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October 28, 2021

BY RESS AND EMAIL

Christine Long
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Christine Long:

**Re: Enbridge Gas Inc. (Enbridge Gas)
Ontario Energy Board File No.: EB-2021-0079
Corunna and Ladysmith Well Application
Reply Submission**

Consistent with the OEB's Procedural Order No. 1 (dated September 10, 2021), enclosed please find the reply submission of Enbridge Gas in the above noted proceeding.

The above noted submission has been filed electronically through the OEB's RESS.

If you have any questions, please contact the undersigned.

Sincerely,

Adam Stiers
Manager, Regulatory Applications – Leave to Construct

cc.: T. Persad (Legal counsel, Enbridge Gas)
J. Fernandes (OEB Staff)
Intervenors (EB-2021-0079)

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Schedule B; and in particular
section 40(1) thereof;

AND IN THE MATTER OF an application by Enbridge
Gas Inc. to the Ministry of Northern Development,
Mines, Natural Resources and Forestry for licences to
drill an A-1 observation well in each of the Corunna
Storage Pool and the Ladysmith Storage Pool

ENBRIDGE GAS INC.

REPLY SUBMISSION

OEB File No. EB-2021-0079

October 28, 2021

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INTRODUCTION

1. Pursuant to Procedural Order No. 1 issued by the Ontario Energy Board (“OEB”) on September 10, 2021, Enbridge Gas Inc. (“Enbridge Gas” or the “Company”) makes these submissions in reply to the submissions filed by OEB staff, the Ministry of Northern Development, Mines, Natural Resources and Forestry (“MNDMNRF”), and by Claire and Helen Robbins (the “Robbins”) in this proceeding.
2. Pursuant to Section 40 of the Ontario Energy Board Act, 1998 (the “Act”), Enbridge Gas is seeking favourable report(s) from the OEB to the MNDMNRF to support the Company’s applications to drill two new A-1 observation wells (together the “Project”), both of which are located in the geographic Township of Moore, in the Township of St. Clair, in the County of Lambton, Ontario. One observation well is proposed to be drilled in the Corunna Storage Pool (“TC 8”) and the second observation well is proposed to be drilled in the Ladysmith Storage Pool (“TL 8”). Both storage pools are part of Enbridge Gas’s storage operations and considered designated storage areas pursuant to section 36.1 of the Act.
3. The Project is required in order to monitor natural gas content and pressure in the respective underground storage formations, and to assist in the continued safe and reliable operation of Enbridge Gas’s storage facilities. The Project will not result in an increase in storage capacity or an increase in deliverability of the Corunna or Ladysmith storage pools.
4. As discussed in the response at Exhibit I.STAFF.1, question 2, Enbridge Gas expects to undertake the Project between May and July of 2022 as part of a single construction project.
5. The Project is supported by both OEB staff and the MNDMNRF, who stated in their respective submissions:

“OEB staff submits that the OEB should issue a favourable report to the Minister recommending the approval of the requested well drilling licences, subject to certain conditions of licence.”¹

and

“[M]NDMNR has no objection to approval of the Application, subject to the OEB Staff’s proposed conditions of approval.”²

6. Through the balance of this submission, Enbridge Gas: (i) summarizes the submissions of OEB staff supporting the Project; (ii) confirms its acceptance of OEB staff’s proposed conditions of licence; and (iii) responds to the submissions of the Robbins.

SUBMISSIONS OF OEB STAFF SUPPORTING THE PROJECT

7. Overall, the submissions of OEB staff are supportive of the proposed Project.
8. On the issue of Project need, Enbridge Gas explained that the proposed A-1 observation wells will enable the Company to monitor movement of natural gas volumes between the Guelph Formation and the A-1 Formation, and will assist in improving inventory management for the storage pools.³ OEB staff agrees that the Project is needed.⁴
9. On the issue of Project costs, Enbridge Gas explained that the Project will be funded entirely by the Company’s shareholder as an unregulated storage asset forming part of the Company’s unregulated storage operations, and thus benefiting the unregulated business. All costs associated with the Project will be captured in unregulated accounts and Enbridge Gas’s ratepayers will not incur any rate impacts as a result of the Project.⁵ OEB staff supports this accounting treatment.⁶

¹ EB-2021-0079, OEB Staff Submission, October 14, 2021, p. 1.

² EB-2021-0079, MNDMNR Submission, October 13, 2021, p. 3.

³ Exhibit B, Tab 1, Schedule 1, pp. 1-2.

⁴ EB-2021-0079, OEB Staff Submission, October 14, 2021, p. 2.

⁵ Exhibit D, Tab 1, Schedule 1, p. 1.

⁶ EB-2021-0079, OEB Staff Submission, October 14, 2021, p. 2.

10. On the issue of Project schedule, Enbridge Gas originally sought a favourable report of the OEB by September 16, 2021 in order to drill observation wells TC 8 and TL 8 by October 15, 2021 thereby avoiding any disruption to services from the storage pools and ensuring that the pressures in the pools would be suitable to safely complete the drilling. Otherwise, the Company would need to defer the Project to 2022 following the close of storage withdrawal operations.⁷ In its responses to interrogatories the Company confirmed that it now expects to undertake the Project between May and July of 2022.⁸ OEB staff has no issues or concerns with the revised schedule for the Project.⁹
11. On the issue of landowner matters, Enbridge Gas explained that the land use requirements for the Project consist of construction of gravel pads and access lanes, all located on privately owned lands.¹⁰ In the case of TC 8, the Company explained that it owns the property on which the well will be drilled, that the lands have been previously disturbed and that the lands are leased for the purposes of farming the land, to a local farmer who has been notified of, and who is in support of the Project.¹¹ In the case of TL 8, the Company explained that it holds a Gas Storage Lease on the lands, has provided the third party farmer who owns these lands a Letter of Acknowledgement (outlining the work to be completed and the compensation Enbridge Gas intends to provide in return), and is in ongoing negotiations with the landowner (the Robbins). The Company also advised that in the case of TL 8 it has completed the transfer of an existing gravel road from St. Clair Township to Enbridge Gas, is seeking an easement from Infrastructure Ontario for the proposed permanent gravel lane, and is seeking to obtain a Construction and Encroachment agreement from Hydro One. In the cases of both the easement and the Construction and

⁷ Exhibit C, Tab 1, Schedule 1, pp. 2-3.

⁸ Exhibit I.STAFF.1 2).

⁹ EB-2021-0079, OEB Staff Submission, October 14, 2021, p. 3.

¹⁰ Exhibit G, Tab 1, Schedule 1, p. 1.

¹¹ Exhibit G, Tab 1, Schedule 1, p. 2; Exhibit I.STAFF.4 1), CONFIDENTIAL Attachment 1.

Encroachment agreement, the Company stated that it expects to have them in place in advance of Project construction in 2022.¹² OEB staff concludes that based on Enbridge Gas's evidence and responses, it appears that the Company is appropriately managing land related matters.¹³

12. On the issue of Indigenous Consultation, Enbridge Gas advised that according to the Ministry of Energy ("MOE"), formerly, the Ministry of Energy, Northern Development and Mines ("MENDM"), as no leave to construct approval was required for the Project, the duty to consult was not triggered and no delegation of the procedural aspects of consultation was required.¹⁴ OEB staff accepts Enbridge Gas's statements regarding Indigenous Consultation.¹⁵

CONDITIONS OF LICENCE

13. In response to interrogatories, Enbridge Gas confirmed that it has no concerns with the conditions of licence proposed by OEB staff.¹⁶ OEB staff states that Enbridge Gas's compliance with the proposed conditions of licence will ensure that impacts of well drilling are mitigated and monitored and that all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the proposed wells will be obtained.¹⁷
14. Enbridge Gas hereby confirms its intention to satisfy the conditions as described by OEB staff in its submission and will comply with the final conditions of licence established by the OEB.

¹² Exhibit I.STAFF.4 1) & 4).

¹³ EB-2021-0079, OEB Staff Submission, October 14, 2021, p. 6.

¹⁴ Exhibit H, Tab 1, Schedule 1, p. 1.

¹⁵ EB-2021-0079, OEB Staff Submission, October 14, 2021, p. 6.

¹⁶ Exhibit I.STAFF.8.

¹⁷ EB-2021-0079, OEB Staff Submission, October 14, 2021, pp. 4 & 6. The MNDMNR similarly stated in its submission that "With regard to those draft conditions of approval, we interpret that outstanding items that will or may be required from the Ministry of Heritage, Sport, Tourism and Cultural Industries, Hydro One Networks Inc., St. Clair Township or the St. Clair Region Conservation Authority are in each instance addressed under OEB Staff draft conditions of approval #4 and/or #5."

SUBMISSIONS OF THE ROBBINS

15. In the interest of supporting the OEB's final determination in this proceeding regarding whether or not to issue a favourable report to the MNDMNR, Enbridge Gas responds below to each of the 4 submissions made by the Robbins. The Company notes that the Robbins have both requested that the Company produce additional information as part of its Reply Submission and have placed additional information onto the record in this proceeding as part of their submission.
16. Regarding the Robbins' Submission #1, that the proposed drilling sites of TL 8 and TC 8 are of no comparison, the Company disagrees. The nature of construction activities at both locations are nearly identical and while the tenant farmer's residence and livestock operations are located at a greater distance from the proposed drilling site for TC 8 (approximately 20 km), this fact does not negate the letter of support that the Company received from the tenant farmer and should not dissuade the OEB from issuing a favourable report. In its responses to interrogatories at Exhibit I.STAFF.5, Enbridge Gas describes both the noise and vibration mitigants it intends to put in place while drilling TL 8 in order to address the Robbins concerns. Further, the Company has committed to continuing to work with the Robbins to find additional or alternative solutions if the proposed mitigation measures are not successful. It is important to note that Mr. Robbins had input into the location of the proposed drilling site for TL 8 on multiple occasions and approved the final location.¹⁸
17. Enbridge Gas does not agree that the references made by the Robbins in their Submission #2 support the conclusion that the Company's acquisition of the gravel laneway from St. Clair Township was in any way untoward. The Letter of Acknowledgement, which the Robbins have refused to execute to date, indicates that the Company was willing to compensate the Robbins for the

¹⁸ Exhibit I.STAFF.5, CONFIDENTIAL Attachment 1, pp. 1-2.

laneway should the Company be provided a letter of direction to do so by the property owner (suspected at the time to be HydroOne Networks Inc. or St. Clair Township). It is not reasonable for the Company to be obligated to compensate any landowner for lands that they do not own. Upon investigation into the ownership of the laneway, Enbridge Gas determined through its own title search that the property owners of the laneway were actually St. Clair Township and the County of Lambton. Upon contacting both the Township and the County, it became clear to the Company that neither were aware that they were the registered owners of the laneway. Upon learning of their ownership, the County forfeited its rights to the Township. The Township then contacted Enbridge Gas on its own volition and offered to sell the property to the Company in consideration for \$1, a commitment to mitigate identified safety risks related to the laneway (as discussed in Attachment 1 of the Robbins submission), and the Company paying for all related transfer, survey and legal costs. Enbridge Gas accepted the Township's proposal and has completed the transfer of the laneway. The Company has also advised the Robbins on multiple occasions that they can continue utilizing the laneway as they have in the past and that the Company will maintain the property at its own cost going forward.

18. Regarding the Robbins' Submission #3, Enbridge Gas reiterates its responses to interrogatories at Exhibit I.STAFF.5, describing both the noise and vibration mitigants it intends to put in place while drilling TL 8 in order to address the Robbins' concerns. Further, the Company has committed to continuing to work with the Robbins to find additional or alternative solutions if the proposed mitigation measures are not successful. Regarding the noise disturbance incident referenced in the Robbins' submissions, Enbridge Gas provided generic notification to the Robbins of the construction works in advance of their commencement. It is Enbridge Gas's understanding from the contractor completing construction works on its behalf at the time, that the noise referenced by Mr. Robbins was short term in nature, occurring intermittently over the course of 2 days to assemble a trench support system and is expected

to take a similar amount of time to disassemble once integrity work is completed. The contractor received a call from a Mr. Jeff Robbins who inquired as to whether it was possible to complete construction more quietly. The contractor advised that they could not mitigate construction noise due to the nature of their activities but committed to advising Mr. Jeff Robbins of any future activities of a similar nature that could disturb livestock. The contractor reported that this resolution was deemed to be agreeable to both parties. No further complaints have been received from the Robbins regarding these construction works to date. Enbridge Gas regrets any distress to livestock that may have been caused as a result of construction related noise, however, any such distress should be avoided in the instance of the proposed Project as a result of the mitigants described above.

19. Regarding the Robbins' Submission #4, Enbridge Gas reiterates its response to interrogatories at Exhibit I.STAFF.5, that these matters have no bearing upon the current Application before the OEB or the proposed observation well TL 8. Enbridge Gas is in ongoing negotiations with Mr. Robbins regarding the remediation of the NPS 10 Payne Kimball Line and has agreed to his requests. Despite this, Mr. Robbins refuses to execute an agreement with the Company for the same. Further, Enbridge Gas is currently conducting an environmental study to support remediation of well site #T009043 and expects to complete that work by the end of 2021. However, this well site is not located on the Robbins' property.

CONCLUSION

20. Considering the Enbridge Gas evidence as summarized above and the support for the Project from both OEB staff and the MN DMNRF, the OEB should conclude that the Project is needed and, subject to the conditions of licence proposed by OEB staff, should issue a report to the MN DMNRF recommending approval of the requested well drilling licences.