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April 11, 2025

#### VIA EMAIL and RESS

Nancy Marconi Registrar Ontario Energy Board 2300 Yonge Street, Suite 2700 Toronto, ON M4P 1E4

Dear Nancy Marconi:

#### Re: Enbridge Gas Inc. (Enbridge Gas) Ontario Energy Board (OEB) File: EB-2024-0322 Kimball-Colinville and Bickford Maximum Operating Pressure (MOP) Increase Project <u>Reply Submissions</u>

In accordance with Procedural Order No. 1, please find attached Enbridge Gas's Reply Submissions in the above-noted proceeding.

Sincerely,

Evan Tomek

Evan Tomek Senior Advisor, Regulatory Applications – Leave to Construct

cc: Henry Ren (Enbridge Gas Counsel) Zora Crnojacki (OEB Staff) James Sidlofsky (OEB Counsel)

#### ONTARIO ENERGY BOARD

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B; and in particular section 38(1) thereof.

**AND IN THE MATTER OF** an Application by Enbridge Gas Inc. for an order or orders to vary the maximum operating pressure (MOP) of the Bickford and Kimball-Colinville Storage Pools which are part of Enbridge Gas's Dawn storage operations.

ENBRIDGE GAS INC.

### **REPLY SUBMISSION**

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## A. Introduction

- These are the Reply submissions of Enbridge Gas Inc. (Enbridge Gas or the Company) in respect of the application to the Ontario Energy Board (OEB) under section 38(1) of the Ontario Energy Board Act, 1998 (OEB Act) for an order or orders to vary the maximum operating pressure (MOP) of the Bickford and Kimball-Colinville Storage Pools (the Application or Project).
- 2. The Bickford and Kimball-Colinville Storage Pools are part of Enbridge Gas's Dawn storage operations and are designated storage areas as defined in the 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 pursuant to the OEB's E.B.O. 5 Order and E.B.O. 32 Order, respectively.
- 3. Enbridge Gas is requesting 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 as permitted under the CSA Standard Z341. 1-22. To facilitate the increases in MOP, Enbridge Gas would need to replace various components in the Bickford Station within the Bickford Storage Pool and install emergency shutdown valves on injection/withdrawal natural gas storage wells, re-abandon one natural gas storage well, replace well lateral tees, replace various natural gas gathering pipelines, and replace various components in the Kimball-Colinville Storage Pool. Increasing the MOP of the storage pools will allow Enbridge Gas to store additional natural gas. The additional storage capacity created by the Project will be sold to third parties as part of the Enbridge Gas unregulated storage business.
- 4. Enbridge Gas is not aware of a past formal condition of approval limiting the MOP of the Kimball-Colinville Storage Pool or Bickford Storage Pool as is typically imposed in OEB decisions with respect to injection/storage/removal rights. Section 23 of the OEB Act permits the OEB, when making an order, to

"impose such conditions as it considers proper." Enbridge Gas therefore is requesting that a condition of approval be placed on each of the Kimball-Colinville Storage Pool and the Bickford Storage Pool:

- Enbridge Gas Inc. shall not operate the Kimball-Colinville Storage Pool above an 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.
- 5. OEB staff supports Enbridge Gas's Application, subject to the above conditions of approval proposed by Enbridge Gas and a further condition proposed by OEB staff that Enbridge Gas comply with the relevant requirements of CSA Z341-22 to the satisfaction of the Ministry of Natural Resources (MNR).<sup>1</sup>
- 6. OEB staff has no concerns with the need, cost, environmental matters, land matters, or Indigenous consultation related to the Project.<sup>2</sup> In its submission, OEB staff also agreed that there are no alternatives to increase the MOP in the Pools.<sup>3</sup> Enbridge Gas's Reply to the submissions of OEB staff on all other issues relevant to the Project follows below.

# B. Ministry of Natural Resources CSA Z341.1-22 Requirements

 In its submission, OEB staff observes that according to the evidence in this Application the gradients to MOP for both the Kimball-Colinville and Bickford Storage Pool are below the limit of 18.1 kPa/m, prescribed by Clause 5.6.2 (b) of

<sup>&</sup>lt;sup>1</sup> OEB staff submissions, p. 2.

<sup>&</sup>lt;sup>2</sup> Ibid.

<sup>&</sup>lt;sup>3</sup> OEB staff submission, p. 5.

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.<sup>4</sup>

- Enbridge Gas submits that the proposed MOP of the Kimball-Colinville and Bickford Storage Pools does not exceed 80% of the fracture pressure of the caprock formation or 18.1 kPa per metre of depth to the top of the reservoir, thus satisfying Clause 5.6.2 (b) of CSA Z341. 1-22.<sup>5</sup>
- 9. Enbridge Gas submits that it will meet the requirements of CSA Z341. 1-22 to the satisfaction of the MNR.

## C. Costs and Economics

- 10. In its submission, OEB staff stated that it has no concerns about the costs and economics of the Project considering 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.<sup>6</sup>
- 11. In response to OEB staff's request for Enbridge Gas to identify in its reply submission the annual application in which the updates to the allocator for the Bickford and Kimball-Colinville Storage Pool will be filed<sup>7</sup>, Enbridge Gas confirms that the aforementioned allocator updates will be filed in its annual Utility Earnings and Disposition of Deferral & Variance Account Balances Application.

<sup>&</sup>lt;sup>4</sup> OEB staff submissions, p. 4.

<sup>&</sup>lt;sup>5</sup> Exhibit C, Tab 1, Schedule 1, paras. 3-4.

<sup>&</sup>lt;sup>6</sup> OEB staff submissions, p. 5.

<sup>&</sup>lt;sup>7</sup> OEB staff submissions, p. 6.

## D. Conditions of Approval

- 12. OEB staff submits that the wording of the conditions proposed by Enbridge Gas<sup>8</sup> is appropriate (please refer to para. 4 of this Reply Submission).
- In its submission, 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.<sup>9</sup>
- 14. OEB staff's proposed draft conditions of approval, attached as Appendix A to their submission, are listed below:
  - 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 1-22 "Storage of Hydrocarbons in Underground Formations" standard to the satisfaction of the Ministry of Natural Resources.
- 15. Enbridge Gas has reviewed OEB staff's submission and accepts the conditions of approval as proposed by OEB staff and suggests one minor revision to draft condition #1 for clarity (underlined below):

<sup>&</sup>lt;sup>8</sup> Exhibit J, Tab 1, Schedule 1.

<sup>&</sup>lt;sup>9</sup> OEB staff submissions, p. 7.

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

## E. Conclusion

16. Enbridge Gas submits that the Project is required in order to meet the growing market demand for incremental storage space and that there are no outstanding issues. Enbridge Gas therefore requests the OEB grants the Company approval to increase the MOP of the Bickford and Kimball-Colinville storage pools to 17.64 kPa/m (0.78 psi/ft) and 16.625 (0.735 psi/ft), respectively, subject to the conditions of approval proposed by OEB staff.