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**BY EMAIL**

December 17, 2021

Christine E. Long  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto ON M4P 1E4  
[registrar@oeb.ca](mailto:registrar@oeb.ca)

Dear Ms. Long:

**Re: Enbridge Gas Inc. (Enbridge Gas)  
2022 Storage Enhancement Project  
OEB Staff Interrogatories  
OEB File Number: EB-2021-0078**

In accordance with Procedural Order No. 1, please find attached the OEB Staff Interrogatories in the above noted proceeding. The attached document has been sent to the applicant and to all other registered parties to this proceeding.

Please note that 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,

Judith Fernandes  
Project Advisor, Natural Gas Applications

Encl.



## **OEB Staff Interrogatories**

### **2022 Storage Enhancement Project**

**Enbridge Gas Inc.**

**EB-2021-0078**

**December 17, 2021**

**Staff-1**

**Ref: Exh A/Tab 2/Sch1/p.2,3, Exh B/Tab1/Sch1/p.1 and Exh C/Tab1/Sch1/p.1**

**Preamble:**

Enbridge Gas states that for the current storage year (April 2021 to March 2022), it is fully contracted with respect to unregulated storage space and deliverability. The additional 88,300  $10^3\text{m}^3$  of storage capacity created by the Project will be sold as part of Enbridge Gas's unregulated storage portfolio.

The Project involves increasing the maximum operating pressure (MOP) in the Dow Moore storage pool to a maximum pressure gradient of 16.51 kPa/m (0.73 psi/ft) and increasing the MOP in the Payne storage pool to a maximum pressure gradient of 17.19 kPa/m (0.76 psi/ft) during the 2021 injection season.

Enbridge Gas states that the drilling of TKC 69 well is to add deliverability and is necessary to support the incremental capacity created by the Project. The Project includes the installation of emergency shut-down valves and wellhead upgrades at the storage pools.

**Questions:**

- a) Please comment on any expressions of interest received to date for incremental unregulated storage deliverability and capacity that would be derived from this Project. Please provide any other information that demonstrates the extent to which demand exceeds contracts awarded.
- b) Does Enbridge Gas plan to hold an open season in connection with the increased storage capacity that is created by the Project?
- c) Please confirm whether the incremental deliverability from the TKC 69 well is required to fulfil any particular long-term contracts that Enbridge Gas has entered or expects to enter into or for any particular facilities. Please provide an explanation.
- d) Please provide the split of the current capacity of the Pools between regulated and unregulated storage customers.
- e) Please confirm that the proposed facilities (upgraded wellheads and new emergency shutdown valves) will not benefit regulated customers. If this cannot be confirmed, please explain.
- f) If regulated customers will benefit from these proposed facilities, please provide a complete breakdown of all capital costs associated with the Project and the proportion of those capital costs that would be allocated to the regulated storage operations.

**Staff-2**

**Ref: Exh A/Tab 2/Sch1/p.2**

**Preamble:**

Enbridge Gas states that the OEB previously imposed the following condition on Enbridge Gas's predecessor regarding the MOP of Dow Moore storage pool:

Tecumseh shall not operate the Dow Moore Pool above a pressure representing a pressure gradient of 0.7 psi per ft. depth (15.9 kPa/m) without the leave of the Board.<sup>1</sup>

If the OEB approves Enbridge Gas's requested increases to MOP of the pools, OEB staff proposes the following condition:

Enbridge Gas Inc. shall not operate the Dow Moore natural gas pool above the pressure gradient of 16.51 kPa/m (0.73 psi/ft) depth and the Payne natural gas pool above the pressure gradient of 17.19 kPa/m (0.76 psi/ft) depth without leave of the OEB.

**Question:**

Does Enbridge Gas have any objection to the OEB imposing the above noted condition of approval? If so, please explain Enbridge Gas's opposition to such a condition and provide any proposed alternative wording for the condition.

**Staff-3**

**Ref: Exh B/Tab 1/Sch1/p.1 and Exh C/Tab 1/Sch1/p.1,2**

**Preamble:**

The Project is part of a larger project to increase deliverability and storage capacity at Enbridge Gas's storage facilities. Enbridge Gas states that the pools selected for MOP increase were chosen based on their geological similarity to other Enbridge Gas pools that have undergone a pressure increase and have been operated successfully at an elevated pressure gradient of 16.5 kPa/m (0.73 psi/ft) or 17.2 kPa/m (0.76 psi/ft) for many years.

Enbridge Gas states that hydraulic modeling was conducted on its storage system and it was determined that drilling a well in the southern region of the Kimball-Colinville Storage Pool would provide the greatest amount of deliverability for the Enbridge Gas unregulated storage portfolio.

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<sup>1</sup> E.B.O. 147, E.B.L.O. 224 Decision with Reasons, Appendix II.

**Questions:**

- a) Please provide any other available information - studies or models (or links, if publicly available) that form the basis for Enbridge Gas's assessment and selection of the pools as the preferred options for meeting the identified need.
- b) Please advise as to whether there will be any additional phases of the project. Please provide an updated project summary similar to the one provided in OEB Staff Interrogatory 3(a) in EB-2020-0256 outlining the types of work (e.g., delta pressuring, well drilling, pipeline construction), pool names and locations, increased capacity per pool, possible timing, estimated costs, proposed treatment of costs (i.e., allocation between regulated and unregulated operations), expected land use requirements, unusual environmental concerns, and any potential Indigenous consultation concerns for any future additional storage enhancement projects.
- c) Please provide Enbridge Gas's rationale for enhancing deliverability in more than one phase. Please address, without limitation, business, economic, environmental, and cost aspects, as well as technical and operational aspects of the multi-phase plan.
- d) As this Project is part of a larger project to increase deliverability and storage capacity at Enbridge Gas's storage facilities, has Enbridge Gas conducted any analysis regarding the impact of increasing the MOP in Enbridge Gas pools on lost and unaccounted-for gas? If so, please describe the analysis undertaken and any findings. To the extent that increased pressure gradient may result in higher lost and unaccounted for gas, is Enbridge Gas proposing that the resulting costs also be allocated to the unregulated storage operations? Please explain.

**Staff-4**

**Ref.: Exh A/Tab 2/Sch 1, p.3**

Enbridge Gas states that all costs associated with the Project will be captured in the unregulated accounts and that Enbridge Gas's ratepayers will not incur any rate impacts as a result of the Project.

**Question:**

Please confirm and explain whether this includes all direct and indirect costs (e.g. indirect overhead costs) associated with the Project. Please explain how and when indirect costs would be allocated to the unregulated storage operations.

**Staff-5**

**Ref.: Exh A/Tab 2/Sch 1, p.4**

**Preamble:**

Enbridge Gas states that construction of the Project is planned to commence in April 2022 and is expected to be placed into service by September 30, 2022. To meet construction timelines, Enbridge Gas requests OEB approval of its application by March 24, 2022.

**Question:**

Please comment on the implications for the Project if Enbridge Gas does not receive approval from the OEB by March 24, 2022. What is the latest time by which approval from the OEB is required in order to meet the construction timelines?

**Staff-6**

**Ref: Exh E/Tab1/Sch 1/p.3**

**Preamble:**

Enbridge Gas states that the following technical information was provided to the Ministry of Northern Development, Mines, Natural Resources and Forestry (MNDMNRF) for the proposed drilling operation and for the proposed elevation of the MOP:

- Engineering studies completed by Geofirma confirming that the maximum safe operating pressure exceeds 16.5 kPa/m (0.73 psi/ft) for the Dow Moore storage pool and 17.2 kPa/m (0.76 psi/ft) for the Payne Storage pool.
- An Assessment of Neighbouring Activities for the Dow Moore storage pool, the Payne storage pool and the South Kimball storage pool as prescribed by Clause 5.2 of CSA Z341.1-18, assessing: a) wells within 1 kilometre; b) operations within 5 kilometre; and c) the integrity of all wells penetrating the storage zone
- "What If" Analysis of hazards and operability for each of the pools

As a condition of approval in past proceedings, the OEB has required that the applicant conform with the relevant requirements of the Canadian Standards Authority (CSA) Standard Z341 – *Storage of Hydrocarbons in Underground Formations* to the satisfaction of the MNDMNRF. In its application, Enbridge Gas has acknowledged this requirement.

**Questions:**

- a) What is the anticipated timeline for MNDMNRF's review and provision of its comments and conclusion on compliance with CSA Z341?
- b) Has Enbridge Gas had any discussions with the MNDMNRF in this regard? If so, please provide a summary of those discussions.
- c) Does Enbridge Gas have any objection to the OEB imposing a condition of approval that requires Enbridge Gas to conform to the relevant requirements of CSA Z341 to the satisfaction of the MNDMNRF? If so, please explain Enbridge Gas's opposition to such a condition.

**Staff-7**

**Ref: Exh F/Tab 1/Sch 1/p.2**

**Preamble:**

An Environmental Report (ER) for the Project was provided to the Ontario Pipeline Coordinating Committee (OPCC) and other applicable agencies on August 23, 2021. Enbridge Gas provided comments from the Ministry of the Transportation.

**Question:**

Please file an update of the comments (in tabular format) that Enbridge Gas received as part of the OPCC review and in any public consultation since the application was filed. Please include the dates of communication, the issues and concerns identified by the parties, as well as Enbridge Gas's responses and actions to address these issues and concerns.

**Staff-8**

**Ref: Exh F/Tab 1/Sch 1/p.2,3**

**Preamble:**

The application states that a Stage 1 and 2 Archaeological Assessment (AA) was completed on the proposed work area for well TKC 69 on September 7, 2021 and no archaeological resources were identified. It is also stated that the AA will continue on lands disturbed by the Project in the Fall of 2021 and a clearance letter from the Ministry of Heritage, Sport, Tourism and Cultural Industries (MHSTCI) will be obtained prior to construction.

**Questions:**

- a) Please provide details of the ongoing AA work and when Enbridge Gas expects that this work will be completed.
- b) Please confirm whether Stage 1 and 2 AA reports have been submitted to the MHSTCI for review.
- c) When does Enbridge Gas expect to receive a clearance letter from MHSTCI?
- d) Please indicate the timeline by which Enbridge Gas must receive AA approval from the MHSTCI to start the Project on time.

**Staff-9**

**Ref: Exh H/Tab 1/Sch 1/Att 1/p. 12,13**

**Preamble:**

Table 1.1 of the ER lists a number of potential environmental permits and approval requirements for the Project.

**Question:**

Please provide a status update on each of the environmental permits or approvals required for the Project.

**Staff-10**

**Ref: Exh H/Tab 1/Sch 1/p.1,2**

**Preamble:**

The Ministry of Energy (MOE) identified five Indigenous communities<sup>2</sup> that Enbridge Gas should consult in relation to the Project.

Enbridge Gas provided the MOE with its Indigenous Consultation Report for the Project and is awaiting a letter of opinion from the MOE regarding the adequacy of procedural aspects of the duty to consult.

**Questions:**

- a) Please provide an update on Indigenous consultation activities since the application was filed.
- b) Please summarize all the issues and concerns raised by the Indigenous communities in the process of Indigenous consultation to date and describe

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<sup>2</sup> Aamjiwnaang First Nation, Bkejwanong (Walpole Island First Nation), Chippewas of the Thames First Nation, Chippewas of Kettle and Stony Point, Oneida Nation of the Thames



Enbridge Gas's plans, actions, and commitments to address these concerns and resolve the outstanding issues.

- c) Please update the evidence with any correspondence between the MOE and Enbridge Gas since the application was filed, regarding the MOE's review of Enbridge Gas's consultation activities.
- d) Please indicate when Enbridge Gas expects to receive a letter of opinion from the MOE.

### **Staff-11**

**Ref: Exh G/Tab 1/Sch 1/p.2,3**

#### **Preamble:**

Enbridge Gas stated that its land agents have contacted the parties directly impacted by the Project. The parties are a tenant farmer (in the case of well TKC 69 and the pipeline) and third-party landowners (regarding the MOP increase for Dow Moore and Payne Pools). No easement or temporary land use agreement is required for work associated with the construction of the pipeline as Enbridge Gas is the owner of the land. Enbridge states that agreements for temporary working rights to complete construction in the Dow Moore and Payne Pools will be negotiated where required.

#### **Questions:**

- a) Please comment on any concerns that have been expressed by the tenant farmer with respect to the Project.
- b) Please provide an update on negotiations with the third-party landowners regarding any required agreements for temporary working rights, including any concerns that have been expressed by these landowners with respect to the Project.
- c) Where concerns have been expressed by landowners, please explain what actions Enbridge Gas has taken or discussions it has had with landowners to address these concerns.

### **Staff-12**

**Ref.: Exh A/Tab 2/Sch 1, p.1**

#### **Preamble:**

Enbridge Gas has requested a favourable report from the OEB supporting its well drilling licence application under section 40(1) of the OEB Act. Should the OEB determine that it will issue a favourable report recommending the issuance of a well licence, the OEB may also recommend certain conditions of licence.

**Question:**

Please comment on the conditions of licence proposed by OEB staff as set out below. Please note that these conditions are draft and subject to additions or changes.

**Application under Section 40 of the OEB Act  
Enbridge Gas Inc. EB-2021-0078  
DRAFT CONDITIONS OF LICENCE**

1. Enbridge Gas Inc. (Enbridge Gas) shall rely on the evidence filed with the OEB in the EB-2021-0078 proceeding and comply with applicable laws, regulations and codes pertaining to the construction of the proposed well.
2. The authority granted under this licence to Enbridge Gas is not transferable to another party without leave of the OEB. For the purpose of this condition, another party is any party except Enbridge Gas.
3. Enbridge Gas shall construct the facilities and restore the land in accordance with its application and evidence given to the OEB, except as modified by this licence and these Conditions.
4. Enbridge Gas shall implement all the recommendations of the Environmental Report filed in the proceeding.
5. Prior to commencement of construction of the proposed well, Enbridge Gas shall obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the proposed well.
6. Enbridge Gas shall ensure that the movement of equipment is carried out in compliance with all procedures filed with the OEB, and as follows:
  - i. Enbridge Gas shall make reasonable efforts to keep the affected landowner(s) as well as adjacent landowners and their respective tenant farmers, or their designated representatives, informed of its plans and construction activities
  - ii. The installation of facilities and construction shall be coordinated to minimize disruption of agricultural land and agricultural activities.
7. Enbridge Gas shall, subject to the recommendation by an independent tile contractor and subject to the landowner's approval, construct upstream and downstream drainage headers adjacent to the drilling area and access roads that cross existing systematic drainage tiles, prior to the delivery of heavy equipment, so that continual drainage will be maintained.
8. Both during and after construction, Enbridge Gas shall monitor the impacts of construction, and shall file with the OEB one 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
    - v. Provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences, 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 1
    - ii. Describe the condition of any rehabilitated land
    - iii. Describe the effectiveness of any actions taken to prevent or mitigate any identified impacts during construction
    - iv. Include the results of analyses and monitoring programs and any recommendations arising therefrom
    - 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, the rationale for taking such actions.
9. For the purposes of these conditions, Enbridge Gas shall conform with:
- a) Canadian Standards Association Z341,1-18 "Storage of Hydrocarbons in Underground Formations" to the satisfaction of the Ministry of Northern Development, Mines, Natural Resources and Forestry
  - b) The requirements for wells as specified in the *Oil, Gas and Salt Resources Act*, its Regulation 245/97, and the Provincial Operating Standards v.2 to the satisfaction of the Ministry of Northern Development, Mines, Natural Resources and Forestry.
10. Enbridge Gas shall designate one of its employees as project manager who will be the point of contact for these conditions, and shall provide the

employee's name and contact information to the Ministry of Northern Development, Mines, Natural Resources and Forestry, the OEB and to all affected landowners, and shall clearly post the project manager's contact information in a prominent place at the construction site.

### **Staff-13**

**Ref.: Exh A/Tab 2/Sch 1**

#### **Preamble:**

Enbridge Gas has applied for leave to construct a pipeline under section 91 of the OEB Act.

#### **Question:**

Please comment on the draft conditions of approval proposed by OEB staff. If Enbridge Gas does not agree with any of the draft conditions of approval, please identify the specific conditions that Enbridge Gas disagrees with. Explain the rationale for disagreement and for any proposed changes or amendments.

#### **Application under Section 91 of the OEB Act Enbridge Gas Inc. EB-2021-0078 DRAFT CONDITIONS OF APPROVAL**

1. Enbridge Gas Inc. (Enbridge Gas) shall construct the proposed facilities and restore the land in accordance with the OEB's Decision and Order in EB-2021-0078 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 10 days following the completion of construction
  - i. of the in-service date, no later than 10 days after the facilities go into service
3. Prior to the commencement of construction of the proposed facilities, Enbridge Gas shall obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the proposed facilities.

4. 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.
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 after the fact.
6. Both during and after construction, Enbridge Gas shall monitor the impacts of construction, and shall file with the OEB one 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
    - 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 4
    - 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
    - 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
7. 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.