



Ontario
Energy
Board | Commission
de l'énergie
de l'Ontario

BY EMAIL

April 1, 2025

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

Dear Ms. Marconi:

**Re: Ontario Energy Board (OEB) Staff Submissions
Enbridge Gas Inc. Kimball-Colinville and Bickford Maximum Operating
Pressure Increase Project
OEB File Number: EB-2024-0322**

Please find attached OEB staff submissions in the above referenced proceeding, pursuant to Procedural Order No. 1.

Yours truly,

Zora Crnojacki
Senior Advisor, Natural Gas Applications

Encl.

c: All parties in EB-2024-0322



ONTARIO ENERGY BOARD

OEB Staff Submission

Enbridge Gas Inc.

Kimball-Colinville and Bickford

Maximum Operating Pressure Increase Project

EB-2024-0322

April 1, 2025

INTRODUCTION

On December 9, 2024, Enbridge Gas Inc. (Enbridge Gas) filed an application for the Ontario Energy Board's (OEB) approval to increase the maximum operating pressure (MOP) of Kimball-Colinville Storage Pool and Bickford Storage Pools, both located in St. Clair Township in the County of Lambton (Project). The application is pursuant to section 38(1) of the *Ontario Energy Board Act, 1998* (OEB Act).

Enbridge Gas has the authority to inject gas into, store gas in, and remove gas from the Kimball-Colinville Storage Pool and the Bickford Storage Pool (Pools) granted by the OEB's E.B.O. 5 Order and the OEB's E.B.O. 32 Order, respectively.¹

Enbridge Gas requests to operate the Bickford Storage Pool to a maximum pressure gradient of 17.64 kPa/m (0.78 psi/ft) during the 2025 injection season and the Kimball-Colinville Storage Pool to a maximum pressure gradient of 16.625 kPa/m (0.735 psi/ft) during the 2026 injection season. Enbridge Gas submitted that these MOP increases are permitted under CSA Standard Z341.1-22 – Storage of Hydrocarbons in Underground Storage Formations (CSA Z341.1-22). Enbridge Gas noted that the increase in MOP for both storage pools must conform to CSA Z341.1-22 to the satisfaction of the Ministry of Natural Resources (MNR).

Enbridge Gas requests that the OEB approve the application and suggests the following wording for conditions of approval:

- i. Enbridge Gas Inc. shall not operate the Kimball-Colinville Storage Pool above operating pressure representing a pressure gradient of 16.625 kPa/m (0.735 psi/ft) of depth without leave of the OEB.
- ii. Enbridge Gas Inc. shall not operate the Bickford Storage Pool above an operating pressure representing a pressure gradient of 17.64 kPa/m (0.78 psi/ft) of depth without leave of the OEB.

Increasing the MOP of the storage pools will allow Enbridge Gas to store additional natural gas. Enbridge Gas stated that incremental storage capacity created by the Project will be sold to third parties as part of Enbridge Gas's unregulated storage business.

Increase in MOP in the Pools requires construction of certain facilities and upgrades to

¹ The Order E.B.O. 5 issued on December 2, 1963 to Tecumseh Gas Storage Limited allowing it to inject/store/remove gas from the Kimball-Colinville Storage Pool does not contain a condition setting the maximum operating pressure. The Order E.B.O. 32 issued on January 21, 1972 to Union Gas allowing it to inject/store/remove gas from the Bickford and Sombra pools does not contain a condition of approval limiting maximum operating pressure of the Bickford Pool.

the existing facilities. Enbridge Gas stated that construction of these facilities, which are needed to implement and operate the Project does not require approval of the OEB.

OEB staff supports Enbridge Gas's application for approval to increase the MOP of the Kimball-Colinville Storage Pool and Bickford Storage Pool subject to conditions proposed by Enbridge Gas and a condition that Enbridge Gas comply with the relevant requirements of CSA Z341-22 to the satisfaction of the Ministry of Natural Resources.

OEB staff has no concerns with the need, cost, environmental matters, land matters or Indigenous consultation related to the Project.

PROCESS

The OEB issued a Notice of Application on January 29, 2025. On February 28, 2025, the OEB issued Procedural Order No. 1 setting the schedule for written discovery through interrogatories and written submissions. OEB staff filed written interrogatories on March 11, 2025. Enbridge Gas filed interrogatory responses on March 21, 2025. OEB staff submissions have been filed in accordance with Procedural Order No. 1, and Enbridge Gas's written reply submissions are due April 11, 2025.

PROJECT

To implement increases in the MOPs for the Pools, Enbridge Gas needs to complete facilities upgrades including: replacements of components of Bickford Station in the Bickford Storage Pool and upgrades to wellheads and well crossovers, installation of emergency shutdown (ESD) valves on injection/withdrawal natural gas storage wells, re-abandonment of one natural gas storage well, replacement of well lateral tees, various natural gas gathering pipeline replacements, and replacements of various components in the Kimball-Colinville Station within the Kimball-Colinville Storage Pool (Facilities Upgrades).²

The construction of the Facilities Upgrades in the Bickford Storage Pool is planned to start in Q2 2025. The Bickford Storage Pool is expected to be placed into service by the end of Q4 2025. Construction in the Kimball-Colinville Storage Pool is proposed to start in Q2 2025, and the facilities are anticipated to be placed into service by end of Q4 2026.

OEB STAFF SUBMISSIONS

OEB staff's submissions are structured to address the following issues relevant to the

² Exhibit C, Tab 1, Schedule 1, pages 5-7 Proposed Facilities

Project:

- Ministry of Natural Resources CSA Z341-22 Requirements
- Project Need and Alternatives
- Costs and Economics
- Environmental Matters
- Land Matters
- Indigenous Consultation
- Conditions of Approval

MINISTRY OF NATURAL RESOURCES CSA Z341.1-22 REQUIREMENTS

Enbridge Gas requested approval to increase the MOPs in the Pools as follows³:

Table 1: Current and Proposed Maximum Pressure Gradients in the Kimball-Colinville and Bickford Storage Pools

Storage Pool	Current Gradient	Proposed Gradient
Bickford	17.2 kPa/m 0.76 psi/ft	17.64 kPa/m 0.78 psi/ft
Kimball-Colinville	15.7 kPa/m 0.69 psi/ft	16.625 kPa/m 0.735 psi/ft

Enbridge Gas submitted that the proposed increases in MOP are permitted under CSA Standard Z341.1-22 Storage of Hydrocarbons in Underground Storage Formations (CSA Z341.1-22). Enbridge Gas also stated that the MOP increases must conform with the CSA Z341.1-22 to the satisfaction of the MNR.

Enbridge Gas referenced Clause 5.6.2 (b) of CSA Z341.1-22:

“The maximum operating pressure shall not exceed 80% of the fracture pressure of the caprock formation. In the absence of local fracture pressure data, the maximum pressure shall be not greater than 18.1 kPa per metre of depth to the top of the reservoir.”⁴

Enbridge Gas described its communication with the MNR regarding the Project.⁵ On September 16, 2024 Enbridge Gas met with MNR staff to present the Project. On November 26, 2024, Enbridge Gas sent an email to the MNR indicating that the

³ Exhibit A, Tab 2, Schedule 1, paragraph 9, page 4

⁴ Exhibit C, Tab 1, Schedule 1, paragraph 3, page 1

⁵ Enbridge Gas response to interrogatory I-STAFF-1

following studies had been completed for each pool in compliance with CSA Z341.1-22 to support the application for MOP increases:

- Engineering studies completed by Geofirma Engineering Ltd.
- Assessment of Neighboring Activities for the storage pools as prescribed by CSA Z341.1-22 Clause 5.2.
- “What If” analysis of hazards and operability (HAZOP) for the storage pools

Executive summaries of the three studies for each pool are included in the evidence in support of the application.⁶ Enbridge Gas stated that it sent summaries of the studies to the MNR and that it would make complete studies available in Enbridge Gas’s office, upon request, for the MNR’s review.

In response to an OEB staff interrogatory⁷ about updates on communication with the MNR since filing the application, Enbridge Gas stated that there was no further communication with the MNR on the Project. Enbridge Gas also said that it did not anticipate receiving further communication from the MNR related to engineering and geological studies. Enbridge Gas acknowledged and accepted responsibility for compliance with all the relevant requirements under CSA Z341.1-22; and the *Oil, Gas and Salt Resources Act* and related regulations.

OEB Staff Submission

OEB staff observes that according to the evidence in this application the gradients to MOP for both Kimball-Colinville and Bickford Storage Pool are below the limit of 18.1 kPa/m, prescribed by Clause 5.6.2 (b) of CSA Z341.1-22. In addition, OEB staff notes that Enbridge Gas confirmed it would meet the requirements of CSA Z341.1-22 to the satisfaction of the MNR.

PROJECT NEED AND ALTERNATIVES

In response to an OEB staff interrogatory, Enbridge Gas stated that it is fully contracted with respect to storage capacity and deliverability and that the demand for unregulated storage exceeds the contracts able to be awarded.⁸

According to Enbridge Gas, the Project is needed to increase deliverability and storage capacity of the Pools to meet growing market demand for incremental storage space. The increase of the MOP will create 112,700 10³m³ additional capacity in the Kimball-

⁶ Exhibit I, Tab 1, Schedule 1, Attachment 3 Bickford Storage Pool and Attachment 4 Kimball-Colinville Storage Pool

⁷ Enbridge Gas response to interrogatory I.STAFF-1

⁸ Enbridge Gas response to OEB staff interrogatory Exhibit I.STAFF-3, c)

Colinville Storage Pool and 24,50010³m³ additional capacity in the Bickford Storage Pool. Enbridge Gas intends to sell the capacity as part of its unregulated business at market-based prices.

Enbridge Gas submitted that the Project is the only option to increase MOP in the Pools.

OEB Staff Submission

Based on the above, OEB staff submits that there is demand for incremental unregulated storage capacity and therefore the Project is needed. OEB staff agrees that there are no alternatives to increase the MOP in the Pools.

COSTS AND ECONOMICS

Enbridge Gas stated that the entire Project will form part of Enbridge Gas's unregulated storage operations and that all costs associated with the Project will be captured in the unregulated accounts.

Enbridge Gas noted in response to an OEB staff interrogatory that the Facility Upgrades will benefit Enbridge Gas's in-franchise customers by improving the safety and reliability and extend the life of the facilities in the Pools. Enbridge Gas stated that the Pools and the facilities are part of an integrated system serving both in-franchise and unregulated customers, and therefore, the increased reliability would benefit both Enbridge Gas's in-franchise and unregulated storage customers. However, Enbridge Gas submitted that the capacity and deliverability created by the proposed Project will be for the benefit of the unregulated business, therefore all the capital costs will be funded by the unregulated business.⁹

In response to an OEB staff interrogatory¹⁰ Enbridge Gas explained that the current regulated and unregulated allocator for all storage pools owned by Enbridge Gas, including the Bickford and Kimball-Colinville Storage Pools, for 2025 is 62.3% regulated and 37.7% unregulated. Enbridge Gas further stated that, assuming that the Project is approved, the regulated and unregulated allocators are forecasted to be 62.2% regulated and 37.8% unregulated in 2026 and 61.5% regulated and 38.5 % unregulated in 2027. Enbridge Gas indicated that the allocators will be updated annually for the overall system of storage pools owned by Enbridge Gas.¹¹

OEB Staff Submission

OEB staff has no concerns about the costs and economics of the Project considering

⁹ Enbridge Gas response to OEB staff interrogatory Exhibit I.STAFF-2 b)

¹⁰ Enbridge Gas response to OEB staff interrogatory Exhibit I.STAFF-3

¹¹ EB-2024-0111 Decision on Settlement Proposal and Interim Rate Order, November 29, 2024, page 6

that Enbridge Gas adheres to the cost allocation methodology approved by the OEB. OEB staff is satisfied with Enbridge Gas's confirmation that the allocator for the Bickford and Kimball-Colinville Storage Pools will be updated annually to reflect the facility upgrades proposed in this application. Enbridge Gas is requested to identify in its reply submission the annual application in which these updates will be filed.

LAND MATTERS

In the Kimball-Colinville Storage Pool, Enbridge Gas will construct multiple temporary laneways and temporary workspaces on privately owned land and on land owned by Enbridge Gas. Construction of pipeline replacements will also require temporary workspace.

In the Bickford Storage Pool, Enbridge Gas will complete all the upgrades of the Bickford Station on the land it owns.

Enbridge Gas noted that the Gas Storage Lease Agreement registered on the title of the properties in the Kimball-Colinville Storage Pool grants to Enbridge Gas the right to construct, operate, maintain, inspect, remove, replace, reconstruct and repair roadways, pipes or pipelines, tanks, stations, structures, compressors and equipment necessary or incidental to the operations pursuant to the. Enbridge Gas said it would compensate the landowners in the Kimball-Colinville Storage Pool for temporary use of land and any crop loss associated with the Project and will continue to keep the landowners informed about the progress of the Project.

OEB Staff Submission

OEB staff submits that Enbridge Gas is appropriately managing land related matters. OEB staff has no issues or concerns with land matters related to the Project. OEB staff notes that Enbridge Gas confirmed it would compensate the landowners for use of land and any crop loss associated with the Project.

ENVIRONMENTAL MATTERS

Enbridge Gas retained Stantec Consulting Ltd. (Stantec) to conduct an environmental assessment for the Project. Stantec completed Environmental Screening Report, dated December 6, 2024¹². The environmental screening was conducted in consideration of the impact identification and assessment process outlined in the Ontario Energy Board's *Environmental Guidelines for the Location, Construction, and Operation of Hydrocarbon Pipelines and Facilities in Ontario (2023)*. Environmental screening identified potential environmental and socio-economic impacts associated with the installation of temporary access roads, gathering line replacements, station component replacements, well crossover replacements and wellhead upgrades for the Project, in the Bickford and

¹² Exhibit E, Tab 1, Schedule 1, Attachment 1

Kimball-Colinville storage pools. The Environmental Screening Report established mitigation and protective measures that may be used to reduce and/or eliminate potential impacts. According to the Environmental Screening Report, the implementation of the recommendations and adherence to permit, regulatory and legislative requirements, will ensure that potential adverse residual environmental and socio-economic impacts of the Project are not significant.

OEB Staff Submission

OEB staff has no concerns with the environmental aspects of the Project, given that Enbridge Gas is committed to implementing the mitigation measures and recommendations in the Environmental Screening Report.

INDIGENOUS CONSULTATION

In accordance with the OEB's Environmental Guidelines, Enbridge Gas contacted the Ministry of Energy and Mines on October 8, 2024, in respect to Crown's duty to consult related to the Project. By a letter dated December 6, 2024 (Delegation Letter), the ENERGY provided its view that that the Project "...will not result in any appreciable adverse impacts to the asserted or established rights of any First Nation or Métis communities."¹³

OEB Staff Submission

OEB staff has no concerns regarding the issue of Indigenous consultation as the Ministry of Energy and Mines in its Delegation Letter indicated no significant impacts of the Project on any First Nation or Métis communities.

CONDITIONS OF APPROVAL

Section 23 of the OEB Act permits the OEB, when making an order, to impose conditions of approval.

Enbridge Gas requests that a condition of approval be placed on each of the Kimball-Colinville Storage Pool and the Bickford Storage Pool similar to the condition that was attached to the OEB's approval in the EB-2020-0074 proceeding for increasing the MOP of the Black Creek, Coveny and Wilkesport Storage Pools.

OEB staff submits that the wording of the conditions proposed by Enbridge Gas is appropriate.

OEB staff also proposes a condition of approval that would require Enbridge Gas to comply with the relevant requirements of CSA Z341-22 to the satisfaction of the MNR.

¹³ Exhibit G, Tab 1, Schedule 1, Attachment 2, page 1

Draft proposed conditions approval is attached as Appendix A to this submission.

~All of which is respectfully submitted~

Appendix A
OEB Staff Submission

Draft Conditions of Approval

Application under Section 38(1) the OEB Act**Enbridge Gas Inc. EB-2024-0322****DRAFT CONDITIONS OF APPROVAL**

1. Enbridge Gas Inc. shall not operate the Kimball-Colinville Storage Pool above operating pressure representing a pressure gradient of 16.625 kPa/m (0.735 psi/ft) of depth without leave of the OEB.
2. Enbridge Gas Inc. shall not operate the Bickford Storage Pool above an operating pressure representing a pressure gradient of 17.64 kPa/m (0.78 psi/ft) of depth without leave of the OEB.
3. For the purpose of increasing the Maximum Operating Pressure in the Kimball-Colinville Storage Pool and the Bickford Storage Pool, to gradients specified in this application, Enbridge Gas Inc. shall conform with the relevant requirements of the Canadian Standards Association Z341.1-22 "Storage of Hydrocarbons in Underground Formations" standard to the satisfaction of the Ministry of Natural Resources.