



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

February 7, 2024

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

Dear Ms. Marconi:

**Re: Lagasco Inc.
Application for a Limited Certificate of Public Convenience and Necessity
Haldimand County
Ontario Energy Board File No. EB-2023-0344**

In accordance with Procedural Order No. 1, attached are Enbridge Gas' interrogatories to Lagasco Inc. for the above proceeding.

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

Yours truly,

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cc (by email only):

Jennifer Lewis, Vice President, Lagasco Inc.
Natalya Plummer, OEB
Richard Lanni, OEB

ENBRIDGE GAS INC.
INTERROGATORIES TO LAGASCO INC.

1. **Reference:** Lagasco Application, page 3

“Lagasco seeks a geographically limited Certificate of Public Convenience and Necessity (“Certificate”) under section 8(1) of the Municipal Franchises Act to construct works to supply incremental gas to the Proplant facility.”

Reference: Lagasco Application, page 15

“The Applicant seeks:

(i) a Certificate of Public Convenience and Necessity under section 8 of the Municipal Franchises Act limited in geographical scope to the lands known as Woodhouse Concession 5 parts lots 23 ad 24, RPlan 379R 5046 Part 1 in the geographic township for Jarvis, Haldimand County, with a municipal address of 2401 Hwy 6, Jarvis ON N0A 1J0 to allow Lagasco to sell gas and to allow for the construction of the proposed Tie-in System.

Questions:

- (a) Please provide a detailed map of Haldimand County showing an outline of the areas to be covered by Lagasco's proposed CPCN and the CPCN currently held by Enbridge Gas for Haldimand County.
- (b) Please confirm that Lagasco's application is considered a bypass of Enbridge Gas' system.
- (c) Please confirm whether the service proposed to be provided by Lagasco to Proplant is firm service or interruptible service or a combination of the two. Please provide details of loads proposed to be provided under each type of service.
- (d) Please confirm Lagasco's understanding that section 8 of the *Municipal Franchises Act* relates to constructing works to supply natural gas within a municipality and does not actually give any permissions to sell gas.
- (e) Please confirm whether Lagasco considers itself to be a utility subject to the Gas Distribution Access Rule (GDAR) and other regulatory requirements through the Ontario Energy Board.
- (f) Please confirm whether the proposed Proplant electricity generation facility will be the only service location to which Lagasco intends to provide service using the facilities subject of this application. If other service locations are contemplated, please identify the other municipal addresses being considered and when gas service would be provided at these locations.

2. **Reference:** Lagasco Application, page 3

“The granting of a Certificate is in the public interest as: the economics are favourable; there are no adverse environmental impacts; there are no outstanding landowner issues as the land is owned by Proplant; new local jobs will be created; and the IESO will receive needed electricity supply to the grid.”

Reference: Lagasco Application, page 12, Public Interest Considerations

Questions:

- (a) Please compare the criteria Lagasco uses to determine that granting of the requested CPCN is in the public interest to the criteria typically used by the OEB to determine public interest.
- (b) Please provide details of any environmental screenings and reviews that have been undertaken related to the proposed project that indicate that there will be no adverse environmental impacts.

3. **Reference:** Lagasco Application, page 4

"The Lagasco/Proplant project will benefit the municipality, the province, and result in more environmentally responsible natural gas use as the gas purchased will be locally produced and not require compression costs to bring it into the province."

Questions:

- (a) Please explain further what is meant by Lagasco's claim that the proposed project will *"result in more environmentally responsible natural gas use as the gas purchased will be locally produced and not require compression costs to bring it into the province"*. Please provide all studies that support Lagasco's evidence in this regard.
- (b) Please provide details of the evidence relied upon that proves that the proposed venture results in more environmentally responsible natural gas and the evidence that gas purchased through Enbridge Gas would not have the same benefits.

4. **Reference:** Lagasco Application, page 4

"Other than a certificate of public convenience and necessity, Lagasco will have all requisite approvals required under all applicable laws to construct the service line and regulation/metering equipment and facilitate the sale of gas directly to Proplant. These approvals include any required from the Ministry of Natural Resources and Forestry (MNRF), Technical Standards and Safety Authority (TSSA), Measurement Canada and Haldimand County."

Question:

Please provide specific details of the approvals required from the Ministry of Natural Resources and Forestry, the Technical Standards and Safety Authority, Measurement Canada and Haldimand County.

5. **Reference:** Lagasco Application, page 5

"Lagasco will utilize its existing wells and gathering pipelines to supply the incremental gas requirements of Proplant. Lagasco will be the sole owner of the tie-in system that will need to be constructed to facilitate this gas supply to Proplant."

Reference: EB-2017-0289 Decision and Order dated June 14, 2018, pages 3 - 4

"The OEB does not accept that the Pipeline is a "gathering system" and finds instead that it will be providing distribution services. OMLP has clearly indicated that both the Pipeline and the tie-in system are required to serve the Greenhouse Facility. There is no mention of new wells being integrated into the system with this new Pipeline. The sole purpose of the Pipeline appears to be to distribute gas to the Greenhouse Facility. The OEB therefore finds that the new Pipeline provides a distribution function."

Reference: EB-2019-0089 Decision and Order dated August 26, 2019, page 4

"The OEB finds that the Pipeline provides natural gas distribution services, and that its purpose is to supply natural gas in a municipality. Based on the evidence in this case, it is clear that the sole purpose of the Pipeline is to move gas from the existing gathering lines to the NLC facility. Therefore, the OEB finds that Metalore requires a certificate from the OEB for the Pipeline."

Question:

Please explain how Lagasco's existing and proposed pipeline systems are different from the OMLP pipeline used to provide distribution services to a greenhouse facility (EB-2017-0289) and the Metalore pipeline used to provide gas to end users in Norfolk County (EB-2019-0089).

6. **Reference:** Lagasco Application, page 5

"Lagasco operates a compressor station and pipeline through which it delivers natural gas to Enbridge Gas Inc. ("EGI") on the east side of Jarvis Ontario. This is the pipeline that Lagasco proposes to use to supply the incremental gas the Proplant facility requires. The pipeline is on the north side of Hwy 6 on Proplant's property. No main line piping will be required in order to supply Proplant. The natural gas for the Proplant facility will be from Ontario produced Lake Erie gas wells having a ~ 50 year reserve life. Only a short service line of approximately 50 meters and a very simple meter/regulator/monitoring station will be necessary to provide the service (See Appendix 6)."

Questions:

- (a) Please provide details of any franchise agreements and certificates of public convenience and necessity that Lagasco currently holds related to the construction and operation of its current facilities. If none exist, please provide details of the exemptions that Lagasco received from the provisions of the *Municipal Franchises Act*.
- (b) Please identify any other customers and their loads that Lagasco has for the gas from its Lake Erie gas wells and any studies showing the existence of the referenced 50 year reserve life with the addition of the proposed Proplant facility load.

7. **Reference:** Lagasco Application, page 7

"Proplant is in a second stage of a bid and application with the Independent System Operator ("IESO") to supply natural gas fired electricity generation to the power grid. If successful, Proplant would enter into a contract to supply power to the Ontario grid (the "IESO Contract"). On September 18, 2023, Proplant was informed by the IESO that they had received approval together with AB Energy Canada Ltd. to proceed with a bid for a 9.5 MW power supply contract."

Questions:

- (a) Please confirm that Lagasco's gas supply and the applied-for CPCN will not be required if Proplant is not successful in its bid to supply electricity to the grid.
- (b) Has Lagasco initiated any construction to supply gas service to the Proplant facility? If so, what has been completed and/or is in progress?

8. **Reference:** Lagasco Application, page 7

"Please see below for Proplant's additional natural gas requirements to supply the electrical generation facility and ultimately meet the requirements of the IESO Contract."

Questions:

- (a) Please provide all documentation that supports the gas usage estimate and how many days the proposed generation plant will be running.
- (b) Please provide details of the requirements of the IESO Contract.

9. **Reference:** Lagasco Application, page 8

"Lagasco has provided quotes to Proplant for both the incremental natural gas supply and for the construction of the infrastructure required to provide the gas (the tie-in)."

Question:

Please provide all documentation associated with the quotes provided to Proplant by Lagasco for requested service and required infrastructure.

10. **Reference:** Lagasco Application, page 12

“Thirdly, this proposed project will create a number of jobs and other economic benefits to the local community. The Lagasco Proplant service connection will operate independently and will have no impact on EGI’s current or future rate payers.”

Questions:

- (a) Please provide specific details of how jobs will be created and how many jobs the Lagasco service connection itself will create.
- (b) Please provide details of the evidence that shows that the proposed service connection will have no negative impacts on other current or future Ontario ratepayers.

11. **Reference:** Lagasco Application, page 13

“The project allows the Board to further meet many of its stated objectives as set out in s 2. Specifically, those bolded below are addressed by this application.

[...]

- 1. *To facilitate competition in the sale of gas to users.*

[...]

- 5. *To promote energy conservation and energy efficiency in accordance with the policies of the Government of Ontario, including having regard to the consumer’s economic circumstances.”*

Question:

- (a) Please provide specific details of how competition in the sale of gas to users is being facilitated by the proposed Lagasco service connection.
- (b) Please provide specific details of how energy conservation and energy efficiency are being promoted by the proposed Lagasco service connection.

12. **Reference:** Lagasco Application, Appendix 4

Correspondence between Proplant and Enbridge Gas

Questions:

- (a) Please confirm that the request for service from Proplant to Enbridge Gas was for 3,880 m³/hour incremental to the service already provided to Proplant.
- (b) Please confirm that the service required by Proplant for its electricity generation proposal is now 2,328 m³/hour.
- (c) Please provide details of the hourly factor assumed for the proposed Proplant generation facility to calculate the m³/day.
- (d) Did Proplant confirm with Enbridge Gas whether the added costs of system reinforcement were required at the lower demand rate?
- (e) Please confirm the pressure of the service to be provided by Lagasco versus the 20 psi services requested from Enbridge Gas.