

**Ministry of Natural Resources
and Forestry**

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Via e-mail (boardsec@ontarioenergyboard.ca) and RESS filing

March 3, 2021

Our File No.

Christine Long
Board Secretary
Ontario Energy Board
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Re: Enbridge Gas Inc.
2020/2021 Storage Enhancement Project
Corunna, Ladysmith and Seckerton Storage Pools
Board File No. EB-2020-0256

Dear Madam,

Please find enclosed the Written Submission of the Ministry of Natural Resources and Forestry.

Yours truly,

Demetrius Kappos
Counsel
Legal Services Branch

c. A. Belanger, T. Godsoe, L. Fortner, Petroleum Resources Centre, MNRF (via e-mail)
c. S. Allman, Regulatory Coordinator, Enbridge Gas Inc. (via e-mail)

Enbridge Gas Inc.
2020/2021 Storage Enhancement Project
Corunna, Ladysmith and Seckerton Storage Pools
Board File No. EB-2020-0256

**Written Submission of the Ministry of Natural Resources and
Forestry**

Introduction

Enbridge Gas Inc. ("Enbridge") applied on November 13, 2020 to the Ontario Energy Board ("OEB") to increase pressures at three natural gas storage pools (Corunna, Ladysmith and Seckerton), each of which is within a designated storage area as defined in the *Ontario Energy Board Act, 1998* and each of which is part of Enbridge's Tecumseh storage operations.

The application is for authorization for increases, beginning in the 2021 injection season, the maximum operating pressure (MOP) in the Ladysmith Storage Pool from the current MOP of 15.6 kPa/m (0.69 psi/ft) to 16.5 kPa/m (0.73 psi/ft) and increasing the MOP in the Corunna Storage Pool and the Seckerton Storage Pool from their current MOPs of 15.8 kPa/m (0.7 psi/ft) to 17.2 kPa/m (0.76 psi/ft).

The project will include the installation of wellhead upgrades and emergency shutdown valves on each of the natural gas storage wells within each designated storage area. The Project will also include the installation of master valves, wellheads at the Corunna and Seckerton pools, and the installation of a control valve at the Ladysmith Station.

As part of the proposed project, Enbridge applied to the Ministry of Natural Resources and Forestry (MNRF) for a licence to drill a horizontal gas storage well TL 9H in the Ladysmith Storage Pool to increase deliverability from that pool. On November 30, 2020, pursuant to s. 40 of the OEB Act, MNRF referred this well licence application to the OEB for a report.

Enbridge applies to the Board pursuant to the OEB Act for an order pursuant to s. 90(1) for leave to construct approval for the proposed natural gas pipelines and ancillary facilities; and pursuant to s. 97 of the OEB Act, approval of the form of land agreements related to the project. The works involved include the installation of natural gas pipelines to connect an existing storage pool to a main compressor station, modifying an existing transmission pipeline to connect with another existing transmission pipeline at an existing station, replacing and upgrading an existing gathering line and connecting an injection/withdrawal well to the main gathering line; and upgrading and installing new equipment and pipelines at existing stations.

Pursuant to s. 40 of the OEB Act, Enbridge seeks a favourable report from the Board to the MNRF to support the application to drill the well in the Ladysmith Storage Pool.

Enbridge's proposed in-service date is November 2021 and plans to commence construction activities in April 2021.

On December 9, 2020 the OEB formally initiated this proceeding through a Notice of Public Hearing.

On January 8, 2021 the MNRF requested Intervenor status and was granted that status in the OEB Procedural Order dated January 20, 2021.

Further to interrogatories of each of the MNRF and OEB Staff on February 3, 2021 and Enbridge's responses to same on February 17, 2021, these now are the written submissions of the MNRF.

Analysis

Technical Assessment

MNRF is satisfied that Enbridge has provided a response to MNRF's interrogatories and to the OEB Staff interrogatories about which MNRF has a particular interest.

MNRF has reviewed Enbridge's application as filed with the OEB. MNRF has reviewed the three reports identified in Enbridge's response to OEB Staff Interrogatories at Exhibit I.Staff.4 (i.e., Engineering Assessments by Geofirma Engineering Ltd.; Assessment of Neighbouring Activities; "What If" Analysis of Hazards and Operability). MNRF acknowledges that with respect to the technical requirements under the Oil, Gas and Salt Resources Provincial Operating Standards ("the Provincial Operating Standards") and CSA Z341, the application as filed is complete.

Some of the MNRF and OEB Staff Interrogatories concern how authorization for any future increased maximum pressure gradient would be sought. MNRF understands that what is being requested by Enbridge does not involve a truncated process for any future change to the maximum pressure gradient. MNRF can support the proposed wording of the draft condition in OEB Staff Interrogatory at Exhibit I, OEB Staff 2:

Enbridge Gas Inc. shall not operate the Ladysmith natural gas pool above the pressure gradient of 16.5 kPa/m (0.73 psi/ft) depth and the Corunna and Seckerton natural gas pools above the pressure gradient of 17.2 kPa/m (0.76 psi/ft) depth without leave of the OEB.

Further, MNRF has no objection to the proposed condition described in OEB Staff Interrogatory at Exhibit I, OEB Staff 4: a condition of approval that requires Enbridge to conform to the relevant requirements of CSA Z341 to the satisfaction of the MNRF.

MNRF reminds Enbridge that, as the operator, Enbridge bears the responsibility for ensuring that all safety and environmental issues are addressed and to ensure compliance with the *Oil, Gas and Salt Resources Act* (OGSRA), O.Reg. 245/97 and

With respect to the proposed Conditions of Approval to a well licence set out in OEB Staff Interrogatory at Exhibit I, OEB Staff 18, the MNRF has no objection to the proposed conditions. However and subject to the submissions below, in light of deficiencies in the application that require authorization letters and agreements yet to be received, in our submission for any favourable report to the Minister under s. 40 of the OEB Act, a draft condition should be included that prohibits construction until such time as all required authorizations and agreements have been obtained.

Outstanding Requirements

As is demonstrated in Enbridge's response to the Interrogatories, there are aspects of the application that have not yet been completed insofar as outstanding authorization letters and agreements have yet to be finalized and obtained. In particular:

- a) The Ministry of Environment, Conservation and Parks (MECP) has not confirmed whether authorization is required under the *Endangered Species Act*. They have reviewed the project information and have recommended that species-specific surveys take place along the proposed 2.2 km of NPS 24 natural gas pipeline route for several species that they have identified. Enbridge indicates that site investigations will be conducted starting in spring 2021 to confirm habitat suitability for the above-noted species. If suitable habitat for any of the species is confirmed, species specific surveys will be conducted as necessary. Only then will MECP be in a position to confirm whether authorization is required.
- b) The Ministry of Heritage, Sport, Tourism and Cultural Industries (MHSTCI) has not yet offered a clearance letter with respect to archaeological assessment (AA) works conducted by Aecom on behalf of Enbridge. This includes Stage 1 and Stage 2 assessments. Aecom has determined that the potential for the recovery of both First Nation and Euro-Canadian archaeological resources within the current study area is high, and that a Stage 2 AA is recommended for all areas of potentially undisturbed land within the study area limits. Not all Stage 2 assessment work has been completed to date and neither of Stages 1 nor 2 have received a clearance letter from MHSTCI.
- c) The Ministry of Energy Northern Development and Mines (MENDM) by way of a letter delegated the procedural aspects of the Crown's Duty to Consult for the Project to Enbridge on June 17, 2020. MENDM identified five Indigenous communities that Enbridge Gas should consult in relation to the Project. Enbridge provided MENDM with its Indigenous Consultation Report for the Project. MENDM has yet to offer a letter of opinion on the adequacy of procedural aspects of Indigenous consultation undertaken by Enbridge for the project. For one of the Indigenous communities (Walpole Island First Nation) the community has indicated that until there is further progress towards resolving the subject matter of its Aboriginal title claim, it will not consider any consultation on projects within the claim area to be adequate. (Note: WIFN's land claim has been filed as a Statement of Claim with the Superior Court of Justice). Further, WIFN's capacity funding agreement was only finalized on December 1, 2020 and they

indicate that they have not had time to have a third party fully assess the application's potential impacts to their Aboriginal and Treaty Rights.

- d) According to the Environmental Report, the proposed works at TL 9H will require a drill rig to cross under large tower transmission lines to access the site. Approval from Hydro One may be required. Further, current discussions with the landowner are ongoing to determine a suitable location for a permanent laneway crossing under hydro transmission lines at TL 8. In addition, the Preferred Pipeline Route will cross through a Hydro One easement in which a crossing agreement may also be required. Lastly, the proposed works for the Crossover Station may encroach in an existing Hydro One easement, however, while at the time of writing this report, the design details for this site have not determined the encroachment level. Enbridge provided Hydro One with an overview of the project. Hydro One confirmed with Enbridge that agreements with them would be required for work on Hydro One easements and that permits would be needed for work within the vicinity of their infrastructure (including crossings under transmission lines for access roads). In its response to the Interrogatories, Enbridge confirmed that no agreements have been reached between Enbridge and Hydro One to date.
- e) The proposed project will require land use agreements, land purchase and easements from private landowners to enable crossover pipeline installation and facility modification works:
- Under the project proposal, a section of the existing NPS 20 Ladysmith Transmission pipeline will be removed and two short segments of NPS 20 pipeline, totaling 79 metres, will be installed. The proposed pipeline will be located on private property and an easement will have to be negotiated with the landowner.
 - Under the proposed project two pipelines are proposed to be connected by re-routing the Ladysmith Storage Pool pipeline into the Payne / Kimball Station. This proposed work is what is referenced as the "Crossover Installation" and the permanent easement, temporary land use (TLU) agreement and land purchase are still required.
 - Enbridge Gas states that for the 2.2 km NPS 24 pipeline, there are six properties not owned by Enbridge, owned by five landowners, that will be affected by the pipeline. Enbridge states that the local farmer has been notified. These private landowners have all been notified and negotiations for TLU agreement(s) and an easement are ongoing.

Conclusion and Relief Requested

In conclusion, MNRF has no objection to approval of the application as proposed under the OEB Act, or of a favourable report being provided to the Minister of Natural Resources and Forestry under s. 40 of the OEB Act with respect to the well licence application, subject to the inclusion of conditions in each approval that require the outstanding authorizations and agreements cited above being obtained and filed with the OEB and the MNRF prior to any construction.

All of which is respectfully submitted.

Demetrius Kappos
Counsel
Legal Services Branch
Ministry of Natural Resources and Forestry

March 3, 2021