

1 **ONTARIO PETROLEUM INSTITUTE**
2 **SYSTEM ACCESS ISSUES**

3 **1.0 Scope of Evidence**

4 The Ontario Petroleum Institute (“**OPI**”) has prepared this evidence in accordance with: (a) the
5 OEB’s Decision and Procedural Order No. 3, dated November 17, 2022; and (b) the OEB’s
6 Decision and Procedural Order No. 4, dated February 7, 2023 (collectively, the “**OEB**
7 **Decisions**”).

8 The scope of this proceeding has evolved since first initiated by the Board in February 2022.
9 Based on OPI’s interpretation of the OEB Decisions, this evidence will address the following
10 four system access issues:

- 11 • Connection Process
12 • Available Market/Capacity
13 • Station/Connection Costs
14 • Shut-in Practices

15 The first three of these system access issues relate to matters that arise prior to connection and
16 service commencement (i.e., prior to a producer entering into a service contract with Enbridge
17 Gas Inc. (“**EGI**”).

18 The last of the four system access issues noted above relates to the terms of distribution service
19 provided to producers after entering into a service contract with EGI. OPI’s understanding of the
20 OEB Decisions is that other service terms and conditions (associated with the current M13, 401

1 and proposed E80 rates) will be dealt with in EB-2022-0200 (the “**EGI 2024 Rebasing**
2 **Proceeding**”).

3

4 **2.0 Connection Process**

5 OPI’s members need to connect to the EGI system in order to: (a) bring their gas supply to
6 market (i.e., to Dawn, pursuant to EGI’s M13 transportation service); or (b) sell to EGI (pursuant
7 to the terms of a Gas Purchase Agreement (“**GPA**”) for subsequent delivery by EGI to its
8 distribution customers).

9 EGI’s process for connecting Ontario gas producers to the EGI distribution system is not a
10 robust, prescriptive one. Instead, the connection process is ad hoc, with no firm timelines or
11 standardized information exchange procedures, to OPI’s knowledge.

12 As a result, OPI’s members have experienced poor responsiveness on the part of EGI to service
13 requests from Ontario producers, resulting in undue delays to projects. Attached at Appendix A
14 hereto is a tabular summary of a recent attempt by one Ontario producer (Lagasco) to reactivate
15 an existing station (“**Station 05D-501**”) and recommence flowing gas into the EGI distribution
16 system. This Appendix A summarizes the written (email and letter) communications between
17 Lagasco and EGI. Appendix B sets out the actual email and letter documentation to support the
18 summary in Appendix A.

19 As noted in Appendix A, Lagasco first reached out to EGI about reactivating the station in
20 August 2021, hoping to be able to recommence gas deliveries into the EGI distribution system by
21 January 2022. What is noticeable about the exchange is the pattern of prompt communications

1 from Lagasco to EGI, but often very lengthy delays on the part of EGI to reply to Lagasco. To
2 provide a few examples:

- 3 • It took EGI three and a half months to provide Lagasco with an initial cost estimate for
4 the station reactivation (from an August 30, 2021 Lagasco request to the December 17,
5 2021 EGI reply). Importantly, this could not have been an extensive amount of work for
6 EGI to come up with the cost estimate – given that the entire work (at that point) was
7 estimated to be \$5,502.
- 8 • It took EGI nearly four months to reply in any substantive way to Lagasco’s instruction
9 to proceed with reactivation and the preparation of a detailed budget estimate (from the
10 December 17, 2021 Lagasco request to an April 12, 2022 EGI email that merely
11 indicated that EGI had some questions for Lagasco).
- 12 • A revised cost estimate of \$425,000 (from the initial cost estimate of \$5,502) was not
13 provided to Lagasco until nearly nine months after Lagasco’s initial reach-out to EGI
14 (from August 30, 2021 to May 20, 2022).
- 15 • Based on the significant cost estimate increase (77 times the initial cost estimate)
16 provided to Lagasco in May 2022, Lagasco took the summer to re-evaluate its plan to
17 reactivate the station. Lagasco reached out to EGI on September 1, 2022 in an attempt to
18 better understand the new cost estimate, and communications between Lagasco and EGI
19 were prompt and timely through September 2022. A site visit between the parties to re-
20 examine the cost estimate was held on September 23, 2022.

- 1 • It took EGI two and a half months to provide a further revised cost estimate (now over
2 \$488,000 + HST) to Lagasco (from the September 23, 2022 to December 7, 2022), and
3 an additional two and a half months to provide a detailed estimate (now \$461,285.80 for
4 rebuilding the 5D-501 station (from December 7, 2022 to February 24, 2023).

5 In total, the process has taken approximately 18 months to get a definitive connection cost
6 estimate from EGI – for a project that is in the thousands (not millions) of dollars). To give a
7 sense of the scale of operations, included as Appendix C hereto is a photograph of the existing
8 5D-501 station to be rebuilt.

9 While this is only one example of an unnecessarily protracted connection process, other OPI
10 members have experienced similar frustrations with the lack of a clear, prescriptive, timely
11 connection process – and the lack of such a process is detrimental to the viability of Ontario’s
12 natural gas producers.

13 OPI understands that electricity distributors have prescriptive procedures for connecting
14 electricity generators to their distribution systems, which include timelines for responding to
15 connection requests (via a detailed cost estimate and an offer to connect) and standard form
16 connection cost recovery agreements and connection agreements. OPI also understands that to
17 some extent the procedures and timelines for connecting electricity generators have been tailored
18 based on the size of the generation facility (with, for example, a simpler and quicker process for
19 smaller generation facilities).

20 In OPI’s view, establishing a prescriptive connection policy/process would be helpful to Ontario
21 producers and helpful to EGI in meeting its obligations under section 42 of the *Ontario Energy*
22 *Board Act, 1998* (the “**OEB Act**”).

1

2 **3.0 Available Market/Capacity**

3 When an Ontario producer contacts EGI about establishing a new connection, the first query
4 made by the producer to EGI is an understanding of how much gas that producer can deliver into
5 the EGI distribution system.

6 In making requests about available system capacity data from EGI, OPI's members have
7 experienced the following challenges:

- 8 • delays/extended timelines in receiving information on available system capacity at, or
9 near, locations of production;
- 10 • lack of transparency about the methodology used by EGI to calculate available
11 system capacity;
- 12 • insufficient options from EGI about where a producer could connect to the EGI
13 distribution system; and,
- 14 • almost invariably, EGI determining that substantially less gas can be injected than
15 anticipated by the producer.

16 OPI suspects that when EGI determines how much local supply it would be prepared to accept,
17 locally produced gas is considered by EGI to be the “gas of last resort”. The result is that EGI
18 has in the past determined that zero local production can be accepted. OPI suspects that in many
19 cases local production could be accommodated (given the typically small volumes injected at
20 individual local production sites) but EGI has instead elected to operate its system in a way to

1 give preference to gas coming from Dawn (i.e., gas from outside of Ontario) over local
2 production.

3 Understanding how much gas can be injected over time into the EGI system is critical for a
4 producer to understand the economics of a potential return on any system access costs it will be
5 required to pay. To obtain access to the natural gas market fed by EGI's distribution system,
6 OPI makes a request of EGI to determine the available market/capacity.

7 OPI acknowledges that EGI needs to plan and operate its distribution system in a way that
8 ensures EGI's customers receive a secure supply of gas across all seasons. EGI's supply
9 obligation imposes on EGI a responsibility to know its systems and pressures required on its
10 system. As with all gas distribution systems, the pressures needed to maintain security of supply
11 to customers will vary seasonally. Using EGI's system analysis models, OPI believes that EGI
12 can determine the minimum pressure settings of regulators to ensure security of supply based
13 upon expected customer consumption. During the summer, most distribution systems will not
14 need to maintain as high an operating pressure to maintain security of supply as heat sensitive
15 consumption is minimized. Since local producers must be able to inject into these same systems
16 with higher pressures in the high consumption season of winter, it stands to reason that if EGI
17 operates its distribution systems at lower summer pressures, Ontario producers should be able to
18 inject their gas to serve the summer consumption. Consequently, when OPI's members are told
19 that there is "no takeaway capacity available" or no market available, what they are effectively
20 being told is that EGI has chosen to serve this lower seasonal consumption with gas acquired
21 from outside of Ontario. By doing so, EGI is foregoing the opportunity to use locally produced
22 gas which would displace gas delivered through upstream systems to Ontario and through

1 transmission systems from Dawn using fuel gas. That fuel gas is paid for by EGI ratepayers,
2 including the carbon cost and environmental cost associated with these alternative supplies. OPI
3 does not believe this approach makes sense for Ontario ratepayers nor Ontario taxpayers who
4 receive a royalty for gas produced in Ontario.

5 For that reason, OPI does not understand why their supplies would be the last taken. EGI's
6 determinations on the available market/capacity do not provide assumptions made by EGI on
7 how seasonal adjustment to EGI's system pressures were considered to allow local Ontario
8 producer access. However, these determinations can preclude initial investment by producers and
9 artificially inhibit ratepayers enjoying more environmentally-friendly and economic service
10 (since the GPA price paid to Ontario producers on average tracks consistently less than the Total
11 Gas Supply Commodity Charge in Ontario). In OPI's experience, transparency through required
12 reporting on EGI's market assessments would advance Ontario interests, in furtherance of the
13 Board's objectives and its authority under section 41 of the OEB Act.

14 To provide tangible examples, OPI members have experienced situations where they have been
15 denied the ability to inject natural gas into the EGI distribution system on segments where other
16 producers have shut down or reduced volumes, including the following two examples:

17 ***Mabees Corners Station***

- 18 • Clearbeach Resources Inc. ("**Clearbeach**"), through the acquisition of two local producer
19 systems, operates a number of gas production wells in Norfolk County, south of
20 Tillsonburg. One of the acquired production systems was supplying gas to a Union Gas
21 station at Mabees Corners. The other production system was supplying gas to Union Gas
22 via an 18 km high pressure pipeline running to a Union Gas station near Tillsonburg. In

1 an effort to improve the efficiency of its operations, Clearbeach approached Union Gas
2 with a request to increase the throughput volume (from 304 GJ/d to 607 GJ/d) at the
3 Mabees Corners Station (or in the alternative at a former station at the corner of
4 Plowmans Line and County Road 38 (the “**Former Station**”). OPI understands that one
5 of Clearbeach’s predecessor companies had been supplying gas through the Former
6 Station (prior to construction of the 18 km high pressure pipeline) while the other
7 predecessor company had been producing volumes up to 773 GJ/d through the Mabees
8 Corners Station.

- 9 • Clearbeach was confident that Union Gas had capacity to take significantly increased
10 volumes through the Mabees Corners Station (failing which Clearbeach would have
11 constructed a pipeline to the Former Station). However, even though the Mabee Corners
12 Station and Former Station had previously taken significantly more gas than the 220 to
13 330 GJ/d that was currently being produced, Union Gas advised they could take only a
14 nominal quantity with virtually nothing in the summer months. As noted above, this
15 communicated lack of summer market must presume that other supplies somehow have
16 priority for injection into the EGI distribution system, resulting in a lack of “market” for
17 locally produced gas.
- 18 • Clearbeach decided to move ahead with combining production from the two systems
19 through the Mabees Corners Station despite having been told by Union Gas that there
20 was no available market/capacity. This combined production (currently 390 GJ/d, but as
21 high as 500 GJ/d in the past) has flowed without incident into the EGI distribution system

1 for several years now. Clearbeach has had no issue producing and flowing all its
2 combined production.

3 ***Paton Pool/Shackleton Station***

- 4 • Clearbeach drilled a number of new wells from 2012 through 2014 in the area of Dutton,
5 Ontario, naming the discovered pool the “Paton Pool”. The wells in the Paton Pool are
6 predominantly oil producing, but also produce some natural gas. An active EGI pipeline
7 is located approximately 300 metres north of the production site, on lands leased by
8 Clearbeach (making a close tie-in to the EGI distribution system very feasible).
9 Clearbeach made numerous attempts to obtain a gas supply station with Union Gas (and
10 more recently EGI) to supply 50 GJ/d of gas into the EGI system. That gas is currently
11 being flared on site, in compliance with provincial standards.¹ Clearbeach’s clear
12 preference, from both an environmental and financial point of view, is to inject that gas
13 into EGI’s distribution system for consumption by Ontarians.
- 14 • Union Gas refused to allow connect of gas from the Paton Pool at the closest pipeline
15 location, indicating that there is near zero available market/capacity at that point. Instead,
16 Clearbeach has been told that it needs to construct an approximately 2 km long pipeline
17 to deliver the gas at a location on Shackleton Line (close to Iona Road)(see Appendix D).
18 The costs of such a line (together with station costs provided by Union Gas) make the
19 project uneconomic. Further, the alternative (and far more expensive) location is on the
20 exact same pipeline as the much closer connection point on Clearbeach-leased lands.

¹ See *Oil, Gas and Salt Resources of Ontario – Provincial Operating Standards*, section 6.11.4.

1 Attempts by Clearbeach to understand the assumptions that went into the available
2 market/capacity analysis have been unsuccessful.

3 OPI believes that greater transparency about available market/capacity in the EGI distribution
4 system is needed, and that such market/capacity analysis should incorporate the environmental
5 and economic benefits of local production.

6 7 **4.0 Station/Connection Costs**

8 As noted in section 2.0 of this evidence (above) and Appendix A, there are challenges faced by
9 Ontario producers in obtaining timely cost estimates for customer stations. However, in addition,
10 OPI's members' experience informs that EGI's construction costs are very high.

11 By way of example:

- 12 • In the case of the reactivation of Station 05D-501 (discussed above and at Appendices A
13 and B), initial cost estimates for station work have increased nearly 100-fold from the
14 first estimates provided.
- 15 • In the Paton Pool/Shackleton Station example noted in the section immediately above, in
16 addition to constructing a lengthy line to a new station, in November 2021, EGI provided
17 a cost estimate of between \$566,446 and \$1,057,366 for a new customer station to
18 connect to the EGI system. For perspective, there would only be 50 GJ/d injected at that
19 location which, based on current system gas prices, would calculate to approximately
20 \$58,000 in annual revenues.

1 OPI has directly raised with EGI the possibility of OPI's members constructing these stations,
2 and then transferring the station to EGI (after an EGI inspection). OPI's members would, of
3 course, ensure these stations met all requisite technical and safety standards. However, EGI has
4 advised OPI that this is not an option.

5 OPI's members see no reason why these stations cannot be constructed by producers (at the
6 producers' cost) and transferred to EGI for nominal consideration. There are two reasons why
7 OPI believes this is feasible. First, these stations are typically small, single customer stations –
8 i.e., a station connects a single producer to the EGI transmission or distribution system. It is not
9 like an electricity distribution or transmission station which contains assets used to serve large
10 numbers of customers (and therefore should only be accessible to the incumbent utility that owns
11 the station and bears the obligation to serve the many customers served from that station).
12 Second, OPI understands that one way that electricity generators (and load customers) are able to
13 mitigate the cost of connecting to the electricity distribution system is via a contestability
14 procedure that enables the generator or load customer to construct connection assets to
15 applicable legal standards and then transfer those assets to the electric utility. OPI further
16 understands that all connection work can be undertaken in this manner by a connecting customer
17 other than: (a) preliminary planning, design and engineering specifications for the connection
18 work; and (b) construction work on the incumbent utility's existing facilities and equipment. OPI
19 understands that connecting electricity generators and load customers often choose to proceed
20 with this approach because the customer believes it can carry out the work at a lower cost.

21 OPI believes that the same process should be available to connecting Ontario natural gas
22 producers, and that it would mitigate the costs of connection – leading to a more financially

1 viable gas production industry, and regulatory equivalency between Ontario’s gas and electricity
2 sectors.

3

4 **5.0 Shut-In Practices**

5 Ontario producers are frequently “shut-in” (i.e., curtailed) for extended periods of time when
6 EGI makes system changes or upgrades. There is, in OPI’s view, insufficient notice provided to
7 producers (the GPA requires only 24 hours notice), little or no effort to maintain flows from
8 local producer stations, and minimal regard for the hardship these shut-ins cause to the
9 operational and financial well-being of Ontario producers. Some relevant examples include:

10 ***Clearbeach***

- 11 • Towards the end of last year, Clearbeach was advised by EGI that EGI planned to
12 increase pressure on the pipeline into which a Clearbeach station feeds into the EGI
13 system. To be ready for the increased pressure, Clearbeach purchased a new compressor.
14 However, shortly after making this investment, Clearbeach was advised by EGI that the
15 station would be shut-in for approximately four months. The station was eventually shut-
16 in on November 23, 2022 and remains shut-in today. EGI advises that it will remain shut-
17 in until some time this spring, but there is nothing more definitive at this time.
- 18 • On-Energy Corp. was shut-in from July 13 to October 25, 2018 (three and a half months)
19 at its Liberty Dover Station. They were told by EGI that EGI could not take their gas due
20 to system alterations being made to the Panhandle line. On-Energy delivers
21 approximately 90 GJ/d of natural gas into this line. There seemed to be little or no effort

1 to allow On-Energy to continue to produce gas. Such a lengthy curtailment would
2 presumably be unheard of for a gas consumer of EGI.

3 OPI believes that more notice should be given to Ontario producers, and shut-in periods should
4 be much shorter in duration.

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APPENDIX A

Date (DD/MM/YYYY)	Method of Communication	From	To	Nature of Contents
30/08/2021	Email	Lagasco	Enbridge	Lagasco is inquiring with Enbridge that they are looking to reactivate a meter station (Station 05D-501) and is inquiring if Enbridge has capacity for their gas if the station was reactivated.
07/09/2021	Email	Enbridge	Lagasco	Enbridge replies that since the station has been out of commission for a few years, a site evaluation is needed to determine what is needed to get the station running again.
08/09/2021	Email	Lagasco	Enbridge	Acknowledgment email to Enbridge.
19/10/2021	Email	Enbridge	Lagasco	Enbridge requests address/coordinates of the station
19/10/2021	Email	Lagasco	Enbridge	Lagasco provides requested address and coordinates.
05/11/2021	Email	Enbridge	Lagasco	Primary Enbridge contact circling back and notifying Lagasco on a few points, including that the Enbridge contact is going to circle back with an Enbridge engineer for an update on the station.

Date (DD/MM/YYYY)	Method of Communication	From	To	Nature of Contents
06/11/2021	Email	Lagasco	Enbridge	Acknowledgement of prior email.
19/11/2021	Email	Enbridge	Enbridge and Lagasco	Primary Enbridge contact for Lagasco reaches out to another employee of Enbridge if there are any updates on the station reactivation. Lagasco is also included on this email chain.
22/11/2021	Email	Enbridge	Enbridge and Lagasco	Enbridge employee informs Lagasco and the primary Enbridge contact for Lagasco that the reactivation of the Station is under review by Enbridge Engineering staff.
10/12/2021	Email	Lagasco	Enbridge	Follow up email from Lagasco on status of reactivation.
17/12/2021	Email	Enbridge	Lagasco	Enbridge provided an initial cost estimate for the reactivation of the station of \$5,502.00. Enbridge inquires if Lagasco would like to move forward with a detailed budget estimate.
17/12/2021	Email	Lagasco	Enbridge	Lagasco confirms they would like to move forward with a detailed budget estimate.
31/01/2022	Email	Lagasco	Enbridge	Follow-up by Lagasco on status of detailed budget estimate as well as expected timing on station reactivation.

Date (DD/MM/YYYY)	Method of Communication	From	To	Nature of Contents
31/01/2022	Email	Enbridge	Lagasco	Acknowledgement of previous email.
28/02/2022	Email	Lagasco	Enbridge	Follow-up by Lagasco on status of the project.
28/02/2022	Email	Enbridge	Lagasco	A new Enbridge contact replies, informs Lagasco that he is replacing the earlier primary contact for Lagasco, he states that he has reminded the Enbridge Engineering group that Lagasco is waiting on an update and that they should be making progress on the project.
28/02/2022	Email	Lagasco	Enbridge	Acknowledge of previous email.
11/04/2022	Email	Lagasco	Enbridge	Follow-up by Lagasco on if there are any updates on the timing to reactivate the station.
11/04/2022	Email	Enbridge	Lagasco	Acknowledge of previous email, the primary Enbridge contact also states he has reminded engineering group again to move along the project.
12/04/2022	Email	Enbridge	Lagasco	Primary Enbridge contact states he has spoken with the engineering team and they had a few questions for Lagasco
21/04/2022	Email	Lagasco	Enbridge	Lagasco response with answers to the questions from Enbridge and asks about

Date (DD/MM/YYYY)	Method of Communication	From	To	Nature of Contents
02/05/2022	Email	Enbridge	Lagasco	<p>an update regarding estimate for timing of reactivation.</p> <p>Primary Enbridge contact apologizes for taking so long on this. He states that he has had a call with engineering team and they have committed to a high level cost estimate by the third week of May. He also warns Lagasco that it sounds as though the price tag of the project could be in excess of \$100,000.00</p>
20/05/2022	Email	Enbridge	Lagasco	<p>Primary Enbridge contact provides new cost estimate for the project that totals \$425,000.00, with no rationale for the severe cost increases.</p>
01/09/2022	Email	Lagasco	Enbridge	<p>Lagasco requests a site visit to the station with Enbridge to better understand the new quote and the work that needs to be done to recommence sales at the station.</p>
02/09/2022	Email	Enbridge	Lagasco	<p>Primary Enbridge contact agrees to set up requested meeting.</p>
06/09/2022	Email	Lagasco	Enbridge	<p>Follow up by Lagasco on setting up a meeting.</p>
06/09/2022	Email	Enbridge	Lagasco	<p>Acknowledgement of previous email and recommitment to set up meeting/site visit.</p>

Date (DD/MM/YYYY)	Method of Communication	From	To	Nature of Contents
06/09/2022	Email	Lagasco	Enbridge	Acknowledgement of previous email.
15/09/2022	Email	Enbridge	Lagasco	Primary Enbridge contact suggests some potential times for a meeting/site visit.
15/09/2022	Email	Lagasco	Enbridge	Lagasco suggests alternate times.
15/09/2022	Email	Enbridge	Lagasco	Confirmation of timing for meeting/stie visit.
19/09/2022	Email	Enbridge	Lagasco	Email appointment notification that details that the meeting will be a site visit and “Go over scope, costs, etc. required to get this station back on line”.
22/11/2022	Email	Lagasco	Enbridge	Follow up by Lagasco that reiterates that at the site visit an Enbridge employee mentioned that a review would be done to tighten up the cost estimate. Lagasco requests information as to when they can get a new cost estimate as the site meeting the Enbridge employee discussed how the previous estimate was a “high end worst case scenario”.
08/12/2022	Email	Enbridge	Lagasco	Primary Enbridge contact attached a letter from the Engineering group on what it will take to get the station online, including a new cost estimate. Email also mentions that Enbridge will be requiring

Date (DD/MM/YYYY)	Method of Communication	From	To	Nature of Contents
07/12/2022	Letter	Enbridge	Lagasco	<p>Lagasco to commit to the cost of the inspection up front.</p> <p>In this letter (which was attached to the previous email) Enbridge states that Lagasco is responsible for all equipment related costs to bring the station online as Lagasco was the party that terminated the original station contract. Enbridge then provides an estimate of \$488,150.72 plus HST for bringing the station back online.</p>
13/12/2022	Email	Lagasco	Enbridge	<p>Lagasco expresses their surprise at this \$488,150.72 plus HST estimate, as that this is far more than the initial estimate of \$4,000 to \$7,700 for reactivation, or what was later described as a worst case estimate of \$425,000.00. Lagasco also reiterates how lengthy this process has taken to just get to this point. Lagasco also communicates that they are surprised that there will now be cost to Lagasco for a inspection/review of work to be done which has not been communicated to them before the letter.</p>
13/12/2022	Email	Lagasco	Enbridge	<p>Lagasco requests a more detailed breakdown of the inspection costs.</p>

Date (DD/MM/YYYY)	Method of Communication	From	To	Nature of Contents
14/12/2022	Email	Enbridge	Lagasco	Primary Enbridge contact acknowledges Lagasco’s concerns and frustrations and commits to reverting with answers to Lagasco.
14/12/2022	Email	Lagasco	Enbridge	Acknowledgement by Lagasco.
16/12/2022	Email	Enbridge	Lagasco	Primary Enbridge contact states that he has raised this project to senior management, and they are now waving the inspection fee and treating this as a priority request given the length of time this request for reactivation has gone on. The Primary contact also states that the cost estimate still stands but there will be a further detailed cost estimate will be done. If Lagasco would like to discuss anything Enbridge would be happy to set up a call.
24/2/2023	Email	Enbridge	Lagasco	Enbridge provided a detailed estimate for rebuilding 5D-501 (\$461,285.80) and advising that the station could be in-service 10 months after the project is confirmed to go ahead by Lagasco.

APPENDIX B

From: slewis@onenergy.ca <slewis@onenergy.ca>
Sent: Monday, August 30, 2021 12:44 PM
To: [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>
Subject: [External] FW:

EXTERNAL: PLEASE PROCEED WITH CAUTION.

This e-mail has originated from outside of the organization. Do not respond, click on links or open attachments unless you recognize the sender or know the content is safe.

Hi [REDACTED],

We are looking at reactivating our gas sales at the meter station with the sign attached here as a picture (05D-501) to sell approximately 50mcf/d of natural gas. Do you have capacity for our gas and are we able to recommence sales at this EGI receipt point. If acceptable we would be looking to recommence deliveries at this location early in the new year. Happy to discuss live if you have any questions or concerns with this.

Thanks,
Scott

From: [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>
Sent: September 7, 2021 2:21 PM
To: slewis@onenergy.ca
Cc: [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>
Subject: RE: [External] FW:

Hi Scott,

One of our field Techs got back to me on this station. It sounds like it has been out of commission for a number of years, so will require further checks/testing to see what is needed to get it back producing. We will submit a request to have the site evaluated for the takeaway capacity availability as well as what is needed physically to get the station running and will keep you posted.

Thanks,

[REDACTED]

From: slewis@onenergy.ca <slewis@onenergy.ca>
Sent: Wednesday, September 8, 2021 8:07 AM
To: [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>
Cc: [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>
Subject: RE: [External] FW:

EXTERNAL: PLEASE PROCEED WITH CAUTION.

This e-mail has originated from outside of the organization. Do not respond, click on links or open attachments unless you recognize the sender or know the content is safe.

Thanks [REDACTED],

We would only be delivering around 50mcf/d at the location.

Scott

From: [REDACTED]<[REDACTED]@enbridge.com>
Sent: October 19, 2021 8:25 AM
To: slewis@onenergy.ca
Subject: Station 05D-501

Morning Scott,

Would you happen to have the address/coordinates of this station?

Thanks,
[REDACTED]

From: Scott Lewis <slewis@onenergy.ca>
Sent: Tuesday, October 19, 2021 4:25 PM
To: [REDACTED]
Cc: Brett Authier
Subject: RE: Station 05D-501

Hi [REDACTED],

The station number on the sign is 5D-501, it is on Lakeshore Road 231, Southwoodslee, Ontario. Lat/Long: 42.206986, -82.674415

Please let me know if you need anymore information.

Thanks,
Scott

----- Original message -----

From: [REDACTED]@enbridge.com>
Date: 2021-11-05 15:17 (GMT-05:00)
To: slewis@lagasco.ca, Frank Kuri <fkuri@lagasco.ca>
Cc: [REDACTED]@enbridge.com>, [REDACTED]@uniongas.com>
Subject: Follow up

Hi guys,

I wanted to reach out as we have a couple things we are working on for Lagasco. We had quite a busy October and start to November managing inventory and getting all our contracts in place for the coming winter so I wanted to recap what we owe you and hopefully we can provide further information soon.

- Shackleton station – Expecting we will be able to get you a station estimate on this shortly
- Re-activating old station 5D-501 – This is with a district engineer to evaluate what is needed. We will circle back for an update.
- Renwick station 4F-401 – Looking into whether you can purchase gas at this station from Enbridge. This is a unique one for me, I have a note off to our distribution group to see if this is possible and what the details would be

If there is anything else outstanding at this point, let me know.

Thanks,

[REDACTED]

From: fkuri <fkuri@lagasco.ca>
Sent: Saturday, November 6, 2021 9:13 AM
To: [REDACTED]@enbridge.com>; slewis@lagasco.ca
Cc: [REDACTED]@enbridge.com>; [REDACTED]@uniongas.com>
Subject: [External] RE: Follow up

CAUTION: EXTERNAL EMAIL

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Refresh iManage View

Yes, that's correct thanks

Sent from my Galaxy

From: [REDACTED]@enbridge.com>
Sent: Friday, November 19, 2021 10:41 AM
To: fkuri <fkuri@lagasco.ca>; slewis@lagasco.ca; [REDACTED]@enbridge.com>
Cc: [REDACTED]@uniongas.com>
Subject: RE: [External] RE: Follow up

Good morning,

Circling back on outstanding items:

- Shackleton station – Station cost has been provided to Lagasco
- Re-activating old station 5D-501 – @ [REDACTED] – Did the district provide us an update on this inquiry?
- Renwick station 4F-401 – Lagasco purchasing supply. The person I reached out to just returned from vacation and is going to let me know who the best person/group for Lagasco to discuss this inquiry with is. As it would be Lagasco purchasing Enbridge supply, this falls in a different group than our team.

Thanks,

[REDACTED]

From: [REDACTED]@enbridge.com>
Sent: November 22, 2021 3:14 PM
To: [REDACTED]@enbridge.com>; fkuri <fkuri@lagasco.ca>; slewis@lagasco.ca
Cc: [REDACTED]@uniongas.com>
Subject: RE: [External] RE: Follow up

Good Afternoon,

An update on the reactivation of station 5D-501. I have just heard back from the regional engineer and the process has just been transferred over to the Stations team for their review.

I'll keep you posted as I hear more.

Thanks,

[REDACTED]

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Friday, December 10, 2021 12:35 PM
To: [REDACTED]@enbridge.com>
Cc: 'Brett Authier' <bauthier@lagasco.ca>
Subject: RE: [External] RE: Follow up

CAUTION: EXTERNAL EMAIL

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I am wondering if the stations team has made any progress with regards to our request to have this station reactivated?

Thanks for your help with this,

Scott A. Lewis, MBA, P.GEO

VP - Operations
Lagasco Inc.
519 433 7710 Office
519 433 7588 Fax
519 871 0876 Mobile
2807 Woodhull Road
London, Ontario, N6K 4S4

From: [REDACTED]@enbridge.com>
 Sent: December 17, 2021 10:56 AM
 To: slewis@lagasco.ca
 Cc: 'Brett Authier' <bauthier@lagasco.ca>; [REDACTED]@enbridge.com>
 Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Hi Scott,

I've received the initial cost estimate for the reactivation of station 05D-501 as seen below. This is a high-level estimate and if you deem this feasible we would move forward with a more detailed budget estimate.

Please let me know if you would like to move forward with the reactivation based on the estimate below and if so I will pass that information along to our planning group.

Feasibility Estimate for Account Managers

Lagasco Inc.

Contingency 20% - this is the agreed upon feasibility level contingency

Description of Work:

Possible modifications needed for filter separator and drip pan. Needs station checks before firing up

Item	Cost	DREAM Loadings	Contingency	Total
Station				
Material	\$0	N/A	\$0	\$0
Plant Items	\$0	N/A	\$0	\$0
UG Labour	\$3,396	\$1,189	\$917	\$5,502
Non-UG Labour	\$0	N/A	\$0	\$0
Miscellaneous	\$0	N/A	\$0	\$0
Service				
Material	\$0	N/A	\$0	\$0
UG Labour	\$0	\$0	\$0	\$0
Non-UG Labour	\$0	N/A	\$0	\$0
Miscellaneous	\$0	N/A	\$0	\$0
Main/Reinforcement				
Material	\$0	N/A	\$0	\$0
UG Labour	\$0	\$0	\$0	\$0
Non-UG Labour	\$0	N/A	\$0	\$0
Miscellaneous	\$0	N/A	\$0	\$0
Total	\$3,396	\$1,189	\$917	\$5,502

Based on this estimate, the cost of the project could fluctuate (+40%/-25%):

\$4,126 - \$7,702

Thanks,

[REDACTED]

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: December 17, 2021 12:23 PM
To: [REDACTED]@enbridge.com
Cc: 'Brett Authier' <bauthier@lagasco.ca>; [REDACTED]@enbridge.com
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Hi [REDACTED]

We would like to move ahead with a detailed budget estimate. The estimate below is feasible for us.

Thanks,

Scott A. Lewis, MBA, P.GEO

VP - Operations
Lagasco Inc.
519 433 7710 Office
519 433 7588 Fax
519 871 0876 Mobile
2807 Woodhull Road
London, Ontario, N6K 4S4

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Monday, January 31, 2022 1:19 PM
To: [REDACTED]@enbridge.com
Cc: 'Brett Authier' <bauthier@lagasco.ca>; [REDACTED]@enbridge.com
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

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Hi [REDACTED],

We are wondering if we can get a detailed budget and some timing for EGI to complete re-activation of 05D-501? We are keen to start delivering gas at this station again.

Thanks,
Scott

From: [REDACTED]@enbridge.com
Sent: January 31, 2022 1:22 PM
To: slewis@lagasco.ca
Cc: 'Brett Authier' <bauthier@lagasco.ca>; [REDACTED]@enbridge.com
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Hi Scott,

Let me check in with the planning group and see where they are in the process.

Thanks,
[REDACTED]

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Monday, February 28, 2022 11:21 AM
To: [REDACTED]@enbridge.com>
Cc: 'Brett Authier' <bauthier@lagasco.ca>; [REDACTED]@enbridge.com>
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

CAUTION: EXTERNAL EMAIL

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Hi [REDACTED]

Were you able to follow up with your planning group? We would really like to get this project underway.

Thanks,

Scott A. Lewis, MBA, P.GEO

VP - Operations
Lagasco Inc.
519 433 7710 Office
519 433 7588 Fax
519 871 0876 Mobile
2807 Woodhull Road
London, Ontario, N6K 4S4

From: [REDACTED]@enbridge.com>
Sent: February 28, 2022 12:34 PM
To: slewis@lagasco.ca; [REDACTED]@enbridge.com>
Cc: 'Brett Authier' <bauthier@lagasco.ca>
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Hi Scott,

[REDACTED] here, I am replacing [REDACTED], and should be your main contact on this going forward.

I apologize, but for now can confirm that [REDACTED] did the immediate follow up with the engineering group but we have not received a status update yet.

Thanks for you reminder and I have just reminded that group we are waiting for an update and that you are eager to keep this moving.

I will let you know as soon I have anything to share.

Again, apologies for the delay and thanks for your patience.

[REDACTED].

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: February 28, 2022 1:26 PM
To: [REDACTED]@enbridge.com>; [REDACTED]@enbridge.com>
Cc: 'Brett Authier' <bauthier@lagasco.ca>
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Thank you for your prompt response. Look forward to hearing from you.

Scott

Fro
Ser
To:
Cc:
Sub

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Sco

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Monday, April 11, 2022 12:39 PM
To: [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>; [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>
Cc: 'Brett Authier' <bauthier@lagasco.ca>
Subject: FW: [External] RE: Follow up Reactivation Station 05D-501

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Is there any update on the timing to reactive this station?

Thanks,
Scott

From: [REDACTED]
Sent: Monday, April 11, 2022 4:48 PM
To: slewis@lagasco.ca; [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>
Cc: 'Brett Authier' <bauthier@lagasco.ca>
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Hi Scott,

I do apologize for this Scott. I have not received any updates from the engineering group but will use your request as another opportunity for me to request an update and make sure this keeps moving.

[REDACTED]

From: [REDACTED]@enbridge.com>
Sent: April 12, 2022 9:43 AM
To: slewis@lagasco.ca
Cc: 'Brett Authier' <bauthier@lagasco.ca>
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Hi Scott,

I did get a response from the engineering group last night below.

Are you able to confirm answers to a couple of questions they have asked of me, (my response in red) and we can get back to them quickly to make sure they keep this moving along. Thanks.

- Can you confirm date when the station was last online?
 - Last volume flown I have found record of is Feb 2014
- The producer has still been on contract since then?
 - Yes, although this station was labelled "mothballed" as of Nov 2014 with no station fees paid since then
- Has the contract changed or will flows and pressure remain the same?
 - Lagasco to confirm?

Thanks,

[REDACTED]

Hi [REDACTED]

I apologize for the delay – I was trying to ensure we engaged all the correct groups before taking any action at this site. I have some concerns about some of the below ground piping here and one of the tanks may need to be looked at by FIMP & Stations Engineering. I've put the notes that require action below.

- We believe this station has been offline since some time in 2018. [REDACTED] – are you able to confirm a date there? Has the Producer still been on contract since that time? Have their contract changed or will the flows and pressures remain the same? Maybe that was already communicated in another email but I just wanted to confirm.

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Thursday, April 21, 2022 2:53 PM
To: [REDACTED]@enbridge.com>
Cc: 'Brett Authier' <bauthier@lagasco.ca>
Subject: FW: [External] RE: Follow up Reactivation Station 05D-501

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Hi [REDACTED]

Please see below for our comments to the engineering group. Do you have an update on the timing for us to reactive deliveries at this location?

Thanks,
Scott

From: Brett Authier <bauthier@lagasco.ca>
Sent: April 21, 2022 1:14 PM
To: slewis@lagasco.ca
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

- Can you confirm date when the station was last online?
 - Last volume flow I have found record of is Feb 2014 Last Gas flow I have on record was on Feb.28th 2014
- The producer has still been on contract since then?
 - Yes, although this station was labelled "mothballed" as of Nov 2014 with no station fees paid since then Sounds correct to me
- Has the contract changed or will flows and pressure remain the same?
 - Lagasco to confirm? Estimated current sales volume would be approximately 50mcf/day at whatever PL pressure is . Currently approx. 650psi

From: [REDACTED]
Sent: Monday, May 2, 2022 11:36 AM
To: slewis@lagasco.ca
Subject: RE: Follow up Reactivation Station 05D-501

Hi Scott,

I'm sure you are sick of my apologies on this but I just can't seem to get this moving along very quickly with the engineering group. I just listened in on a call with this group to try and get an update. The discussions they are having around getting this station back on line after being off for so long are pretty involved and is not a subject that I am at all familiar with so cannot comment on the details.

I did get them to commit to be able to send you a high level estimate of the costs for the required work by the 3rd week of May. I plan to pass along to you something directly from this group before Friday May 20.

Just FYI though, the message that I am hearing is that this is not a small project and that the total costs could be getting up to or exceeding \$100k, subject to whatever they are able to finetune this to by May 20th. I'm just not sure of what your original expectations were or if you were even given any \$'s indications earlier or not. This just sounded like bigger \$'s than I was thinking and didn't want to completely surprise you once we are able to pass along something, as I am just the messenger of this information.

Will talk to you soon, thanks.

[REDACTED]

From: [REDACTED]@enbridge.com>
Sent: May 20, 2022 1:54 PM
To: slewis@lagasco.ca
Subject: RE: Follow up Reactivation Station 05D-501

Hi Scott,

The Engineering teams provided me with a high level estimate for the work required to bring this station up to spec and back on line after being off for the extended period of time. I suspect that these numbers may come as a shock to you. I apologize for the delay in getting these estimates to you and that I really have no frame of reference on the magnitude of these costs. I am only able to pass along the information from the Engineering groups at this point to see if going further with them makes sense to you.

Materials	
Plant Items	\$ 5,000
Telemetry	\$ 15,000
Electrical	
Heater	
Filter/Seperator	\$ 70,000
Atmospheric Tank	\$ 15,000
Sweep Tank	\$ 15,000
Other Material	\$ 5,000
Materials Total	\$ 125,000
Labour	
Labour Estimate	\$ 300,000
Grand Total	\$ 425,000

Thanks,

[REDACTED]

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Monday, August 1, 2022 11:06 AM
To: [REDACTED]@enbridge.com>
Cc: bauthier@lagasco.ca
Subject: [External] RE: Follow up Reactivation Station 05D-501

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Hi [REDACTED],

Would it be possible to have a site visit at 05D-501 with Enbridge to better understand this quote and the work that needs to be done out there to re-commence sales?

Thanks,
Scott

From: [REDACTED]@enbridge.com>
Sent: August 2, 2022 8:40 AM
To: slewis@lagasco.ca
Cc: bauthier@lagasco.ca
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Hi Scott,

Yes, I will look into who that should be to be able to go through this with you.

Thanks,

[REDACTED]

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Tuesday, September 6, 2022 11:45 AM
To: [REDACTED]@enbridge.com>
Cc: bauthier@lagasco.ca
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Hi [REDACTED],

Have you made any progress on setting up this site meeting. We would like to re-activate this site for deliveries and would like to understand the estimate for re-activation. We have been working on this for well over a year at this point.

Thanks,
Scott

From: [REDACTED]@enbridge.com>
Sent: September 6, 2022 3:50 PM
To: slewis@lagasco.ca
Cc: bauthier@lagasco.ca
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Scot now that we are through summer and vacation season, we should be able to pull together the right group from engineering and find a time slot that works. I'll try to do that.

[REDACTED].

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Tuesday, September 6, 2022 4:07 PM
To: [REDACTED]@enbridge.com>
Cc: bauthier@lagasco.ca
Subject: RE: [External] RE: Follow up Reactivation Station 05D-501

Thanks [REDACTED],

I'll wait to hear from you.

Scott

From: [REDACTED]@enbridge.com>
Sent: September 15, 2022 9:58 AM
To: slewis@lagasco.ca
Cc: bauthier@lagasco.ca
Subject: RE: RE: Follow up Reactivation Station 05D-501

Hi Scott, I am trying to pin down a few engineers in the same time slot to ensure we have enough experts available to cover all that we need to.

Does next Thursday Sept 22 in the afternoon work for you? Let me know and we can pin down a time.

Thanks,

[REDACTED]

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Thursday, September 15, 2022 12:43 PM
To: [REDACTED]@enbridge.com>
Cc: bauthier@lagasco.ca
Subject: [External] RE: RE: Follow up Reactivation Station 05D-501

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Hi [REDACTED],

I have a meeting in London at 2pm on the 22nd. Would Wednesday 21st afternoon or Friday 23rd anytime work?

Thanks,

Scott A. Lewis, MBA, P.GEO

VP - Operations
Lagasco Inc.
519 433 7710 Office
519 433 7588 Fax
519 871 0876 Mobile
2807 Woodhull Road
London, Ontario, N6K 4S4

From: [REDACTED]@enbridge.com>
Sent: Thursday, September 15, 2022 2:59 PM
To: Scott Lewis
Subject: RE: RE: RE: Follow up Reactivation Station 05D-501

Thanks, I am trying for early afternoon on Friday the 23rd (1:00 – 2:00)

I have put that in some calendars here, will get back to you early next week to confirm details.

Thanks,

[REDACTED].

-----Original Appointment-----

From: [REDACTED]@enbridge.com>

Sent: September 19, 2022 2:31 PM

To: [REDACTED]; [REDACTED]; [REDACTED]

[REDACTED]; stewis@lagasco.ca

Cc: [REDACTED]

Subject: Site Visit at 5D-501

When: September 23, 2022 1:30 PM-2:30 PM (UTC-05:00) Eastern Time (US & Canada).

Where: Station 5D 501

Site visit and discussion with Scott Lewis from Lagasco.

Go over scope, costs, etc. required to get this station back on line.

Google Maps Pin: 42.207103662875674, -82.67455807199714



From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Tuesday, November 22, 2022 4:11 PM
To: [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>
Cc: 'Brett Authier' <bauthier@lagasco.ca>
Subject: [External] RE: Site Visit at 5D-501

Hi [REDACTED],

I hope you are having a great fall season so far. At our site visit a few months ago [REDACTED] mentioned that you would be doing a review at the site of the work required for reactivation to tighten up the cost estimate for reactivation. We have heard that [REDACTED] has moved on to another area of responsibility within Enbridge and are wondering you still plan to have a site review completed by the end of this year? We are interested to get a new estimate with completion of the site review as it was discussed that the last estimate was a high end worst case scenario.

Thanks,

Scott A. Lewis, MBA, P.GEO

VP - Operations
Lagasco Inc.
519 433 7710 Office
519 433 7588 Fax
519 871 0876 Mobile
2807 Woodhull Road
London, Ontario, N6K 4S4

..

From: [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>
Sent: December 8, 2022 4:08 PM
To: slewis@lagasco.ca
Cc: 'Brett Authier' <bauthier@lagasco.ca>
Subject: RE: Site Visit at 5D-501

Hi Scott,

I have attached a letter drafted by the Engineering group addressing the current situation of this station 5D-501 getting back on line.

Sorry it took so long to get to this point. What I read in this letter is that the main new piece of information that they are requesting is that Lagasco commit to the cost of the inspection up front before it gets done.

[REDACTED] has advised that if this commitment is received quickly, the inspection can still be scheduled and completed before the end of the year.

Again sorry for the delay on this. Please review the attached letter and let me know how you would like to proceed.

Thanks,

[REDACTED].



Enbridge Gas
50 Keil Drive North
Chatham, Ontario N7M 5M1
Canada

December 7, 2022

Scott Lewis
Vice President Operations, Lagasco Inc.
2807 Woodhull Road
London, Ontario, N6K 4S4

Dear Scott,

There have been many changes to advise you of since our site visit on Friday, September 23rd, 2022. First, [REDACTED] has returned to the Station Supervisor position on October 31, 2022. Although information is still being transferred, [REDACTED] was in this position previously and therefore very experienced with this role and the stations in this area. Wanda will assist with the preliminary consultations until an agreement is in place, after which Sean will oversee the execution.

Regarding the re-energization of Station 05D-501 named Talisman-Rochester located near 2301 Lakeshore Rd. 231, Rochester Township, we regret to inform you that no integrity investigation has been completed to date. There have been multiple internal discussions, which yielded this final decision:

1. Lagasco initiated the termination of this station contract in 2014. There have been no station maintenance fees paid since that time. For that reason, Enbridge is not responsible for the maintenance, condition, or retainment of equipment at this station. Any equipment required to bring this station back online will be at the cost of Lagasco.
2. Lagasco has initiated the request to re-energize a station that has been out of order for 8+ years. For this reason, the full cost of the integrity investigation will be by Lagasco.
 - a. Enbridge will preside over the inspection of our assets, up to our custody transfer point. Our expectation is that Lagasco also does an inspection of their assets and pipeline back to the source. This cost has not been taken into consideration in the price noted below.
3. Enbridge understands that Lagasco owns the lease agreement with the landowner. Please confirm that the lease is still in place and that there are no outstanding land issues with the current location that would deter us from proceeding.

Cost Breakdown

1. Integrity Inspections - **\$63,150.72 + HST**
 - a. Scope includes the mobilization, civil work, testing of pipeline and equipment, riser re-

- coating and demobilization.
 - b. A date for completing this work will be provided once Lagasco agrees with the terms.
2. Construction for re-energization - **\$425,000 + HST**
- a. Equipment - **\$125,000 + HST**
 - i. Scope includes a new Filter/Separator, associated Atmospheric tank, Sweep Tank, Telemetry, Plant items and Small Miscellaneous items.
 - b. Labour - **\$300,000 + HST**
 - i. Scope includes the Contractor and Enbridge services.

Please note these prices are reflective of 2022 prices, which may be impacted by the time work orders and purchases are made. Also note, the prices may be impacted by the results of the integrity inspections. In this case, changes would be communicated to you immediately following the results.

Thank you for your patience. If you have any questions, we can setup a TEAMS meeting to go over the information presented above.

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: December 13, 2022 4:24 PM
To: [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>



Cc: 'Brett Authier' <bauthier@lagasco.ca>; 'Jane Lowrie' <jlowrie@lagasco.ca>
Subject: RE: Site Visit at 5D-501

Hi [REDACTED],

We can confirm that we still have an active lease on the meter station.

This letter comes as a surprise to us and is not in line with our discussions onsite with Wanda and yourself.

We have been trying to get pricing on reactivating station 05D-501 for more than 15 months now. First, we received an estimate of \$4,000 to \$7,700 for reactivation. Then months later we received an estimate for \$425,000 with a breakdown of \$125,000 for parts and \$300,000 for labour.

We then requested a site meeting to better understand the \$425,000 estimate. On September 23rd we met onsite and were told that the \$425,000 estimate was a worst case scenario if everything needed to be upgraded/replaced. We were also told that some equipment didn't meet current EGI setup requirements and would be upgraded at EGI expense and that some equipment had been removed to be replaced at EGI expense.

During our site visit [REDACTED] indicated that a facilities review would take place whether we plan to go ahead with reactivation or not and it was not communicated to us that there would be a cost to Lagasco for this work. It was communicated to us that after the inspection we would receive another estimate and scope of work likely reducing the worst case scenario estimate of \$425,000.

Can you confirm that the \$425,000 is still a worst case estimate for reactivation or is your estimate now \$488,150.72 plus HST to reactivate 05D-501?

Thanks,

Scott A. Lewis, MBA, P.GEO

VP - Operations
Lagasco Inc.
519 433 7710 Office
519 433 7588 Fax
519 871 0876 Mobile
2807 Woodhull Road
London, Ontario, N6K 4S4

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Tuesday, December 13, 2022 5:02 PM
To: [REDACTED] <[\[REDACTED\]@enbridge.com](mailto:[REDACTED]@enbridge.com)>
Cc: 'Brett Authier' <bauthier@lagasco.ca>; 'Jane Lowrie' <jlowrie@lagasco.ca>
Subject: [External] RE: Site Visit at 5D-501

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Hi [REDACTED],

Would you be able to provide a more detailed breakdown of the integrity inspection costs?

Thanks,
Scott

From: [REDACTED]@enbridge.com>
Sent: December 14, 2022 8:00 AM
To: slewis@lagasco.ca
Cc: 'Brett Authier' <bauthier@lagasco.ca>; 'Jane Lowrie' <jlowrie@lagasco.ca>
Subject: RE: [External] RE: Site Visit at 5D-501

Scott, thanks for your notes. I will pass along your concerns and your questions and get them answered. I understand your frustration as this whole thing has not progressed as would have been expected. As has been the process I will try to get answers and get back to you, but unfortunately they are not issues that I can deal with or answer directly.

Thanks,

[REDACTED]

From: slewis@lagasco.ca <slewis@lagasco.ca>
Sent: Wednesday, December 14, 2022 8:09 AM
To: [REDACTED]@enbridge.com>
Cc: 'Brett Authier' <bauthier@lagasco.ca>; 'Jane Lowrie' <jlowrie@lagasco.ca>
Subject: RE: [External] RE: Site Visit at 5D-501

CAUTION! EXTERNAL SENDER

Were you expecting this email? TAKE A CLOSER LOOK. Is the sender legitimate?
DO NOT click links or open attachments unless you are 100% sure that the email is safe.

Thank you for your help [REDACTED].

From: [REDACTED]@enbridge.com>
Sent: Friday, December 16, 2022 9:39 AM
To: Scott Lewis
Cc: Brett Authier; Jane Lowrie; [REDACTED]
Subject: RE: Site Visit at 5D-501

Hi Scott,

I will start with reiterating my apologies on how long this has gone and how the cost estimates have increased and messaging has changed as we slowly progressed along.

Based on how this has been going to date, this week we did escalate the situation getting senior management involved to try and find a solution and get you an acceptable and meaningful update. On a call this morning, the discussion returned back to how long this station has been offline (Feb 2014) and the integrity and safety protocols that go along with that, and the decision was made that this request does have to take a step back and be treated as a new station connection request, not a reactivation as was optimistically assumed on our part when you first made the request.

With that understanding, we will not request Lagasco's payment commitment before doing an inspection, which was intended to lead to a finetuning of the high level estimate as was previously communicated.

The group will take this away as a cost estimate request in the new station connection program as it should be treated and get back to us with a detailed cost estimate, doing all the due diligence required. On this morning's call it was agreed that this will be treated as an escalated case and will be prioritized in the requests in this program, given your experience so far.

We were not able to pin them down to a commitment date for this estimate but with holidays about to get under way, we think we should be looking to the February timeframe, and I'd like to stay in touch with you more regularly with any updates that I receive as this progresses and as that time approaches.

Again, I understand this is not the message you expected or deserve after the more than year of delays but all involved on our call this morning agreed that this is the correct way forward.

If you would like to discuss further with me and/or my manager [REDACTED], please let us know and we would be happy to set up a call.

If we do not talk before, I wish you happy holidays and trust that we will be talking in the new year and get this moving forward.

Thanks,

[REDACTED]

ENBRIDGE GAS
TEL: [REDACTED] | CELL: [REDACTED] [REDACTED]@enbridge.com

From: [REDACTED] <[REDACTED]@enbridge.com>
Sent: February 24, 2023 3:29 PM
To: Scott Lewis <slewis@lagasco.ca>
Subject: FW: Lagasco Station 5D-501 Reactivation Cost Estimate

Hello Scott,

Please find attached the detailed estimate for rebuilding the 5D-501 station as prepared by Enbridge. As mentioned previously this request has gone through our standard process for a new station build due to the length of time that the station has been inactive with no maintenance for safety and integrity compliance reasons.

There is a small portion of the costs (specifically odorant tank) included in the attached total cost estimate that would be at Enbridge's expense not Lagasco's, from how I read the GPA contract.

The current timeline that has been communicated is that the station could be in-service 10 months after the project is confirmed to go ahead by Lagasco.

Please let me know if any questions or if you would like to schedule some time to discuss in more detail.

Thanks,

[REDACTED]

Budget Estimate Worksheet for District Engineers

Lagasco Inc.

Contingency for Feasibility Estimate 10%

DESCRIPTION OF WORK
 2023 Cost Estimate - Dismantlement (drip tank removal) & Full Station rebuild to 9.S-162, installing filter separator, atmospheric tank, odorant tank

STATION

Material

Material (from BOM - Pipe, Fittings and Material)	\$19,544.00
Filter Separator	\$68,784.00
Atmospheric Tank	\$17,255.00
Sweep Tank (odorant tank)	\$15,906.00
Heater	Heater
Telemetry	\$15,000.00
MATERIAL TOTAL	\$136,489.00
PLANT ITEMS	\$16,566.00

Labour

	Hours		Hours	
Inspector	160	Regular	40	OT
Welding		Regular		OT
Technician -	16	Regular		OT
UG Labour Subtotal	\$10,867.20			
UG Labour DREAM Loadings	\$3,803.52			
UG LABOUR TOTAL	\$14,670.72			

Contractors

Aecon (Dismantlement and Full station rebuild)	\$196,966.61
Foley (Paint)	\$25,000.00
Wrights Electric (Telemetry)	\$5,000.00
Dillion (Soil Sample & On site Consult)	\$5,900.00
NDE (Station)	\$14,000.00
NON-UG LABOUR TOTAL	\$246,866.61

Miscellaneous

Corosion	\$758.40
Fencing	\$4,000.00
MISCELLANEOUS	\$4,758.40
CONTINGENCY	10%
STATION TOTAL	\$461,285.80

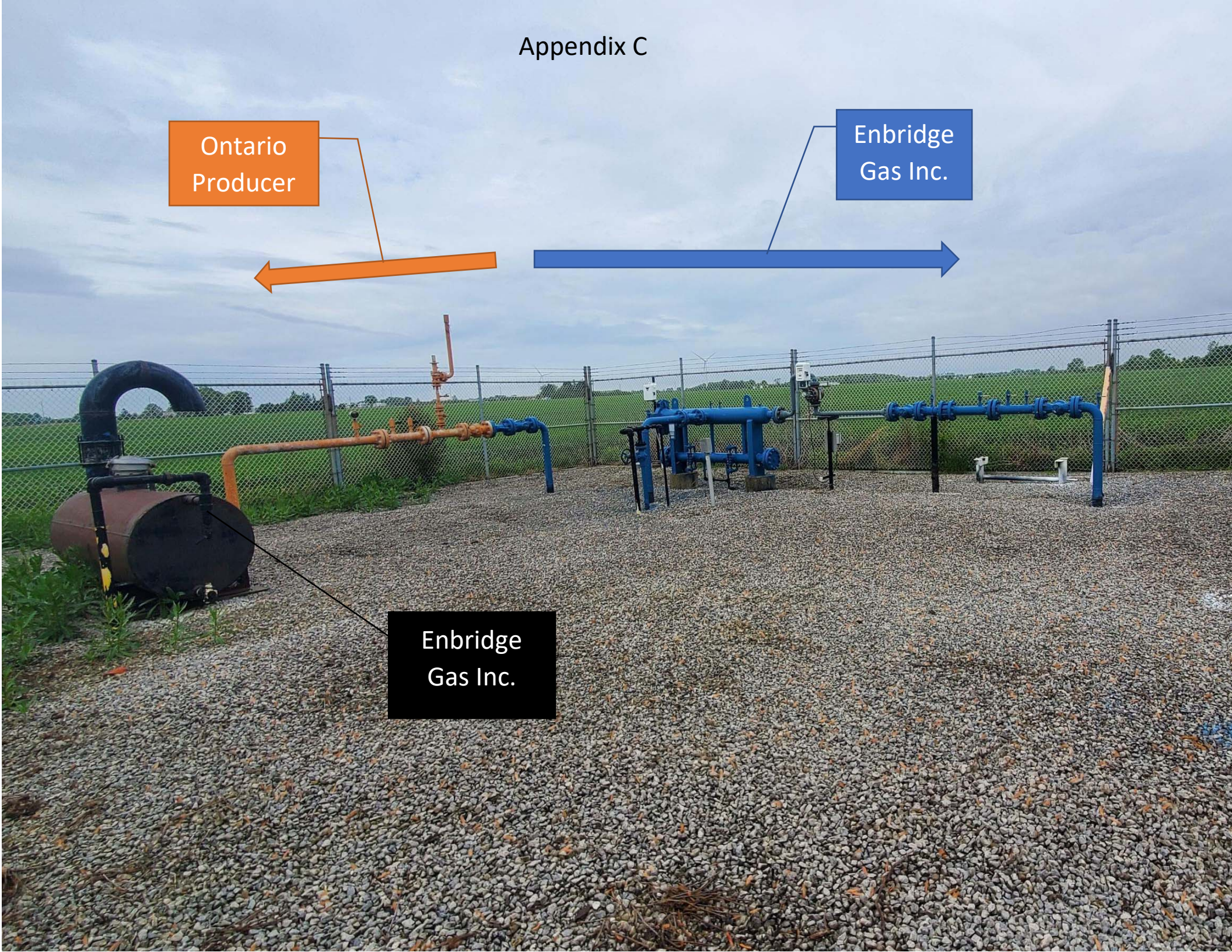
Appendix C

Ontario
Producer

Enbridge
Gas Inc.



Enbridge
Gas Inc.



Paton Pool gas tie-in options

