



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

January 16, 2025

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

Dear Ms. Marconi:

**Re: Enbridge Gas Inc.
Application for Approval of Renewal of Franchise Agreement
County of Simcoe
Ontario Energy Board File No. EB-2024-0280**

Pursuant to Procedural Order No. 1, Enbridge Gas hereby submits responses to the information requests submitted by Ontario Energy Board Staff.

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

Yours truly,

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cc: (email only)

Alex Freeman-Carter, County of Simcoe
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Encl.

ENBRIDGE GAS INC.

Response to Interrogatory from
OEB Staff

Reference: Application, page 1, para 4

Preamble:

Enbridge Gas has two existing franchise agreements in place with the County of Simcoe that it seeks to replace with a single franchise agreement. The agreement with the former Enbridge Gas Distribution Inc. was effective August 26, 2003, and thus expired on August 26, 2023. The agreement with the former Union Gas Limited took effect February 28, 2008 and does not expire until February 28, 2028.

Question:

- a) Please discuss if there are material differences between the August 26, 2003 agreement and the February 28, 2008 agreement, or other reason(s), that necessitated an application for renewal of the gas franchise with the County of Simcoe at this time.

Response:

The only difference between the franchise agreements effective August 26, 2003 and February 28, 2008 is the omission of the Other Conditions clause from the August 26, 2003 franchise agreement with Enbridge Gas Distribution.

Enbridge Gas' practice over the years since the amalgamation of Union Gas and Enbridge Gas Distribution has been to address the renewal of franchise agreements associated with municipalities in which both legacy utilities operated at the time of the earliest franchise agreement expiry date. Consistently replacing two franchise agreements with one reduces the administrative burden somewhat for both Enbridge Gas and the municipalities going forward, especially in those instances where multiple Certificates of Public Convenience and Necessity can be replaced at the same time. To date, the OEB has accepted this practice and allowed for the elimination of overlapping franchise agreements. Recent examples include the franchise agreements with the Municipality of Brighton (EB-2021-0270), the County of Northumberland (EB-2022-0159), the Township of Severn (EB-2022-0232) and the United Counties of Leeds and Grenville (EB-2023-0214).

The current application is essentially an administrative effort to consolidate the franchise agreements held by Union Gas and Enbridge Gas Distribution into a single franchise agreement that accurately reflects the current relationship between the County of Simcoe and Enbridge Gas Inc.

ENBRIDGE GAS INC.

Response to Interrogatory from
OEB Staff

Reference: Application, page 4, para 20

Preamble:

Section 10(5) of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55 provides as follows:

An order of the Board heretofore or hereafter made under subsection (2) renewing or extending the term of the right or an order of the Board under subsection (4) shall be deemed to be a valid by-law of the municipality concerned assented to by the municipal electors for the purposes of this Act and of section 58 of the *Public Utilities Act*. R.S.O. 1990, c. M.55, s. 10 (5).

Question:

- a) Please advise why Enbridge Gas is seeking an order under s. 9(4) of the *Municipal Franchises Act* given that an order of the OEB made under section 10 thereof renewing or extending the term of the right shall be deemed to be a valid by-law of the municipality concerned assented to by the municipal electors for the purposes of the Act.

Response:

- a) Enbridge Gas agrees that an order under section 9(4) of the *Municipal Franchises Act* is not necessary in these circumstances, given the request for the OEB to issue an order pursuant to section 10 and the operation of section 10(5) of the *Municipal Franchises Act*. This was an oversight by Enbridge Gas.

ENBRIDGE GAS INC.

Response to Interrogatory from
OEB Staff

Reference: Application, page 2, para 8

Preamble:

The County of Simcoe seeks an amendment to terms and conditions in Section 11 of the Model Franchise Agreement such that the County of Simcoe would not be responsible to share the cost of relocating gas lines if the property is no longer available.

The County of Simcoe also seeks amendments to the terms and conditions of section 12 of the Model Franchise Agreement such that the relocation of a pipeline is 60 days from the notice date and for a clause to compensate the road authority for loss and expense if a utility does not relocate infrastructure by the date specified in the notice given.

Questions:

- a) Please discuss whether the County of Simcoe has provided a definition of what classifies a property as no longer being available. If so, please discuss whether Enbridge Gas agrees with this property classification and applying cost provisions that differ from the cost sharing conditions under section 12 of the Model Franchise Agreement.
 - b) Please discuss how often there is an occurrence where a pipeline needs to be relocated. Please also discuss if there has been a need to relocate pipelines in the County of Simcoe more often than what would be considered average in other Counties or municipalities in Ontario.
 - c) Please comment on the general timeframe required to relocate a pipeline and whether 60 days is adequate.
 - d) Please explain how Enbridge Gas typically manages the interaction of natural gas infrastructure and underground assets and whether there is a local “Utility Enbridge Gas Inc. Co-ordinating Committee” or similar group or body in the County of Simcoe or its lower tier municipalities whereby the owners and operators of underground assets and unique linear property assemble to discuss common issues in the County of Simcoe or its lower tier municipalities.
 - e) Please discuss whether any of the County of Simcoe’s and Enbridge Gas’s relocation requests have been denied. If so, please provide the reasons that the relocation request was denied, and any alternative solutions that were used.
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Responses:

- a) The County of Simcoe has not provided a definition of what classifies a property as no longer being available.
- b) Across Enbridge's service areas, the frequency and number of pipeline relocations is driven primarily by the planned roadwork of the municipalities across the province. These municipal projects are driven by the budgets / funding, needs and priorities of each municipality.

As is noted in the application, there are 16 lower-tier municipalities within the County of Simcoe. In 2024, there were 11 pipeline relocation projects for work on roads under the jurisdiction of the lower-tier municipalities and 3 pipeline relocation projects initiated by the County of Simcoe. This appears to be an average level of relocation projects for municipalities served by Enbridge Gas unless there are significant areas of development within a growing municipality. The number of relocation projects in municipalities within the Union South operating area appear to be much higher in areas where relocations involve infrastructure installed prior to 1981 for which relocation costs are not shared with the municipalities.

- c) Pipeline relocations will typically take 8 to 12 months to complete after the design stage for a municipal roadwork project (explained in part d below) is completed. Because pipeline relocation projects require significant coordination with the municipality and other parties, Enbridge Gas would not have enough control over these parties or processes to complete pipeline relocation projects within 60 days from receiving notice from the municipality.

Once municipal funding is approved for a roadwork project and purchase orders are issued to Enbridge Gas to commit resources to the relocation request, all utilities must address the relocation of their facilities before a construction contract is issued for the roadwork project. If the relocation of utility infrastructure other than that belonging to Enbridge Gas is required in the project area, coordination and/or staging may be required to ensure adequate time and space separation from other installations. Timelines are communicated for relocation requests and are adjusted for the specific project scope.

Depending on the scope of the relocation request and complexity of the project, Enbridge Gas requires 8 to 12 months to get permit-related drawings completed (longer than 12 months if special conservation permits are required). Construction execution of a relocation project will require some lead time to consider coordination with other utility relocations that will require exclusive site space and time separation from other utilities work (i.e., Enbridge Gas can't always mobilize construction efforts immediately after completing a design for the relocation). Once all design, planning and permitting is completed, execution of the construction phase of the relocation project will typically take a couple months to complete.

- d) Annual Utility Coordination meetings are usually organized by the County of Simcoe's Transportation and Engineering group. These meetings are scheduled towards the end of the year to discuss projects lined up the following year(s).

Depending on the design stage of the roadwork project, Enbridge Gas will start the planning process most often when the County or their consultant have finalized approximately 60% of the roadwork project design. Once the decision is made by the County or their consultant to issue a request for relocation instead of revising their design, they will then contact Enbridge Gas to start relocation project design and coordination. This is when the 8 to 12 months gas relocation process starts.

- e) Enbridge Gas is not aware of any request by the County of Simcoe to relocate facilities ever being denied by Enbridge Gas.

ENBRIDGE GAS INC.

Response to Interrogatory from
OEB Staff

Reference: Application, page 2, para 8

Preamble:

The County of Simcoe seeks revisions to section 15(b) of the Model Franchise Agreement.

Questions:

- a) Please discuss what the general costs are of removing a pipeline in contrast to leaving the pipeline in the ground (including in respect of removing decommissioned systems within a road right-of-way).
- b) Please discuss what the procedure is for determining whether a pipeline needs to be removed and how risks are identified in leaving a pipeline in the ground. Please also discuss how factors such as age, location, pipeline conditions and environmental impact factor into the decision-making process.
- c) Please explain whether there are opportunities to repurpose a pipeline for different uses.

Responses:

- a) The costs associated with the removal of a pipeline will depend on various factors including the age of the pipe, the location of the proposed and abandoned pipe within the road allowance, the location of other below-ground utilities, the timing of associated municipal works and restoration requirements.

Enbridge Gas' Standard Operating Practice and Procedures for the abandonment of pipe complies with CSA Z662: 19 Clause 12.10.3.4 which outlines the requirements for deactivating / decommissioning distribution pipe. This includes purging natural gas from the pipe, physically separating the pipe from the live system, separating sections of pipe, and ensuring that the ends are securely capped or plugged.

Service lines connected to an abandoned pipeline must have all piping that is exposed above ground or inside buildings removed and any pipe openings must be capped or plugged outside the building, within one year of the main abandonment.

There are additional issues related to the removal of any pipeline installed using mechanical connections rather than welded connections which are used in today's construction. The older pipeline cannot be pulled. Rather, Enbridge Gas would have to excavate / open trench the entire

length of the project to uncover the abandoned pipeline, lift it out, and load it on a truck for disposal. The excavation would then have to be backfilled and remediated. Enbridge Gas would respond to inquiries from residents and/or the municipality regarding the restoration work completed.

When abandoning in place, the pipeline is sectionalized. Road and creek crossings are isolated, grouted and capped. Then the remaining pipeline is sectionalized into segments per Enbridge Gas procedures and made safe. However, aside from these discrete locations where sectionalization occurs, the abandoned pipeline remains in place. In doing this, Enbridge Gas can choose places to complete the sectionalization to avoid trees, hydro poles, environmentally sensitive and other congested areas. This minimizes the disruption to landowners and the environment, remediation requirements, third party involvement and additional costs of abandonment. This is the typical practice followed by the industry and Enbridge Gas.

The need to physically excavate a pipeline drives additional activities and cost impacts:

- a) Additional studies and permit applications may be required – archaeology and environmental, tree removal, etc.
- b) Additional agreements for temporary land use may be required with numerous property owners.
- c) Excavations may occur near every electricity distribution pole requiring the attendance of local electricity distributor crews. Other utilities such as fibre services could be installed in the area as well.
- d) There is often a significant growth of vegetation, including numerous trees, that may need to be removed.
- e) Pipe removal may impact landowners where the pipeline is within the right-of-way but is visually part of the yard or lawn. This may cause not only significant disruption to the landowner, but it may increase the cost of restoration. The pipeline must be properly disposed of in accordance with all applicable requirements.

While open trenching is the preferred method of installation, the costs of installing a new pipeline could be mitigated where possible with directional drilling. Directional drilling lessens the impacts to the environment and reduces the cost to replace/reinstate municipal assets like trees, sidewalks and roadways. The cost and environmental impact of removing these pipelines after being in place for many years would be greater than the installation cost of new assets.

As an example, the estimated cost for the scope of work to remove the NPS 10 steel pipe as requested by the County of Essex during the review of the Windsor Pipeline leave to construct application rather than to abandon the existing NPS 10 pipe was estimated to be \$5.9 million back in 2019¹. In its decision on the Windsor Pipeline application, the OEB granted leave to construct the proposed project and approved the proposed abandonment of the existing pipe.²

¹ EB-2019-0172 - Exhibit B, Tab 1, Schedule 4

² EB-2019-0172 - Decision and Order dated April 1, 2020

During the review of the leave to construct application to replace approximately 4.5 km of the Cherry to Bathurst segment of the Kipling Oshawa Loop along Lake Shore Boulevard in the City of Toronto, Enbridge Gas submitted that complete removal of the 4.5 km segment would cost as much as \$100 million.³ The OEB again agreed with the proposed abandonment of the existing pipe.

- b) The Ontario Energy Board has a longstanding practice of allowing pipeline to be abandoned in place by ensuring that the TSSA Pipeline Abandonment Checklist for abandonments is being followed for all pipeline being replaced. The Windsor Line Replacement and the Cherry to Bathurst projects are just two recent examples where the OEB chose to support the proposed abandonment approach despite intervenor arguments to remove the existing pipelines at an additional cost to ratepayers. The OEB's Decision and Order dated November 12, 2020 in the Windsor Line Replacement proceeding authorizing construction noted that "The public interest does not support the expenditure of an additional \$5.9 million in costs for such removal" and that it "would also unnecessarily impact the surrounding environment to meet as yet unidentified future needs for that land".⁴

To make an abandoned pipe safe requires Enbridge Gas to purge the pipe, disconnect or separate the pipe, and to seal it to prevent the flow of gas. Enbridge Gas responsibly abandons pipe, following the TSSA Pipeline Abandonment Checklist for abandonment procedures, which is consistent with the requirements set in the current regulations and the TSSA guidelines.

Physical removal of abandoned pipe is not typical unless it is required as part of a project's scope of work. If an abandoned pipe is to be removed, the most efficient way to remove it is at the time of future municipal infrastructure projects so that only those sections of abandoned pipe in conflict with the roadwork project are removed, thus limiting disruptions and relocation requirements. Section 15 of the Model Franchise Agreement was developed in response to this approach of removing abandoned pipe as and when required.

- c) Investments in gas pipes are made for the benefit of gas ratepayers across the entire gas system. If decommissioned / abandoned pipes can generate any future revenues, in the use as a telecommunications conduit or in some other use, gas company ratepayers should have the opportunity to benefit from this revenue stream.

There have only been few cases where an abandoned Enbridge asset was considered for repurposing for the installation of a fibre cable. Concerns raised for these alternate uses include sectionalizing requirements of abandoning a gas main and subsequent access to the installed fibre cable at the required access points required by the telecommunications utility.

³ EB-2020-0136 - Exhibit I.PP.8

⁴ EB-2020-0160 - Decision and Order dated November 12, 2020, page 18

ENBRIDGE GAS INC.

Response to Interrogatory from
OEB Staff

Reference: Application, Schedule A

Preamble:

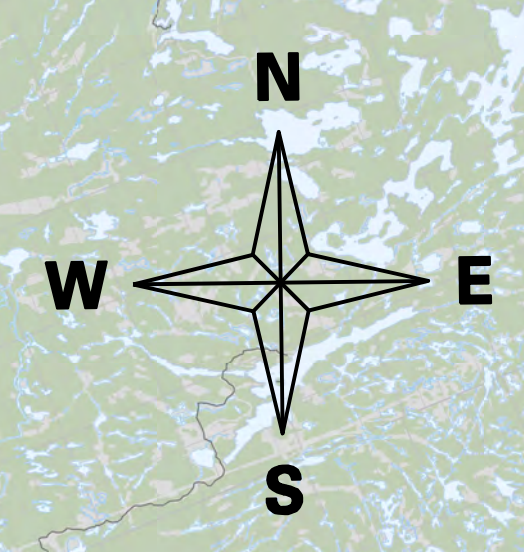
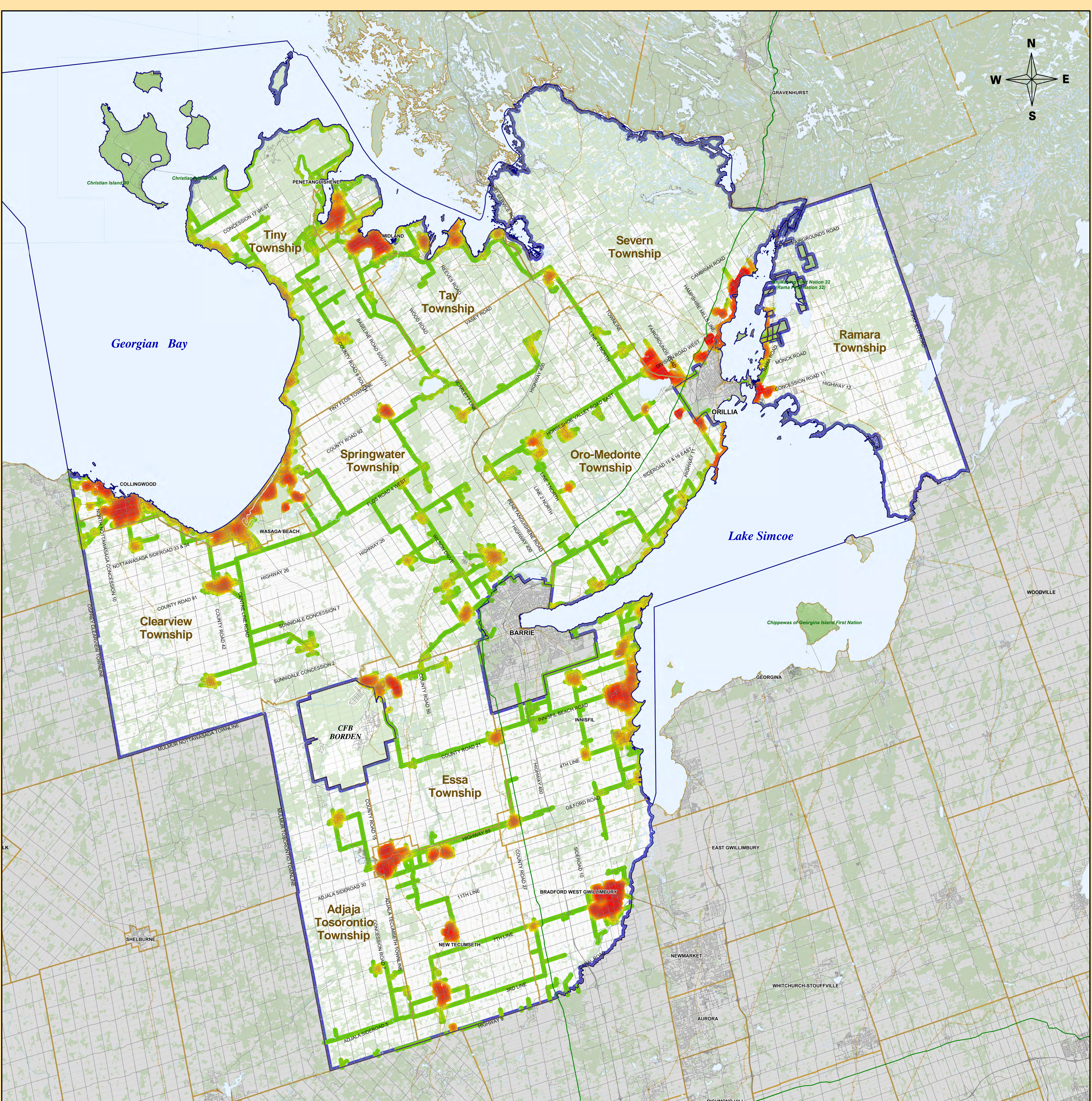
Attached as Schedule A to the application is Enbridge Gas's customer density (i.e. heat) map of the County of Simcoe.

Question:

- a) Please provide an updated heat map that shows the boundaries of the County of Simcoe bolded in a prominent color as Enbridge has done in prior applications.
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Response:

- a) An updated customer density map is attached.



County of Simcoe

Legend

- Enbridge Gas Pipeline Coverage Area
- County of Simcoe
- Trans CANADA Pipeline
- Roads
- Railways
- Municipal and Township Boundaries
- First Nation Boundaries



Disclaimer:
 The map is provided with no warranty express or implied and is subject to change at any time. Any Person using the Density Map shall do so at its own Risk and the Density Map is not intended in any way as a tool to locate underground infrastructure for the purposes of excavation

