



Enbridge Gas Inc.  
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Chatham, Ontario, Canada  
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March 17, 2023

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: System Access Proceeding  
Ontario Energy Board File Number: EB-2022-0094**

Pursuant to Decision and Procedural Order No. 4 issued February 7, 2023, attached are Enbridge Gas' information requests with respect to the evidence submitted March 3, 2023 by the Ontario Petroleum Institute.

Should you have any questions on this submission, please do not hesitate to contact me.

Yours truly,

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cc (by email): All Parties to EB-2022-0094  
Ritchie Murray, OEB  
Michael Millar, OEB  
David Stevens, Aird & Berlis LLP

ENBRIDGE GAS INC.  
INFORMATION REQUESTS TO THE ONTARIO PETROLEUM INSTITUTE

1. **Reference:** Decision and Procedural Order No. 4, page 1  
*“The Ontario Energy Board finds that certain items identified by the Ontario Petroleum Institute are appropriately addressed in the current proceeding, while others are appropriately addressed in the 2024 Rebasing proceeding. Specifically, the Ontario Petroleum Institute’s concerns about fair and transparent system access will be heard in the current proceeding and issues related to the terms of service associated with the current M13, 401 and proposed E80 rates will be heard in the 2024 Rebasing proceeding. Enbridge Gas Inc.’s proposal in the 2024 Rebasing proceeding for injection station fees will also remain in that proceeding.”*

**Questions:**

- (a) Please explain what relief the OPI is seeking in this proceeding and indicate the OEB’s authority / jurisdiction for each item of relief.
- (b) Please explain what issues and positions the OPI will be pursuing in the 2024 Rebasing proceeding.

2. **Reference:** OPI Evidence, page 2, lines 9-11  
*“EGI’s process for connecting Ontario gas producers to the EGI distribution system is not a robust, prescriptive one. Instead, the connection process is ad hoc, with no firm timelines or standardized information exchange procedures, to OPI’s knowledge.”*

**Question:**

Please provide details of what OPI would consider a “robust” and “prescriptive” process for connecting Ontario gas producers to Enbridge Gas’ system.

3. **Reference:** OPI Evidence, page 2, lines 12-16  
*“As a result, OPI’s members have experienced poor responsiveness on the part of EGI to service requests from Ontario producers, resulting in undue delays to projects. Attached at Appendix A hereto is a tabular summary of a recent attempt by one Ontario producer (Lagasco) to reactivate an existing station (“Station 05D-501”) and recommence flowing gas into the EGI distribution system.”*

**Questions:**

- (a) Please identify how many connection requests have been made by the OPI’s members in the past five years.
- (b) Please explain why Station 5D-501 needed to be “reactivated”. Why was this station “deactivated”?
- (c) What obligations did Enbridge Gas or Lagasco have during the deactivation period to maintain this station?
- (d) Was Lagasco paying Enbridge Gas for any maintenance required of this station during the deactivation period?

4. **Reference:** OPI Evidence, page 2, lines 5-8 and page 3 (Available Market / Capacity)  
*“OPI’s members need to connect to the EGI system in order to: (a) bring their gas supply to market (i.e., to Dawn, pursuant to EGI’s M13 transportation service); or (b) sell to EGI (pursuant to the terms of a Gas Purchase Agreement (“GPA”) for subsequent delivery by EGI to its distribution customers).”*

**Questions:**

- (a) Please confirm that OPI members are transmission customers, not distribution customers, when they are connecting to the Enbridge Gas system and transporting gas.
  - (b) Please confirm that OPI members have the option to sell gas to Enbridge Gas, or to transport the gas to Dawn for sale to other customers.
  - (c) Please explain what efforts OPI members have made to identify other markets / sales channels for their gas, other than injecting into the Enbridge Gas system and selling to Enbridge Gas. Provide examples from the past five years.
  - (d) For each member of the OPI, please provide details of alternate methods of reaching markets that have been considered such as compressing for CNG truck transfers.
  - (e) Please explain what authority or direction OPI relies upon for the proposition that Enbridge Gas has a duty to accept gas injections from OPI members into the distribution system.
  - (f) Please explain, using examples from the past five years, how OPI members have been prepared to provide contractual assurances of daily volumes to be injected from a producer.
5. **Reference:** OPI Evidence, page 4, lines 20-22  
*“In OPI’s view, establishing a prescriptive connection policy/process would be helpful to Ontario producers and helpful to EGI in meeting its obligations under section 42 of the Ontario Energy Board Act, 1998 (the “OEB Act”).”*

**Reference:** OPI Evidence, page 11, lines 18-22 and page 11, lines 1-2

*“OPI understands that connecting electricity generators and load customers often choose to proceed with this approach because the customer believes it can carry out the work at a lower cost. OPI believes that the same process should be available to connecting Ontario natural gas producers, and that it would mitigate the costs of connection – leading to a more financially viable gas production industry, and regulatory equivalency between Ontario’s gas and electricity sectors.”*

**Questions:**

- (a) Please provide detail on which provisions of the Distribution System Code that OPI believes should be replicated for gas system connections.
- (b) Please explain what direction the OPI seeks from the OEB, and whether it takes the form of an addition to the Gas Distribution Access Rule or other OEB rule.
- (c) Please explain how the principles set out in section 3.2.15A of the Distribution System Code (*“Work that requires physical contact with the distributor’s existing distribution system is not eligible for alternative bid unless the distributor decides in any given case to allow such work to be eligible for alternative bid.”*) apply to the connection assets that OPI seeks to make contestable.
- (d) Please explain what aspect of section 42 of the OEB Act applies to the connection of a gas producer who is injecting gas into Enbridge Gas’ system.
- (e) Please provide the OPI’s understanding of the cost to move to a more prescriptive process and the OPI’s opinion on who would pay for the increased costs (i.e., producers or all ratepayers).

6. **Reference:** OPI Evidence, page 6, lines 13-18

*“During the summer, most distribution systems will not need to maintain as high an operating pressure to maintain security of supply as heat sensitive consumption is minimized. Since local producers must be able to inject into these same systems with higher pressures in the high consumption season of winter, it stands to reason that if EGI operates its distribution systems at lower summer pressures, Ontario producers should be able to inject their gas to serve the summer consumption.”*

**Reference:** OPI Request for Intervenor Status, February 18, 2022

*“The OPI is an association of Ontario-based natural gas and oil producers, the members of which produce natural gas into the regulated local pipeline networks of Enbridge Gas Inc. (EGI) and EPCOR pursuant to various system gas contractual arrangements.”*

**Questions:**

(a) Please provide details of the OPI members that have active contracts with Enbridge Gas.

(b) For each member of the OPI, please provide:

- i. documentation on system design to ensure no supply interruptions;
- ii. emergency response procedures to ensure 24 / 7 operation;
- iii. operating procedures associated with real time monitoring systems;
- iv. details of how gas quality standards are monitored and achieved and what systems are in place to control these quality standards in real time;
- v. details of how the BTU content is monitored for any gas injected; and
- vi. a copy of the most recent facilities and pipeline integrity report and details regarding standards being followed.

(b) Please provide details of any OPI members that have completed technical and financial studies on the benefit of onsite compression and storage of natural gas for optimal injection during demand seasons.

7. **Reference:** OPI Evidence, page 7, lines 5-11

*“EGI’s determinations on the available market/capacity do not provide assumptions made by EGI on how seasonal adjustment to EGI’s system pressures were considered to allow local Ontario producer access. However, these determinations can preclude initial investment by producers and artificially inhibit ratepayers enjoying more environmentally-friendly and economic service (since the GPA price paid to Ontario producers on average tracks consistently less than the Total Gas Supply Commodity Charge in Ontario).”*

**Question:**

Please provide the leak survey plans for each of the OPI’s members, including details of what standards are followed and the frequency of leak surveys.

8. **Reference:** OPI Evidence, page 7, lines 11-13

*“In OPI’s experience, transparency through required reporting on EGI’s market assessments would advance Ontario interests, in furtherance of the Board’s objectives and its authority under section 41 of the OEB Act.”*

**Question:**

Please explain how section 41 of the OEB Act (which relates to reporting on allocation of market demand) applies to the injection of locally produced natural gas during a period where there is sufficient gas supply to meet all demands.

9. **Reference:** OPI Evidence, page 7, lines 18-22  
*“Clearbeach Resources Inc. (“Clearbeach”), through the acquisition of two local producer systems, operates a number of gas production wells in Norfolk County, south of Tillsonburg. One of the acquired production systems was supplying gas to a Union Gas station at Mabees Corners. The other production system was supplying gas to Union Gas via an 18 km high pressure pipeline running to a Union Gas station near Tillsonburg.”*

**Question:**

Please indicate the approximate dates of the events described with respect to the Mabees Corners Station and the Paton Pool / Shackleton Station.

10. **Reference:** OPI Evidence, page 8, lines 4-8  
*“OPI understands that one of Clearbeach’s predecessor companies had been supplying gas through the Former Station (prior to construction of the 18 km high pressure pipeline) while the other predecessor company had been producing volumes up to 773 GJ/d through the Mabees Corners Station.”*

**Questions:**

- (a) Please confirm whether Lagasco and Clearbeach are affiliated companies. If confirmed, please explain their affiliation.
  - (b) Please describe any other affiliations between Lagasco and other OPI member companies.
  - (c) Please confirm that Lagasco and Clearbeach have the same representative that works with Enbridge Gas on producer connection requests.
  - (d) Please confirm that the Lagasco representative working with Enbridge Gas is also the President and/or Chairman of the OPI.
  - (e) Please explain the governance structure of the OPI and confirm whether Lagasco and its affiliated companies have control, either directly or indirectly, over the actions and decisions of the OPI.
11. **Reference:** OPI Evidence, page 10, lines 8-9  
*“As noted in section 2.0 of this evidence (above) and Appendix A, there are challenges faced by Ontario producers in obtaining timely cost estimates for customer stations.”*

**Questions:**

For each member of the OPI, please provide:

- i. the number of cost estimates requested in the last 5 years; and
- ii. the names of the members under which each cost estimate was requested and the date of each request.

12. **Reference:** OPI Evidence, page 11, lines 2-3

*“OPI’s members would, of course, ensure these stations met all requisite technical and safety standards.”*

**Questions:**

For each member of the OPI, please provide:

- i. details of any incidents of loss time injuries or fatalities in association with the construction, operations or maintenance on their assets;
- ii. documentation associated with any orders or fines from the TSSA, Ministry of Environment or Ministry of Labour associated with their operations;
- iii. details of qualifications of all operating and maintenance personnel;
- iv. a copy of detailed safety manuals; and
- v. detailed procedures for abandonment of assets after production ends.