ONTARIO ENERGY BOARD

IN THE MATTER OF the *Municipal Franchises Act*, R.S.O. 1990, c.M.55, as amended;

AND IN THE MATTER OF an application by Six Nations Natural Gas Limited for an Order approving the terms and conditions upon which, and the periods for which, the Corporation of the County of Brant is, by by-law, to grant Six Nations Natural Gas Limited the right to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works in the County of Brant;

AND IN THE MATTER OF an application by Six Nations Natural Gas Limited for an Order directing and declaring that the assent of the municipal electors of the County of Brant to the by-law is not necessary;

AND IN THE MATTER OF an application by Six Nations Natural Gas for an Order issuing a Certificate of Public Convenience and Necessity to construct works and supply gas to certain areas in the County of Brant;

AND IN THE MATTER OF an application by Six Nations Natural Gas Limited for an Order approving the terms and conditions upon which, and the periods for which, the Corporation of Norfolk County is, by by-law, to grant Six Nations Natural Gas Limited the right to construct and operate works for the distribution, transmission and storage of natural gas and the right to extend and add to the works in the County of Norfolk;

AND IN THE MATTER OF an application by Six Nations Natural Gas Limited for an Order directing and declaring that the assent of the municipal electors of the County of Norfolk to the by-law is not necessary;

AND IN THE MATTER OF an application by Six Nations Natural Gas for an Order issuing a Certificate of Public Convenience and Necessity to construct works and supply gas to certain areas in the County of Norfolk;

INTERROGATORY RESPONSES OF SIX NATIONS NATURAL GAS LIMITED

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Questions

- (a) Please provide the following information. If some of this information cannot be Provided, then provide an explanation of why this is the case.
 - (i) SNNG's current credit rating, or that of its parent or associated companies

<u>Response</u>: SNNG is not rated by a credit rating agency.

(ii) Financial statements, either audited (if available) for two years immediately prior to its application or two years pro forma.

<u>Response</u>: The latest publicly-available Annual Report (containing audited financials) is available on SNNG's website at <u>https://sixnatgas.com/about-us/annual-report/</u>.

(iii) If additional debt or equity is required with respect to the natural gas facilities contemplated in the certificate area, a description of SNNG's ability to access the debt and equity markets.

<u>Response</u>: No additional debt or equity is required with respect to the natural gas facilities contemplated in the certificate area.

- (b) Please provide the following information. If some of this information cannot be provided, then provide an explanation of why this is the case.
 - (i) Qualifications of the senior leadership team and resumes of key personnel
 - (ii) Construction, operating and maintenance procedures
 - (iii) Confirmation that SNNG has a licence to distribute natural gas from the Technical Safety Standards Authority
 - (iv) Emergency response procedures
 - (v) Location and staffing level of the call center, control center, or other facility for the receipt of emergency calls, during all hours, and the emergency dispatching of operations personnel (if other than the control room)
 - (vi) Pipeline integrity management plans
 - (vii) Public awareness plans

<u>Response</u>: SNNG has been operating safely and reliably for over 30 years without major incident. SNNG is compliant with the *Technical Standards and Safety Act, 2000* (Ontario) and associated rules, regulations and guidance thereunder. In 2016, SNNG was awarded the Technical Standards and Safety Authority ("**TSSA**") Impact Safety Award in recognition of SNNG's exemplary safety record. SNNG maintains construction, operation, maintenance, and emergency procedures and pipeline integrity management and public awareness plans which are TSSA-compliant and consistent with those of other utilities operating in Ontario.

Questions

(a) Please provide a copy of the agreement.

<u>Response</u>: The agreement is not a written one. An agreement as to the roles and responsibilities of the First Nation and the federal and provincial government entities was reached at a February 14, 1989 meeting among representatives from Six Nations Elected Band Council (the "Six Nations Government"), Indian Oil and Gas Canada (with the assistance of the Ontario Regional Office of the Department of Indian Affairs and Northern Development) and the Ontario Fuels Safety Branch. SNNG's operations and rates are under the jurisdiction of the Six Nations Government, not the federal government.

(b) Aside from the agreement referred to in the preamble, are the current operations of SNNG otherwise regulated or overseen in any way (e.g. rate regulation, construction permits) by any branch of the Federal government? Please provide any relevant details.

<u>Response</u>: The operations of SNNG are overseen by a Board of Directors, which is comprised of community members and one to two members of the Six Nations Government. Council has jurisdiction in respect of the operations and rates of SNNG.

(c) Please describe any additional approvals that SNNG is seeking from any branch of the Federal government with respect to the matters covered in this application.

<u>Response</u>: SNNG is not seeking, nor does it require, any additional approvals from any branch of the Federal government with respect to the matters covered in the Application.

Questions

(a) Is SNNG seeking a certificate for the County of Brant that will cover all seven currently served Off-Reserve customers on Bateman Line? If not, please explain.

<u>Response</u>: The Draft Certificate of Public Convenience and Necessity included at Appendix M to the Application covers all seven currently served Off-Reserve customers on Bateman Line.

(b) If SNNG wishes to cover all seven currently served Off-Reserve customers on Bateman Line in its certificate for the County of Brant, please make that update in the draft certificates to be filed as part of OEB Staff-4.

<u>Response</u>: See response to OEB Staff 3(a) above.

- (c) Please provide details, if known, of the estimated annual volumetric throughput of natural gas SNNG will be/is serving to:
 - (i) The eight connected Off-Reserve customers
 - (ii) The other potential Off-Reserve customers SNNG is seeking to serve in its proposed certificates as originally filed

<u>Response</u>: All of these Off-Reserve customers are residential. SNNG has forecasted between 1500-2000 cubic metres throughput of natural gas per year for each Off-Reserve customer, including those who are currently connected.

Questions

(a) Did SNNG consider seeking a certificate that was not limited to the 16 Off-Reserve customers on Bateman Line and Indian Line, but that instead was for a geographical area that encompasses these 16 customers as well as any additional customers that are likely to seek service in the future? If so, why did it not pursue this option in its application?

<u>Response</u>: SNNG considered an application on a broader, geographic basis, however, it was determined that the approach undertaken would be more administratively efficient. SNNG's approach was guided by the desire to complete this application and connect customers as efficiently as possible, with a view to identifying areas with known/existing customers and/or known requests for service, as opposed to a broader area. This approach is also consistent with the discussions between SNNG and Enbridge regarding individual customer requests.

(b) Please comment on whether the approach described in part a) of this question may or may not be more administratively efficient than a certificate that is limited to specific civic addresses.

<u>Response</u>: See response to OEB Staff 4(a), above.

(c) Certain parts of the application were redacted, and the cover letter to the application suggests these redactions were made with respect to personal information pursuant to the *Freedom of Information and Protection of Privacy Act*. Please describe how the information that was redacted is personal information, or otherwise eligible for confidential treatment by the OEB.

<u>Response</u>: The information redacted constitutes personal information, as defined at section 2 of the *Freedom of Information and Protection of Privacy Act* (Ontario) as such redacted information included the municipal address of individuals. Such information was redacted in accordance with section 4.3.1 of the *Practice Direction on Confidential Filings*.

(d) Please file a version of the certificates showing the proposed service territories (using metes and bounds or some other suitable method) as well as legible maps illustrating the proposed service territories that can be placed on the public record.

<u>Response</u>: Revised copies of the draft certificates showing the proposed service territories are attached hereto as Appendix A. The proposed service territory is described in a manner consistent with past Board decisions. Legible maps illustrating the proposed service territories which can be placed on the public record are attached hereto as Appendix B.

Questions

(a) Please provide an explanation for the amendment to the Model Franchise Agreement at Paragraph 2 of SNNG's draft franchise agreement with Norfolk County.

<u>Response</u>: The change at paragraph 2 reflects an inadvertent inclusion of the explanatory introduction used to differentiate between the two choices presented in paragraph 2. It is SNNG's understanding that the explanatory introduction does not alter the substantive terms of the paragraph. Such introduction may be struck by the Board.

(b) Please provide an explanation for the amendments to the Model Franchise Agreement in SNNG's draft franchise agreements with Norfolk County and the County of Brant at:

(i) Paragraph 4

<u>Response</u>: The deletion at paragraph 4 reflects a deletion of the explanatory introduction (at issue at paragraph 2 above) used to differentiate between the two choices presented in paragraph 4. It is SNNG's understanding that the explanatory introduction does not alter the substantive terms of the paragraph. Such introduction may be added by the Board.

(ii) Paragraph 18

<u>Response</u>: The deletion at paragraph 18 reflects a deletion of the explanatory introduction used to determine the requirement to include paragraph 18. It is SNNG's understanding that the explanatory introduction does not alter the substantive terms of the paragraph. Such introduction may be added by the Board.

Questions

(a) What distribution and gas commodity rates is SNNG proposing that the customers covered by the proposed new certificate and franchise agreement will pay?

<u>Response</u>: SNNG will charge all Off-Reserve customers the same distribution and commodity rates charged to all other customers. Such rates are established in accordance with SNNG's policies and procedures and are subject to the oversight of the Six Nations Government. The rates charged to Off-Reserve customers by SNNG for natural gas will reflect a significant cost savings for customers who, without connection to natural gas service, rely upon propane or oil.

<u>EGI-1</u>

Questions

(a) Please provide a table showing a breakdown of the total cost of the provision of natural gas to these specific customers including reinforcements needed and contributions in aid of construction (with an explanation of which customers will be providing a CIAC).

<u>Response</u>: This question is beyond the scope of this application. Prospective customers (including those that are the driver for this application) are provided an estimate of connection costs in advance of connection, which vary depending on a number of factors, as with any natural gas utility. No prospective customer is required to connect if they believe the connection costs are too great.

EGI-2

Questions

(a) Please confirm that the 16 proposed services identified are the only service locations to which Six Nations Natural Gas intends to provide service as part of this application.

<u>Response</u>: Confirmed. If SNNG receives additional connection requests from potential gas customers residing on Bateman Line and/or Indian Line, for administrative efficiency, SNNG is proposing that the terms of any order issued by the Board issuing Certificates of Public Convenience and Necessity provide that SNNG may seek to amend such order to permit the connection and service of additional customers on Bateman Line and/or Indian Line within the counties of Brant and Norfolk, respectively, by way of a motion to review and vary. Such terms will permit customers without access to natural gas services to be connected in an administratively more efficient manner while maintaining regulatory oversight. SNNG believes that any such requests would be very limited in number – and therefore are seeking a cost-effective mechanism to add any such customers. Adding such customers via a new application every time would be costly, and potentially impair the extension of gas service in Ontario. SNNG would provide notice of any motion to review and vary to Enbridge.

(b) Have each of the proposed customers agreed to pay any required CIAC?

<u>Response</u>: See response to EGI 1(a). These are residential customers, paying a straightforward connection cost.

(c) Please provide details of any other permits, environmental screenings / reviews, etc. that Six Nations Natural Gas has or will be acquiring / undertaking related to this application.

Response: No such permits are required, as noted at paragraph 24 of the application and evidence.

<u>EGI-3</u>

Questions

(a) Please confirm that Paragraph 2 of the proposed franchise agreement with the County of Norfolk contains amended wording to that included in the Model Franchise Agreement approved by the Ontario Energy Board pursuant to the RP-1999-0048 Report to the Board.

<u>Response</u>: See response to OEB Staff 5(a).

(b) Please confirm that both of the proposed franchise agreements contain a Paragraph 18 (Other Conditions) which is actually only associated with franchise agreements between legacy Union Gas and municipalities in southern Ontario and should not be included within franchise agreements held by Six Nations Natural Gas.

<u>Response</u>: SNNG has adhered to the MFA. If, substantively, the provision in question does not apply, there would be no basis to take action pursuant to that clause.

(c) Please confirm what steps will be taken with / by Norfolk County and Brant County with respect to their resolutions and bylaws should the OEB approve franchise agreements different from those agreed to by the municipalities.

<u>Response</u>: See response to OEB Staff 5(a).

<u>EGI-4</u>

Questions

(a) Please confirm that the proposed CPCNs identify all areas within the municipalities in which Six Nations Natural Gas will be constructing and operating infrastructure.

<u>Response</u>: See response to EGI 2(a)

(b) Please provide details of the lots and concessions within the municipalities in which Six Nations Natural Gas will be constructing and operating infrastructure.

<u>Response</u>: See Appendices A to E of the Application.

APPENDIX A – DRAFT CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

EB-2021-0238

Certificate of Public Convenience and Necessity

Ontario Energy Board grants

Six Nations Natural Gas Limited

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M55, as amended, to construct works to supply gas in the

County of Brant

As it is constituted on the date of this Decision and Order in the area:

1. Located on Concession 3 Burch Tract, Lot 37 Brantford Township, for 408 metres west of Bateman Line and for 2020 metres between Sour Springs Road and Burtch Road in Brant County.

DATED at Toronto, _____, 2021

ONTARIO ENERGY BOARD

Original Signed by

Christine Long Board Secretary

Certificate of Public Convenience and Necessity

Ontario Energy Board grants

Six Nations Natural Gas Limited

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M55, as amended, to construct works to supply gas in the

County of Norfolk

As it is constituted on the date of this Decision and Order in the area:

1. Located on Concession 2, Lot 23 & Concession 3, Lot 24 intersecting the Township of Townsend, for 240 metres south of Indian Line and for 1640 metres between Cemetery Road and County Line in Norfolk County.

DATED at Toronto, _____, 2021

ONTARIO ENERGY BOARD

Original Signed by

Christine Long Board Secretary

Draft

APPENDIX B – PROPOSED SERVICE TERRITORY MAPS



