) from the CSA Z662 that shows the current class location requirements
 - An unaltered aerial photo that shows the current buildings in proximity to the existing pipeline and that includes a scale
 - A written summary of how the current class location requirements can

be applied to the aerial photo to demonstrate the noncompliance

- A marked-up version of the same aerial photo as above that shows the current buildings in proximity to the existing pipeline complete with boundaries, dimensions/distances, and any other information that Enbridge Gas believes may be required to understand its analysis
 - Confirmation that the existing pipeline cannot be grandfathered in any way such that the Project is unnecessary
- b) Please describe Enbridge Gas's understanding of the TSSA's role in respect of the Project. Does Enbridge Gas need the TSSA to agree that the existing pipeline is out of compliance with the CSA Z662 before it would relocate the existing pipeline? Please explain.
- c) Does the Township of North Dumfries or the Regional Municipality of Waterloo have any bylaw containing pipeline setbacks requirements that may apply to the Project? If so, please explain the requirements and how Enbridge Gas proposes to address them and include a drawing or aerial photo that illustrates the pipeline and the setbacks.
- d) Is it Enbridge Gas's standard practice to remove its abandoned pipelines? If not, please explain why Enbridge Gas is proposing to remove the existing pipeline as part of the Project.

OEB staff No. 2

Ref.: Exhibit B, Tab 1, Schedule 1
Ontario Energy Board Act, 1998 (OEB Act)
OEB Decision and Order in EB-2013-0284¹

Preamble

Enbridge Gas states that the Project is a like-for-like replacement of a section of existing pipeline with a new pipeline of the same diameter and same maximum operating pressure.

¹ Application by Union Gas Limited, under section 95 of the Ontario Energy Board Act, 1998, requesting exemption from the requirements of section 90(1) for an Order granting leave to construct natural gas distribution pipeline in the City of Hamilton

Enbridge Gas states that a new easement will be required for the Project, but that the new easement is located on the same properties as the existing easement and so no new landowners will be directly affected by the Project.

Subsection 90(1) of the OEB Act requires that no person shall construct a hydrocarbon line without first obtaining from the OEB an order granting leave to construct the hydrocarbon line, subject to certain criteria of length, cost, or diameter and pressure.

Subsection 90(2) of the OEB Act does not apply to the relocation or reconstruction of a hydrocarbon line unless the size of the line is changed or unless the acquisition of additional land or authority to use additional land is necessary.

Section 95 of the OEB Act states that the OEB may, if in its opinion special circumstances of a particular case so require, exempt any person from the requirements of section 90 without a hearing.

In August 2013, Union Gas Limited (Union Gas) filed a section 95 application for the like-for-like replacement of a segment of 48-inch diameter pipeline in the City of Hamilton. Union Gas submitted that, although a new easement was required, the directly affected landowners had not identified any issues with the project. Union Gas also submitted, among other things, that its pipeline integrity program had demonstrated an immediate need for the pipeline replacement and that, in order to ensure that there is no disruption of services to customers, the pipeline work needed to be completed by a particular date. In its Decision and Order, the OEB found that there were special circumstances that warranted exemption of the project from the requirements of section 90(1) of the OEB Act.

Question

Did Enbridge Gas consider filing an exemption application under section 95 of the OEB Act? If so, why did it not do so?

OEB staff No. 3

Ref.: Exhibit D, Tab 1, Schedule 1

Preamble

The Application does not contain a comparison of estimated and actual construction costs for the Project relative to similar projects that Enbridge Gas has completed in the past and that were approved by the OEB.

Question

Please provide a comparison of estimated and actual construction costs for the Project relative to three or more similar projects that Enbridge Gas has completed in the past ten years and for which LTC was approved by the OEB.

OEB staff No. 4

Ref.: Exhibit B, Tab 1, Schedule 1, pages 2 and 4
Exhibit C, Tab 2, Schedule 2, page 20
Exhibit E, Tab 1, Schedule 1, page 1

Preamble

Enbridge Gas states that the Project would be constructed to meet the requirements of a Class Location Designation of 3 in order to accommodate potential future residential development southward on both sides of Branchton Road. This would ensure that residential encroachment in the future does not result in another instance of improper Class Location Designation, which would necessitate an additional project to rectify.

As an alternative, Enbridge Gas considered constructing the Project within the existing pipeline easement. Enbridge Gas rejected this alternative “it would leave the pipeline in close proximity to future development.”

Enbridge Gas states that Waterloo intends to construct a road south of the residential subdivision that would require road crossings for the existing facilities in three locations. Enbridge Gas states that by constructing the new pipeline in the new easement, the Project will be located south of Waterloo’s planned road and eliminate the need for two road crossings.

Although Enbridge Gas identifies class location non-compliance as the reason that the Project is needed, its pre-filed evidence indicates that Waterloo has ordered Enbridge Gas to move the existing pipeline outside of the construction area of its planned road.

Enbridge Gas states that for any construction on existing roadways, it will comply with its Municipal Franchise Agreements (MFAs) with Waterloo and the North Dumfries.

Questions

- a) Please explain why Enbridge Gas cannot construct the new pipeline within the existing easement and to a Class Location Designation of 3 in order to address the issue of the new pipeline's proximity to existing and future development.
- b) Please provide a cost estimate for the construction of the new pipeline in the existing easement and to a Class Location Designation of 3. In the response, please indicate what class of cost estimate has been provided using the American Association of Cost Engineers classification system or similar, and how this compares to the cost estimate for the Project as provided in the pre-field evidence.
- c) Please explain why Enbridge Gas is not proposing a project that eliminates all three pipeline road crossings. Please include in the explanation whether there have been any subsequent negotiations with Waterloo to permit a pipeline in the road construction area, and if so please provide a summary of those negotiations.
- d) Please confirm that, if it had to, Enbridge Gas has the ability to coordinate with Waterloo and safely construct the new pipeline in the existing easement.
- e) Do the MFAs with Waterloo and North Dumfries provide for an opportunity to share the capital cost of the Project? Please explain. If yes, please include in the explanation the amounts that would be allocated to each of the parties.

OEB staff No. 5

Ref.: Exhibit F, Tab 2, Schedule 1, page 80

Preamble

In an email that appears to be from Enbridge Gas to a member of the CAP team, Enbridge describes the Branchton Project as the "replacement of existing pipeline due to road construction in the Cambridge area work to commence in 2018".

Questions

- a) Please confirm that this email was sent by an Enbridge Gas employee.
- b) Please explain the acronym CAP and comment on the membership and purpose of this group.
- c) Please clarify whether the work that would commence in 2018 was the road work or the Project. If the Project had been scheduled to commence in 2018, please explain why Enbridge Gas did not file the Application until 2020 and what activities occurred during the interim.
- d) When did Enbridge Gas determine that the need for the Project was not “road construction in the Cambridge area” but rather a matter of compliance with the class location requirements of the CSA Z662. Please explain the reasons behind this change in the need for the Project.

OEB staff No. 6

Ref.: Enbridge Gas’s Integrated Resource Plan Proposal, EB-2020-0091

Preamble

Enbridge Gas’s Integrated Resource Plan (IRP) Proposal includes the Demand Side Management (DSM) and other programs (e.g., demand response, enhanced targeted energy efficiency, compressed natural gas, and low-carbon and non-gas solutions) that may be considered as alternatives to pipeline construction projects. In its IRP Proposal, Enbridge Gas proposes that the Discounted Cash Flow (DCF) analysis method would be the basis for assessing the economic feasibility of IRP alternatives, including the DSM.

Question

- a) Did Enbridge Gas consider DSM or any other IRP alternatives as a means to reduce the diameter of the proposed pipeline?
- b) Please provide the results of any DCF analysis that was conducted to compare the proposed pipeline to that of a pipeline with a smaller diameter. If no such analysis exists, please explain why not.

OEB staff No. 7

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

Preamble

Enbridge Gas states that the proposed pipeline would be constructed almost entirely within private easements. Although additional lands and new permanent easements are required for the proposed pipeline, the landowners are the same as those who granted the private easements for the existing pipeline; no new landowners will be directly affected. Enbridge Gas states that negotiations with directly affected landowners are ongoing.

Question

Please provide an update on the status of negotiations with the directly affected landowners.

OEB staff No. 8

Ref.: Exhibit C, Tab 1, Schedule 1

Preamble

Enbridge Gas states that the Stage 2 Archaeological Assessment revealed that Stage 3 assessments will be required in a few locations within the new pipeline easement, the existing pipeline easement and temporary land use areas. The Stage 3 assessments started in June 2020 and were expected to be complete in November 2020. As of the date the application was filed, the Stage 3 assessments revealed that Stage 4 assessments will be required in a few locations, which are expected to be completed in June 2021.

Question

Please provide an update on the status of the Stage 3 assessments and any changes to requirements for Stage 4 assessments. Please include in the response whether there are any potential impacts on the project schedule.

OEB staff No. 9

Ref.: Exhibit F, Tab 1, Schedule 1

Preamble

The Ministry of Northern Development and Mines (MENDM) delegated to Enbridge Gas the procedural aspects of the Crown's duty to consult. The MENDM identified three Indigenous communities that need to be consulted. Enbridge Gas filed its Indigenous Consultation Report with the MENDM on November 9, 2020. Enbridge Gas says it will file with the OEB any future correspondence from the MENDM regarding the sufficiency of Enbridge Gas's Indigenous consultation activities.

Questions

- a) Please provide an update on any communications with the MENDM in respect of the Project.
- b) When does Enbridge Gas anticipate receiving correspondence from the MENDM about whether, in the view of the MENDM, Enbridge Gas's Indigenous consultation activities have been adequate to discharge the procedural aspects of the Crown's duty to consult?

OEB Staff No. 10

Ref.: Exhibit A, Tab 2, Schedule 1

Preamble

Enbridge Gas has applied to the OEB under sections 90, 96 and 97 of the Ontario Energy Board Act, 1998 for an order granting leave to construct a natural gas pipeline in North Dumfries within Waterloo.

The OEB Act permits the OEB, when making an order, to "impose such conditions as it considers proper."²

Question

OEB staff has prepared the following draft Conditions of Approval. If Enbridge Gas does not agree to any of the draft conditions of approval noted below, please identify the specific conditions that Enbridge Gas disagrees with and explain why. For conditions in respect of which Enbridge Gas would like to

² OEB Act, s. 23

recommend changes, please provide the proposed changes and an explanation of the changes.

**Enbridge Gas Inc.
Branchton Relocation
OEB Act Sections 90 Leave to Construct and 97 Land Use**

DRAFT CONDITIONS OF APPROVAL

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-2020-0065 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 ten days following the completion of construction; and
 - iv. of the in-service date, no later than ten 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 obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the Project.
5. Enbridge Gas shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. 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.
6. Enbridge Gas shall file, in the proceeding where the actual capital costs of the project are proposed to be included in rate base, a Post Construction Financial Report, which shall indicate the actual capital costs of the project and shall provide an explanation for any significant variances from the cost estimates filed in this proceeding.
7. Both during and after construction, Enbridge Gas shall monitor the impacts of construction, and shall file with the OEB an 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's 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, licenses, 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's 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.

8. 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.