



EB-2007-0009

IN THE MATTER OF the *Ontario Energy Board Act*,
1998, S.O. 1998, c. 15, Sched. B;

AND IN THE MATTER OF an application by Pearson
International Fuel Facilities Corporation for an Order
granting leave to construct a jet fuel pipeline and related
facilities in the City of Mississauga.

BEFORE: Paul Sommerville
Presiding Member

Cynthia Chaplin
Member

Bill Rupert
Member

DECISION AND ORDER

1.0 THE APPLICATION

On January 3, 2007 Pearson International Fuel Facilities Corporation ("PIFFC") filed an application under section 90 (1) of the *Ontario Energy Board Act, 1998* (the "Act"), for an order granting leave to construct approximately 5.6 kilometres of 16 inch diameter jet fuel pipeline in the City of Mississauga (the "Application").

The proposed pipeline will extend from a new bulk fuel storage facility on Torbram Road in a south-easterly direction along Torbram Road and Kimberly Street, through a portion of land owned by the Greater Toronto Airports Authority, across Derry Road into the Lester B. Pearson International Airport ("Pearson Airport") to a connection point to the existing jet fuel storage and distribution system within the Airport (the "Existing System").

The Board assigned file number EB-2007-0009 to this Application.

On January 26, 2007, the Board issued a Notice of Application and Hearing (the "Notice"). The Notice was published and served by PIFFC as directed by the Board. There were no intervenors in this proceeding.

The Board has proceeded with this Application by way of a written hearing. As part of this process, the Board required answers to a number of interrogatories in relation to the construction and operation of the proposed pipeline.

2.0 EVIDENCE AND SUBMISSIONS

2.1 Evidence of the Applicant

2.1.1 Project Need

In its pre-filed evidence, PIFFC submitted that:

- its existing jet fuel storage and distribution system at Pearson Airport has reached its capacity limit and the proposed pipeline is needed to allow the transmission of additional jet fuel to accommodate future growth at Pearson Airport;
- PIFFC has already experienced numerous occasions in recent years of jet fuel demand exceeding supply at Pearson Airport; and
- projections of jet fuel demand at Pearson Airport indicate a doubling by 2030.

2.1.2 Alternatives Considered

PIFFC's evidence indicates that consideration was given to a number of alternatives including:

- (i) increasing the capacity of the existing jet fuel tank farm at Pearson Airport;
- (ii) alternative locations for the new tank farm; and
- (iii) alternative pipeline routes from the new tank farm to the airport.

Expanding the existing tank farm was ruled out due to insufficient space and rail facilities, and because it would increase reliance on the trucking of fuel. The proposed site for the new tank farm was chosen based on space availability, cost, schedule requirements and environmental considerations.

The proposed route of the pipeline was selected based on the following factors:

- it had the least number of potential impacts to the natural and social environment;
- it was shorter in length compared to the other alternatives; and
- it was the least difficult to construct.

2.1.3 Routing and Environmental Considerations

An environmental study to identify any potential adverse impacts to the natural and social environments and to ensure that the proposed construction is carried out in a manner that protects the environment was carried out for PIFFC by Marshall Macklin Monaghan Limited ("MMM"). An environmental assessment report ("EA Report") prepared by MMM was included in the pre-filed evidence.

The EA Report concludes that the location of the proposed pipeline results in minimal environmental and socio-economic impacts. MMM has developed mitigation recommendations to deal with any minor environmental or socio-economic impacts as a result of this project. PIFFC submitted that by following standard construction practices and adhering to the mitigation measures, construction of this project will have negligible impacts.

PIFFC submitted that it will comply with all of the mitigations measures as recommended by MMM in the EA Report.

The EA Report was submitted to the Ontario Pipeline Coordinating Committee ("OPCC") in January 2007. The OPCC has completed its review of the EA Report within the timeline suggested in the *OEB Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario*.

2.1.4 Technical and Safety Considerations

PIFFC's pre-filed evidence indicates that the proposed pipeline will be manufactured to have a specified minimum yield strength ("SMYS") of 241 Mega Pascals ("MPa") and that the Maximum Operating Pressure ("MOP") will be 1380 kilo Pascals ("kPa") or 200 pounds per square inch gauge ("psig").

In a letter to MMM dated January 31, 2007, the Technical Standards & Safety Authority ("TSSA") stated that the design and pipe specifications are adequate for the proposed pipeline designed for a MOP of 200 psig. The TSSA also requested that PIFFC prepare certain operations and maintenance manuals in accordance with Canadian Standards Association ("CSA") and consider preparing a pipeline integrity management program. PIFFC advised that it will abide by these requirements even though it is not obligated to prepare a pipeline integrity management program as the MOP is less than 30% of the pipeline's SMYS.

In a letter dated April 26, 2007, MMM advised that the proposed MOP for the pipeline was revised from 200 to 280 psig. The Board required verification that this change was acceptable to the TSSA.

In a letter to MMM dated August 7, 2007, the TSSA confirmed that the proposed increase in the pipeline's MOP to 280 psig is acceptable since it is still lower than 30% of SMYS.

2.1.5 Land - Related Matters

In its pre-filed evidence, PIFFC indicated that the proposed jet fuel pipeline will be located on lands owned by the City of Mississauga, the Greater Toronto

Airports Authority and the Region of Peel. In letters to the Board dated June 22, July 18, and August 7, 2007, PIFFC advised that:

- negotiations are currently underway with the City of Mississauga for an agreement to allow the pipeline within city road allowances. The agreement is expected to be finalized by the end of 2007;
- negotiations are currently underway with the Region of Peel for approval of the pipeline to cross Derry Road. Approval from the Region of Peel is expected by the beginning of November 2007; and
- the GTAA manages, operates and maintains Pearson International Airport. Approval from the GTAA is required for the construction of new infrastructure within the airport. In a memorandum dated July 12, 2007, the GTAA approved the proposed pipeline alignment. PIFFC advised that it will continue to coordinate with the GTAA as the detailed design of the pipeline progresses.

3.0 BOARD FINDINGS

Section 96(1) of the Act provides that if, after considering an application under section 90, the Board is of the opinion that a proposed work is in the public interest, then the Board shall make an order granting leave to carry out the work.

In the context of this Application the main issues for the Board are as follows:

1. Is there a need for the proposed project?
2. Have appropriate alternatives been considered?
3. Is the proposed routing of the pipeline appropriate and are the proposed mitigation measures for any identified environmental concerns adequate?
4. Have the technical and safety issues been adequately addressed?
5. Have any identified landowner issues been dealt with appropriately?
6. Is the project in the public interest?

3.1 Is the Project Needed?

The Board accepts PIFFC's evidence that the proposed pipeline is needed to allow the transmission of additional jet fuel to accommodate future growth at Pearson Airport.

3.2 Have Appropriate Alternatives been Considered?

The Board accepts PIFFC's evidence that construction of the proposed pipeline is the preferred alternative based on environmental and cost factors.

3.3 Is the Proposed Routing of the Pipeline Appropriate and Are Proposed Mitigation Measures for any Environmental Concerns Identified Adequate?

The Board accepts the EA Report's conclusion that the location of the proposed pipeline results in minimal environmental and socio-economic impacts, and that the impacts can be addressed through the proposed mitigation measures.

The Board also notes PIFFC's commitment to comply with all of the mitigation measures as recommended by MMM in the Environmental Report.

The Board is satisfied that the proposed routing of the pipeline is appropriate and that any environmental issues have been adequately addressed.

3.4 Have the Technical and Safety Issues been Adequately Addressed?

The Board accepts PIFFC's submissions and the confirmation provided by the TSSC that the TSSC's requirements with respect to the proposed pipeline will be met.

3.5 Have Any Landowner Issues Identified Been Dealt With Appropriately?

The Board notes that all the approvals/licences required from the landowners involved (City of Mississauga, GTAA and the Region of Peel) have either been obtained or are under negotiation, and are anticipated to be in place by the end of 2007.

The Board is satisfied that PIFFC has effectively addressed the landowner issues associated with the project.

3.6 Conclusion

Based on the evidence provided and the above findings, the Board has determined that the project is in the public interest and that, in accordance with section 96(1) of the Act, an order granting leave to construct the project should be made.

THE BOARD ORDERS THAT:

Pearson International Fuel Facilities Corporation is granted leave, pursuant to subsection 96 (1) of the Act, to construct approximately 5.6 kilometres of 16 inch diameter jet fuel pipeline in the City of Mississauga subject to the Conditions of Approval set forth in Appendix A.

DATED at Toronto, August 17, 2007

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

APPENDIX A
TO BOARD DECISION AND ORDER
IN THE MATTER OF EB-2007-0009
DATED AUGUST 17, 2007

CONDITIONS OF APPROVAL

APPENDIX A

CONDITIONS OF APPROVAL

EB-2007-0009

PEARSON INTERNATIONAL FUEL FACILITIES CORPORATION

JET FUEL PIPELINE PROJECT

1.0 General Requirements

- 1.1 Pearson International Fuel Facilities Corporation (PIFFC) shall construct the facilities and restore the land in accordance with its application, evidence and other materials filed in conjunction with this proceeding, except as modified by this Order and these Conditions of Approval.
- 1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct shall terminate December 31, 2008, unless construction has commenced prior to then.
- 1.3 Except as modified by this Order, PIFFC shall implement all the recommendations of the Environmental Study Report included in the pre-filed evidence, all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee (OPCC) review and any other safety or environmental authorities or standards organizations.
- 1.4 PIFFC shall advise the Board's designated representative of any proposed material change in construction or restoration procedures and, except in an emergency, PIFFC shall not make such change without prior approval of the Board or its designated representative. In the event of an emergency, the Board shall be informed immediately after the fact.

2.0 Project and Communications Requirements

- 2.1 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Facilities Applications.

- 2.2 PIFFC shall designate a person as project engineer and shall provide the name of the individual to the Board's designated representative. The project engineer will be responsible for the fulfilment of the Conditions of Approval on the construction site. PIFFC shall provide a copy of the Order and Conditions of Approval to the project engineer, within seven days of the Board's Order being issued.
- 2.3 PIFFC shall give the Board's designated representative and the Chair of the OPCC ten days written notice, in advance of the commencement of the construction.
- 2.4 PIFFC shall furnish the Board's designated representative with all reasonable assistance for ascertaining whether the work is being or has been performed in accordance with the Board's Order.
- 2.5 PIFFC shall file with the Board's designated representative notice of the date on which the installed pipelines were tested, within one month after the final test date.
- 2.6 PIFFC shall furnish the Board's designated representative with five copies of written confirmation of the completion of construction. A copy of the confirmation shall be provided to the Chair of the OPCC.

3.0 Monitoring and Reporting Requirements

- 3.1 Both during and after construction, PIFFC shall monitor the impacts of construction, and shall file five copies of both an interim and a final monitoring report with the Board. The interim monitoring report shall be filed within six months of the in-service date, and the final monitoring report shall be filed within eighteen months of the in-service date. PIFFC shall attach a log of all complaints that have been received to the interim and final monitoring reports. The log shall record the times of all complaints received, the substance of each complaint, the actions taken in response, and the reasons underlying such actions.
- 3.2 The interim monitoring report shall confirm PIFFC's adherence to Condition 1.1 and shall include a description of the impacts noted during construction and the actions taken or to be taken to prevent or mitigate the

long-term effects of the impacts of construction. This report shall describe any outstanding concerns identified during construction.

- 3.3 The final monitoring report shall describe the condition of any rehabilitated land and the effectiveness of any mitigation measures undertaken. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with any of the Conditions of Approval shall be explained.

4.0 Other Approvals

- 4.1 PIFFC shall obtain all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project, shall provide a list thereof, and shall provide copies of all such written approvals, permits, licences, and certificates upon the Board's request.