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May 14, 2025

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Calgary

Sent By Electronic Mail and Filed on RESS

Ottawa

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

Vancouver

New York

Dear Ms. Marconi:

EB-2025-0090

Sedum Master Inc. – Application for Certification of Public Convenience and Necessity

We are counsel to Sedum Master Inc. (“**Sedum**”) in the above noted matter.

On April 14, 2025, the Ontario Energy Board issued Procedural Order No. 1 for the above noted matter, which set out the process for interrogatories. On April 30, 2025, Sedum received interrogatories from Enbridge Gas and OEB Staff.

In accordance with Procedural Order No. 1, please find Sedum’s responses to the interrogatories from Enbridge Gas and OEB Staff attached.

Sincerely,

Cole Tavener

Cole Tavener

Enclosure

c: Richard J. King (Osler, Hoskin & Harcourt LLP)
Tom Watkinson (Sedum Master Inc.)
Patrick McMahon (Enbridge Gas Inc.)
Natalya Plummer (OEB Case Manager)
Richard Lanni (OEB Counsel)

Responses to OEB Staff Interrogatories

OEB STAFF- 1

Reference: Application, page 1, para 1 and 2
Application, page 2, para 5
Application, page 3, para 11
Application, page 4, para 14
Application, page 5, para 17 and 19

Preamble:

Sedum Master Inc. operates a greenhouse located at 855217 Gobles Road (Concession 2 N Part Lot 19) in the Township of Blandford-Blenheim. Sedum Master seeks additional supply of natural gas for two expansions that it completed to the greenhouse facility. Enbridge Gas is currently servicing the greenhouse facility but Sedum Master explains that there have been limitations in Enbridge Gas's capacity to provide the additional volumes of natural gas.

Sedum Master states that it has explored numerous alternatives for service to the greenhouse facility with Enbridge Gas and that none have proven feasible for Sedum Master, with the exception of a new pipeline.

Sedum Master plans to construct a 4.5 km pipeline from a nearby Enbridge Gas delivery station to provide the additional volumes of gas required for the greenhouse facility. Sedum Master states that it will maintain and operate the proposed pipeline for its exclusive use and would accept a condition in any OEB order that restricts supply from the proposed pipeline to the greenhouse facility.

Question(s):

- a) Please provide the following details about the physical boundaries of the requested certificate area:
 - i. Please clarify whether the requested certificate area includes Concession 2 N Part Lot 19.
 - ii. A description of the metes and bounds of the entire requested certificate area.
 - iii. A map of the Township of Blandford-Blenheim that shows the metes and bounds of the entire requested certificate area.

- b) Please discuss whether Sedum Master has a contract with Enbridge Gas for supplying natural gas to the greenhouse facility and the expansions. If so, what is the length of the contract.
- c) Please discuss whether Enbridge Gas will continue to supply natural gas to the greenhouse facility and please also clarify who will be providing natural gas for the expansions that were made to the greenhouse facility.
- d) Please elaborate on how the proposed pipeline best meets the needs of Sedum Master over the option(s) that were provided by Enbridge Gas. Please include any cost estimates provided by Enbridge Gas.
- e) Please provide an estimate for the annual demand of natural gas required for the greenhouse facility and expansions in gigajoules.
- f) Please provide the anticipated construction schedule for the pipeline and delivery station.

RESPONSE:

- (a)(i) Yes, Concession 2N Part Lot 19 is included in the requested certificate area.
- (a)(ii) A description of the metes and bounds of the requested certificate area is not available from the Town. The pipeline lies within the municipal road right of way.
- (a)(iii) Please refer to the map included in Appendix A of the Application. The entire requested certificate area is limited to the route of the pipeline.
- (b) Sedum Master has a contract with ECNG Energy Group as agent to purchase gas commodity and upstream transportation for the Sedum Master facility. The current contract expires October 31, 2028. Sedum is an M2 distribution customer of Enbridge Gas.
- (c) Sedum Master plans to continue to use ECNG Energy Group as agent to purchase gas commodity and upstream transportation for the Sedum Master expansion. Sedum Master Inc. will remain a distribution customer of Enbridge Gas, as either an M2 or M4 customer.

- (d) Discussions between Sedum Master and Enbridge Gas, including its predecessor Union Gas, have been ongoing since 2016 and have resulted in several proposals over the years, roughly summarized as follows:
- 2016 Proposal from Union Gas: This proposal consisted of 2.5 km of 4-inch pipe (from Concession 2 and West ¼ Line Road from Burford to Gobles, then north to Sedum Master). The estimated cost for this proposal was \$118,000, which was acceptable to Sedum. However, Union later advised this route was not feasible because of existing electricity lines.
 - 2020A Proposal from Union Gas: This proposal consisted of utilizing lands of a neighbouring farmer that would host a metering station for that farmer and Sedum. Sedum would then be responsible for constructing a gas line from that station to Sedum Master (a distance of 4.8 km). The estimated cost for this was \$357,000, which was acceptable to Sedum. However, Enbridge soon after revised the proposal (see immediately below).
 - 2020B Proposal from Enbridge: This proposal consisted of putting a station at County Road 22 and Concession 3, then running a pipeline east on Concession, and south on Gobles Road to Sedum Master. The estimated cost for this was \$1 million (based on a 20-year minimum annual volume commitment from Sedum Master). This was not acceptable to Sedum.
 - 2021 Proposal from Enbridge: Enbridge revised its 202B Proposal – eliminating the surcharge but increasing the estimate to \$2 million. This was not acceptable to Sedum.
 - In 2023 there were discussions between Sedum and Enbridge about revisiting the 2016 Proposal from Union, but nothing materialized in terms of a revised cost estimate.
 - In 2024 there were discussions about connecting to the “neighbouring farmer” mentioned in 202A Proposal from Union Gas (who has since received service from Enbridge). This involved a new metering substation on County property and connecting to the new 2-inch line serving this neighbouring farmer.
- (e) The estimated annual demand for natural gas by the greenhouse facility and the expansion is 22.178 gigajoules (or 583,636 m³).
- (f) The construction schedule for the Project is dependent upon the timing of the Board’s decision in this proceeding, the timing of any subsequent governmental

approvals and Enbridge's construction schedule for the station. Sedum's preference is to be able to construct the pipeline this summer/fall (2025) – with the objective of construction completion by October 1, 2025.

OEB STAFF- 2

Reference: EB-2010-0210, Decision and Order, July 16, 2010
Report of the Ontario Energy Board, “Natural Gas Facilities Handbook”,
EB-2022-0081, March 31, 2022

Preamble:

Enbridge Gas holds a certificate dated July 16, 2010 for the Township of Blandford-Blenheim. Section 3 of the OEB’s *Natural Gas Facilities Handbook* provides as follows:

The OEB can issue multiple certificates to different persons for different areas within a single municipality. The OEB generally will not, however, issue certificates with overlapping areas as a precaution against creating confusion among utilities, consumers, emergency responders and other authorities.

Question(s):

- a) If possible, please provide a map that shows the location of Enbridge Gas’s distribution main and service line that currently provide gas to the greenhouse facility.

RESPONSE:

- (a) Enbridge Gas provided Sedum Master with a map of its distribution main and service line supplying the greenhouse facility. Please see Appendix “A” – Map of Enbridge Gas Supply to Greenhouse Facilities.

OEB STAFF- 3

Reference: Application, page 2, para 6
Application, page 1, para 3
Application, page 6, para 23

Preamble:

Sedum Master states that the proposed pipeline does not meet the leave to construct threshold as the proposed pipeline is less than 20 km in length, costs less than 2 million and will have an operating pressure of less than 2,000 kilopascals and will be less than 12 inches.

Question(s):

- a) Please confirm that Sedum Master's planned project for obtaining the required gas for the expansions to the greenhouse facility has not changed. If not confirmed, please discuss any proposed changes.
- b) Please provide the following details of the proposed pipeline:
 - i. Capital cost
 - ii. Operating Pressure
 - iii. Pipe Size

RESPONSE:

- (a) The estimated capital cost of the proposed pipeline is \$500,000+HST. This amount is in addition to the \$247,000+HST quoted by Enbridge Gas for the station to supply the pipeline.
- (b) The operating presume of the proposed pipeline will be 128 PSIG.
- (c) The proposed pipeline will have a diameter of 3 inches.

OEB STAFF- 4

Reference: Report of the Ontario Energy Board, “Natural Gas Facilities Handbook”, EB-2022-0081, March 31, 2022

Preamble:

Section 3.8 of the OEB’s Natural Gas Facilities Handbook, provides as follows:

New entrants (i.e., applicants who have not previously been granted a certificate by the OEB), are required to file additional information to enable the OEB to assess whether they have the technical and financial capacity to construct, operate and maintain gas works.

Question(s):

- a) Please discuss why Sedum Master has not provided the information as set out by section 3.8 of the filing requirements in the OEB’s Natural Gas Facilities Handbook.

RESPONSE:

The pipeline to be constructed, owned, operated and maintained by Sedum Master is for Sedum Master’s exclusive benefit. It will not be used to serve any other person or Enbridge Gas customer (i.e., it is not an open access line). Sedum Master will not be a rate-regulated utility. There are two implications of this:

- (1) Ensuring the financial and technical capacity of a new utility applicant that will provide an essential service to the public is not at play in this application. Sedum Master’s agricultural operation is the only entity impacted by the pipeline. Sedum Master has every incentive to ensure the financial and technical capacity to construct, operate and maintain the pipeline.
- (2) Sedum Master is a third-generation family business that pioneered an environmentally friendly vegetative sedum mat that is used on almost all green roofs in North America (i.e., Sedum supplies the green vegetative mats ready for roof installation – and also provide supply a large amount of cuttings to other national and international growers to propagate on Sedum’s behalf). Sedum Master’s business requires a large greenhouse facility to produce the quantity and quality of cuttings and sedum mats required by its customers, located in Canada,

the United States and increasingly in Holland – a distribution hub for European flora. To supply its growing customer base Sedum Master must run its greenhouse facility at full capacity throughout the year, including the winter months, to supply finished products to European markets in late February and early March. (In the past, Sedum had shut its operations from Christmas to mid-March). The proposed pipeline will allow Sedum to economically continue its operations through the winter season, and continue to expand its exports to European markets.

OEB STAFF- 5

Reference: Application, Appendix D
Application, Appendix E

Preamble:

Sedum Master has requested approval for a franchise agreement with the Township of Blandford-Blenheim. The proposed franchise agreement includes several variances from the Model Franchise Agreement. As noted in the OEB's Natural Gas Facilities Handbook, "the OEB expects that franchises will be based on the Model Franchise Agreement, unless there is a compelling reason for deviation." Nearly all franchise agreements in Ontario are based on the Standard Model Franchise Agreement without any variances.

Question(s):

- a) Please provide a description of the proposed variances from the Model Franchise Agreement and the supporting rationale outlining the circumstances that would warrant the requested variances from the Model Franchise Agreement.

RESPONSE:

There were only three changes made to the Model Franchise Agreement made – minor in nature, and all with a view to more accurately reflecting the narrow scope of the CPCN being sought by Sedum. The changes should provide comfort to Enbridge Gas (to make the nature of Sedum Master's activities in the Municipality clear), the Municipality and the Board.

- (1) The defined term "Gas Company" was changed to "Sedum" throughout (over 50 times). This is a helpful clarification in that it reflects the fact that Sedum is not a gas distributor, and the pipeline that Sedum will build is solely for the purpose of only serving itself (Sedum) and no other customer.
- (2) In the same vein, the reference to the "gas system" being for the distribution, storage and transmission of gas has been narrowed to reference only "distribution" – making clear that Sedum is not seeking to do anything other than self-supply via the pipeline to be built. This change is reflected in three places.

- (3) Finally, the references to gas delivery to “inhabitants of the Municipality” by a pipeline “in or through the Municipality” have been deleted and replaced with text to note that the pipeline will deliver gas only to Sedum. This change is found in the definition of “gas system” and sections 2 and 3.

OEB STAFF- 6

Reference: Application, page 2, para 5

Preamble:

The *Ontario Energy Board Act, 1998* permits the OEB, when making an order, to “impose such conditions as it considers proper.”

OEB staff has prepared draft conditions of approval, set out below, that it plans to submit to the OEB should consider by the OEB when determining whether to deny or approve Sedum Master’s application

Question(s):

- a) If Sedum Master does not agree to any of the draft conditions of approval noted below, please identify the specific conditions that Sedum Master disagrees with and explain why. For conditions in respect of which Sedum Master would like to recommend changes, please provide the proposed changes and an explanation of the changes.

Sedum Master Inc.

Application for a Limited Certificate of Public Convenience and Necessity for the Township of Blandford-Blenheim

DRAFT CONDITIONS OF APPROVAL

1. Sedum Master Inc. shall give the OEB notice in writing of the:
 - a. Commencement of construction, at least ten days prior to the date construction commences;
 - b. Planned in-service date, at least ten days prior to the date the facilities go into service;

- c. Date on which construction was completed, no later than 10 days following the completion of construction; and
 - d. In-service date, no later than 10 days after the facilities go into service.
- 2. Sedum Master shall advise the OEB of any change to the proposed facilities as described in its application and evidence, prior to implementing the change.
 - 3. Sedum Master shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions. Sedum Master shall provide the employee's name and contact information to the OEB. The project manager will be responsible for the fulfilment of the conditions of approval on the site.

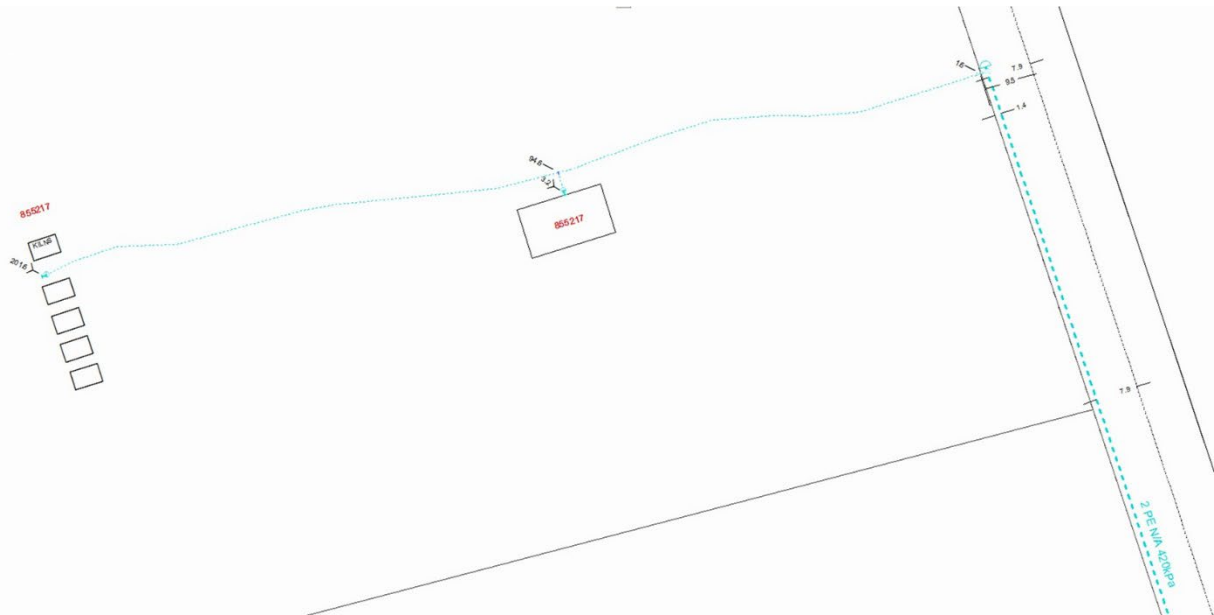
RESPONSE:

Conditions 1 and 2 are acceptable to Sedum.

Sedum Master requests that condition 3 be revised as follows:

Sedum Master shall designate one of its employees **or a representative** as project manager who will be responsible for the fulfillment of these conditions. Sedum Master shall provide the employee's **or representative's** name and contact information to the OEB. The project manager will be responsible for the fulfilment of the conditions of approval on the site.

Appendix "A" – Map of Enbridge Gas Supply to Greenhouse Facility



**Responses to Enbridge Gas Inc. ("EGI") Interrogatories
Sedum Master Inc.
EB-2025-0090**

EGI - 1

1. **Reference:** Sedum Master Application, page 2 (Paragraph 5(c))

Sedum Master is seeking "an Order pursuant to section 8 of the MFA issuing a Certificate of Public Convenience and Necessity to construct the Proposed Pipeline and supply gas to the Facility in the Township".

Reference: Sedum Master Application, Appendix F

"Lot 24, Concession II, Blenheim Township and east along Blenheim Township Road 2 for approximately 4.5 km to Lot 19, Concession II, Blenheim Township, bordered to the west by Gobles Road."

Questions:

- (a) Please confirm that Sedum Master seeks a geographically limited (i.e., specific lots and concessions) Certificate of Public Convenience and Necessity (CPCN) under section 8(1) of the *Municipal Franchises Act* to construct a pipeline to supply incremental gas to its greenhouse facility located in the community of Princeton within the Township of Blandford-Blenheim.
- (b) Please explain how granting the requested CPCN is in the public interest. Please compare the criteria Sedum Master uses to determine that granting of the requested CPCN is in the public interest to the criteria typically used by the Ontario Energy Board to determine public interest in a leave to construct proceeding (for example, see the [EB-2022-0249 - Decision and Order](#) issued September 21, 2023).
- (c) Please confirm whether Sedum Master has applied for a gas distributor license from the Technical Standards & Safety Authority (TSSA) and provide evidence that Sedum Master is compliant with the TSSA's [Pipeline Compliance Standard Summary Checklist](#). Please confirm the status of the application and provide proof that the TSSA has granted a license.
- (d) Please explain whether Sedum Master will require other approvals, permits, etc. other than a CPCN, the franchise agreement and the TSSA license to construct and operate the pipeline to provide natural gas to its expanded greenhouse facility. Please provide specific details of the other approvals and when they will be acquired.
- (e) Please confirm whether Sedum Master considers itself to be a utility subject to the [Gas Distribution Access Rule](#) (GDAR) and other regulatory requirements of the Ontario Energy Board.
- (f) Please confirm that Sedum Master will be registering with Ontario One Call as a member pursuant to [Ontario One Call Rules for Members and Excavators](#). Please confirm that Sedum Master understands its Ontario One Call obligations and that it will fulfill these obligations.
- (g) Please provide a detailed map of the Township of Blandford-Blenheim showing an outline of the areas to be covered by Sedum Master's proposed CPCN and explain how it compares to and will complement the CPCN currently held by Enbridge Gas for the Township of Blandford-Blenheim.
- (h) Please confirm that Sedum Master's application is considered a bypass of Enbridge Gas' system.
- (i) Please confirm whether the service proposed to be provided by Sedum Master to its greenhouse facility 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.
- (j) Please confirm Sedum Master'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.
- (k) Please confirm whether the existing greenhouse facility will be the only service location to which Sedum Master 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.

RESPONSE:

- 1(a) Confirmed. Please see Sedum Master's response to OEB Staff 1(a)(iii).
- 1(b) This question asks Sedum to present its legal argument as to why the OEB should grant the Certificate of Public Convenience and Necessity (CPCN), by referencing not a CPCN decision of the Board, but a leave-to-construct decision. Sedum will make its legal arguments as to why a limited CPCN should be granted to Sedum during the submissions phase of this proceeding, with reference to the legal test applicable to CPCNs.
- 1(c) Sedum Master will construct, operate and maintain its pipeline in compliance with all applicable laws.
- 1(d) See response to 1(c) above.
- 1(e) The GDAR applies to "gas distributors" not "utilities". A "gas distributor" is defined in GDAR as "a person who delivers gas to a consumer. Sedum Master is seeking a limited CPCN to supply itself (by moving gas from Enbridge's system to Sedum's facility). Sedum's pipeline will not be an open access line and will not deliver gas to any consumer. As a result, Sedum will not be subject to the GDAR.
- 1(f) Confirmed. See response to 1(c) above. Moreover, note that subsection 5(1) of the *Ontario Underground Infrastructure Notification System Act, 2012* effectively deems any entity that owns underground infrastructure that crosses or is in the vicinity of a right of way as a "member" of the Corporation.
- 1(g) The map of the area to be covered by Sedum's proposed CPCN is at Appendix A to the Application. It is limited in geographic scope – given that the pipeline will only bring gas to Sedum's facility. The Township is supportive of Sedum's CPCN application.
- 1(h) Not confirmed. The Sedum pipeline is not a bypass. A bypass occurs only where a gas customer is located within a utility's service area, and that customer seeks to obtain supply from a source other than the incumbent utility. That is not the fact scenario at issue here. Sedum's facility lies within Enbridge's service area, and Sedum is currently an Enbridge Gas distribution customer. That will not change once Sedum's pipeline is constructed. Sedum will continue to be an Enbridge Gas distribution customer and Enbridge will continue to earn distribution revenues from Sedum. This would only be a bypass if Sedum's pipeline were to connect to a gas transportation line, allowing Sedum to cease being an Enbridge customer. That is not happening here.

The issue of bypass issue in Ontario's natural gas sector has been considered by the Board since the mid-1980s. In all cases, bypass applies to a scenario where a customer in a utility's service area seeks to avoid having to take service from that incumbent utility.¹ For example, in 2006,

¹ EBRO 435 (July 9, 1987: Cyanamid Canada Inc.), EBRO 437/EBRO 139 (September 15, 1987: C-I-L Inc.), EBRO 411-III/EBRO 430-II/EBRO 411-I/EBRO 430-2B/EBRO 415/EBRO 404 (May 20, 1988: ICG Utilities (Ontario) Ltd. and Nitrochem Inc.), EBRO 457/EBRO 157 (December 1, 1989: C-I-L Inc.), EBRO 458 (May 24, 1990: Northland Power), EBRO 467/EBRO 461 (May 22, 1991: Centra Gas Ontario Inc. and The Algoma Steel Corporation, Limited), EBRO 471 (August 27, 1991: Canadian Pacific

Greenfield Energy Centre Limited Partnership (GEC) applied for a physical bypass of the Union Gas Limited system.² In that case, GEC was constructing a new electricity generating station within Union Gas' service territory but sought to connect to a nearby gas transmission line owned and operated by Vector Pipeline Limited Partnership (a gas transportation system). By doing so, GEC was seeking to "bypass" the incumbent utility's distribution system. Again, that is not the case here.

- 1(i) The services proposed to be provided by Sedum Master's greenhouse facility expansion is a firm service. The proposed annual load is 583,636 m³, with the potential to increase by 20% over the next five years.
- 1(j) Confirmed. Sedum is not seeking to sell gas to anyone.
- 1(k) The facilities that are the subject of this application will only serve Sedum Master's greenhouse facility.

Forest Products Limited), EBRO 477 (May 27, 1993: Cardinal Power of Canada L.P.), and EBC 211 (November 29, 1994: Potter Station Power Co. Ltd.).

² RP-2005-0022/EB-2005-0441/EB-2005-0442/EB-2005-0443/EB-2005-0473 (January 6, 2006).

EGI - 2

2. **Reference:** Sedum Master Application, page 1

“3. Heating for the 2021 Expansion has been temporarily supplied using propane. However, the continued use of propane is not appropriate to support the Expansions. As such, and as described further below, Sedum intends to construct a 4.5 km pipeline (the “Proposed Pipeline”) from a nearby EGI delivery station to the Facility for the transmission of natural gas to the Facility.”

Reference: Sedum Master Application, pages 3 - 4

“13. The installation of the Proposed Pipeline will be made using qualified and licenced contractors in accordance with all applicable standards and under the jurisdiction of the Technical Standards and safety Authority. Sedum will contract with qualified companies for the ongoing operation and maintenance, and any other items for which it does not have expertise and qualifications.”

Questions:

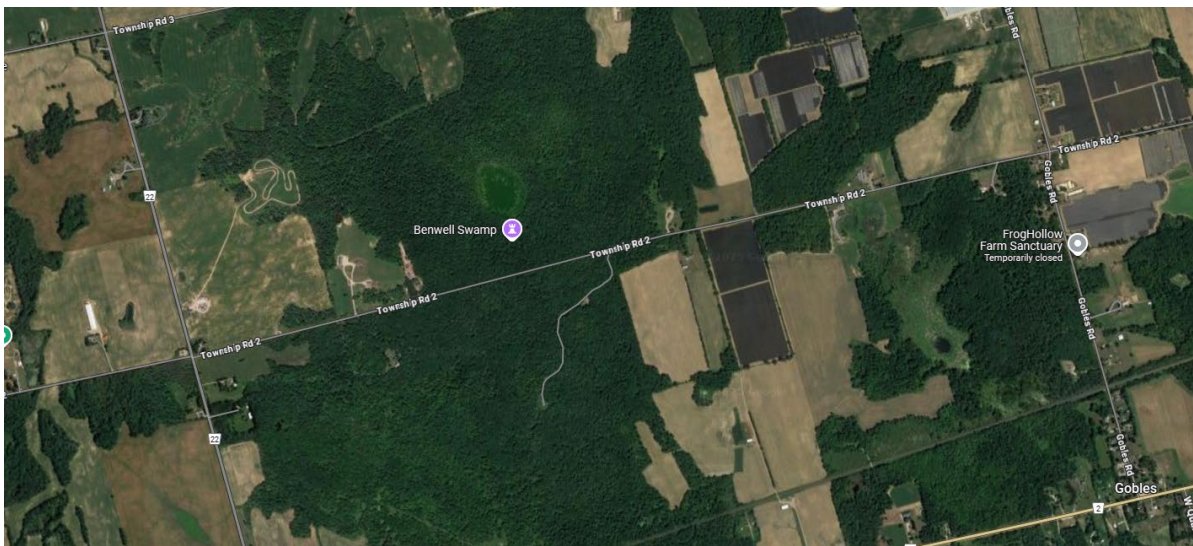
- (a) The attached recent photographs represent Township Road 2 through Benwell Swamp. Please confirm that this is the section of Township Road 2 along which the proposed pipeline will be built.







- (b) Please confirm that the proposed pipeline will be built, at least in part, through an area identified on the attached Google Maps screenshot as the Benwell Swamp.



- (c) Please explain how the proposed project complies with the Ontario Energy Board's [Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Projects and Facilities in Ontario](#).
- (d) Please provide details of any environmental screenings and reviews that have been or will be undertaken related to the proposed pipeline project.

- (e) Please provide details of the experience and qualifications / certifications of the company and individuals that will be building the proposed pipeline and the company and individuals that will be maintaining the pipeline once in operation.
- (f) Please provide details of how the proposed pipeline will be maintained operationally and at a required depth of cover given the proposal to build the pipeline through wetlands area.
- (g) Please provide details of the planned monitoring of the operation of the proposed pipeline.
- (h) Please confirm that none of the options proposed by Enbridge Gas to provide service included building a pipeline through the Benwell Swamp area.
- (i) Please provide details of procurement of the materials needed for the proposed project. For example, the source of the required pipe, whether the specified DR 7 or DR 9 pipe has been acquired, evidence of the integrity of all materials to be used, etc. Please provide details of how the proposed pipeline will be locatable and how you will ensure it can be located after being placed into service.

RESPONSE:

- 2(a) Confirmed. The pictures show the non-maintained section of Township Road 2 along which the proposed pipeline is to be built. The non-maintained road allowance is clearly delineated on the map at Appendix A to the Application.
- 2(b) Confirmed. The proposed pipeline is to be built in the municipality's road right of way, in the centre of the non-maintained portion of the road portion of the route (avoiding the adjacent wetlands).
- 2(c) The Board's *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Projects and Facilities in Ontario* are applicable to "Hydrocarbon Project applications", which are defined as "those that require approval of the OEB under section 90 or 91 of the [Ontario Energy Board Act, 1998](#) (OEB Act), and natural gas storage applications under 36.1(1), 38(1), and 40(1) of the OEB Act." See the Board's website at [Environmental Guidelines for Hydrocarbon Projects and Facilities in Ontario | Ontario Energy Board](#). Also see response to 2(d) below.
- 2(d) The Grand River Conservation Authority (GRCA) has reviewed and approved Sedum Master's application to construct the proposed pipeline. Please refer to Appendix "A" – Grand River Conservation Authority Approval. Sedum is in the process of getting the Approval re-issued (it expired in the fall).
- 2(e) BML Multitrades and Earthworks Contractors will be contracted to build the proposed pipeline. BML Multitrades has over 40 years of experience in industrial process solutions and its staff include G.1 mechanics, 313a mechanics, TSSA registered welders, plumbers and pipefitters. Earthworks Contractors has ten years of experience in public and private utility construction, including vibratory plow, horizontal direction drilling, and excavating installations of private gas lines, telecom, hydro, water, sanitary, and storm.
- 2(f) The Township granted Sedum Master permission to install the proposed pipeline in the centre of the non-maintained road portion of the route to avoid the wetlands area. The balance of the proposed pipeline will be located 1.5m south of the gravel road at a depth of 0.8m (and 1.2m bored under pavement). See response to Enbridge IR 1(c) above.
- 2(g) BML Multitrades will perform quarterly inspections of all above ground pipe and connection. BML will also perform semi-annual pressure testing. See response to Enbridge IR 1(c) above.

- 2(h) Confirmed. As noted above, the GRCA has approved construction through the non-maintained portion of the road.
- 2(i) Given that Sedum will be constructing and paying for the pipeline, procurement details are not relevant to this proceeding. However, to be responsive, Sedum can advise that the 3" DR pipe required for the proposed pipeline will be procured from Sandale Utility Products, located in Brantford, Ontario, and is manufactured in the USA. Earthworks Contractors currently has inventory of 8,000'/2,439m. The lead time for the balance of the pipe is 6-8 weeks. The pipe will be locatable using as builds and locate tracer wire 1245-EHS-5000 – Horizontal Directional Drilling Extra Heavy strength tracer wire designed for HDD applications. Tracer wire, fittings, transitions are all stock items.

EGI - 3

3. **Reference:** Sedum Master Application, page 3

“8. Discussions and negotiations between Sedum and EGI regarding a delivery station location, delivery pressure and quantities continued, and in late January 2021, Sedum received a proposal from EGI, including an estimated capital cost.

9. Since reaching out in 2018, Sedum has amended the parameters of its natural gas needs to include the 2021 Expansion.”

Reference: Sedum Master Application, page 6

“23. Pursuant to subsection 90(1) of the Ontario Energy Board Act, 1998, Sedum is not required to seek leave to construct in order to construct the Project. In particular:

- (a) the Project will not result in the construction of a hydrocarbon line which is more than 20 kilometres in length;*
- (b) the projected cost of the new facilities will not exceed \$2 million; and*
- (c) the Project will have a nominal pipe size of far less than 12 inches and will have an operating pressure of less than 2,000 kilopascals.”*

Questions:

- (a) Please provide details of the total costs being incurred as part of this proposed project to supply the natural gas volumes needed by the expanded greenhouse facility.
- (b) Please provide all documentation associated with the quotes provided to Sedum Master by Enbridge Gas for requested service and required infrastructure.
- (c) Please provide details of the natural gas requirements for the expanded greenhouse facility for the next five years.

RESPONSE:

- 3(a) Please refer to Sedum Master’s response to OEB Staff 3(a).
- 3(b) Sedum Master’s response to OEB Staff 1(d) sets out the chronology of Enbridge quotes.
- 3(c) Please refer to Sedum Master’s response to EGI 1(i).

EGI - 4

4. **Reference:** Sedum Master Application, pages 3 - 5

"12. The Proposed Pipeline will be constructed of NPS 3 DR 9 or DR7 PE4710 high density yellow strip ASTM D2513 API 15 LE CSA B137 approved pipe. Most of the Proposed Pipeline will be installed using directional drilling and plowing so as to keep soil disturbance to a minimum."

[...]

"16. The specifics for the Station are as follows:

- (a) Sedum's contribution in aid of construction for the Station is estimated to be \$247,000+HST.*
- (b) The Station will be constructed within the road allowance of Township Road 2, adjacent to Lot 24, Concession II, Blenheim Township, approximately 200 meters (656') from EGI's Toyota Station.*
- (c) The Station pressure to be supplied will be 883 kPa or 128 psig.*
- (d) The Station will be designed with an hourly capacity exceeding 849 m³ per hour (29.9 Mcfh) and a daily capacity of 20,376 m³ (688 Mcf). Should Sedum's needs expand beyond the designed hourly capacity, EGI has advised a heater will be required at a cost of approximately \$100,000.*
- (e) Subject to the processing of this application, Sedum would make the payment noted in (a) above to EGI by May 14, 2025, which would enable construction of the Station to be completed by October 1, 2025 in accordance with Sedum's needs."*

Questions:

- (a) Please confirm that the proposed polyethylene piping conforms to CSA B137.4 as per the TSSA [Oil and Gas Pipeline Systems Code Adoption Document Amendment](#).
- (b) Please provide confirmation documents showing that the proposed NPS 3 pipeline will safely operate at the required pressure of 128 psig.
- (c) Please describe the joining methods and fittings that will be used to connect sections of the proposed 4.5 km pipeline together.
- (d) Please confirm Sedum Master's understanding that changes to the supply requirements that would require the addition of a heater at the proposed transfer station would result in the transfer station design needing to be reconfigured and its location changed.
- (e) Please explain how Sedum Master will ensure the integrity of the proposed pipeline after installation and before it is placed into service.
- (f) Please confirm what is meant by "an hourly capacity exceeding 849 m³ per hour" when, typically, a transfer station is designed to a certain maximum hourly capacity.

RESPONSE:

Sedum believes that these questions are at a level of detail/specificity that is beyond the scope of this proceeding – or any CPCN proceeding. That said, to be of assistance to the Board, Sedum provides the following:

- 4(a) Confirmed.
- 4(b) Please refer to Sedum Master's response to EGI 4(a).
- 4(c) Connections of the pipe sections will be butt fused conducted by a certified fusion technician. Welded joints will be done by BML Multitrades' TSSA registered pipe welders.

- 4(d) Confirmed.
- 4(e) Please see response to Enbridge 1(c) above. Sedum Master will require BML Multitrades to test the proposed pipeline's integrity.
- 4(f) The application should have stated "an hourly capacity of exceeding 849 m3 per hour".

EGI - 5

5. **Reference:** Sedum Master Application, Appendix C, Resolution

Questions:

- (a) Please provide a copy of the referenced Report CAO-22-14.
- (b) Please confirm whether, in agreeing to enter into the proposed franchise agreement with Sedum Master, the Township of Blandford-Blenheim considers Sedum Master a gas distributor.
- (c) Please provide copies of all correspondence with and notes from meetings with the Township of Blandford-Blenheim about the proposed project since the municipality's resolution was passed on July 6, 2022.
- (d) Please provide details of any public consultations / open houses held related to the proposed project.
- (e) Please confirm that Sedum Master will be paying property taxes on the assets installed pursuant to the proposed project.

RESPONSE:

- 5(a) Please refer to Appendix "B" – Report # CAO-22-14.
- 5(b) Please refer to Sedum's response to OEB Staff 5. The Township of Blandford-Blenheim is satisfied with the form of franchise agreement that provides this clarity.
- 5(c) The Township of Blandford-Blenheim is satisfied with the form of franchise agreement, supportive of the proposed pipeline, and Sedum's expansion.
- 5(d) No public consultations / open houses were held in relation to the proposed project. This is a CPCN application – not a leave to construct.
- 5(e) Not relevant.

EGI - 6

6. **Reference:** Sedum Master Application, Appendices D and E, Proposed Franchise Agreement

Reference: Ontario Energy Board's [Natural Gas Facilities Handbook](#)

Questions:

- (a) Please confirm Sedum Master's understanding that the Ontario Energy Board's Natural Gas Facilities Handbook directs that franchise agreements be based on the Model Franchise Agreement unless there are compelling reasons to deviate from it.
- (b) Please confirm that Sedum Master informed the Township of Blandford-Blenheim that the Ontario Energy Board's Natural Gas Facilities Handbook directs that franchise agreements be based on the Model Franchise Agreement unless there are compelling reasons to deviate from it. Please provide details of when this information was provided to the municipality.
- (c) Please confirm Sedum Master's understanding that the Ontario Energy Board has consistently advised natural gas distributors that they are expected to follow the form of the Model Franchise Agreement when filing applications for the approval of franchise agreements unless there is a compelling reason for deviation.
- (d) Please provide details of the compelling reasons for each of the amendments being proposed by Sedum Master to the Model Franchise Agreement in this application.
- (e) Please provide Sedum Master's opinion on whether the Ontario Energy Board has the authority to impose the unamended terms of the Model Franchise Agreement upon Sedum Master and the Township of Blandford-Blenheim given that this application seeks approval of a franchise agreement under section 9 of the *Municipal Franchises Act*.
- (f) Please confirm whether the Township of Blandford-Blenheim will need to approve a new bylaw if the terms and conditions of the franchise agreement currently forming part of Bylaw 2306-2022 are changed by the Ontario Energy Board to conform to the Model Franchise Agreement (similar to the [franchise agreement currently in place](#) between Enbridge Gas and the Township of Blandford-Blenheim).

RESPONSE:

- 6(a) Confirmed. Please refer to Sedum Master's response to OEB Staff 5.
- 6(b) Please refer to Sedum Master's response to EGI 6(a).
- 6(c) Please refer to Sedum Master's response to EGI 6(a).
- 6(d) Please refer to Sedum Master's response to EGI 6(a).
- 6(e) Opining on the scope of the Board's authority is a matter for legal argument.
- 6(f) This is a legal issue. Sedum and the Township believe that the three clarifying minor changes to the franchise agreement (noted at the response to OEB Staff 5) serve the interests of Sedum, the Township, Enbridge and the Board.

Appendix “A” – Grand River Conservation Authority Approval



Administration Centre: 400 Clyde Road, P.O. Box 729 Cambridge, ON N1R 5W6

Phone: 519-621-2761 Toll free: 1-866-900-4722 Fax: 519-621-4844 www.grandriver.ca

September 20, 2022

The Township of Blandford-blenheim
c/o Jim Borton
47 Wilmot Streert South
Drumbo, ON N0J 1G0

Re: Application for Permission No. 715/22, Pursuant to Ontario Regulation 150/06

The Grand River Conservation Authority approved your application on September 15, 2022. The permit and attached schedules are enclosed. The schedules form part of the permit and describe the work as approved by the Grand River Conservation Authority. Any changes to these plans must be reviewed and approved by Grand River Conservation Authority staff.

Please note that this permission is based on existing information, policies, and practices, and does not bind nor imply that any other permission will be forthcoming. Please review when the permit expires (maximum is 2 years) and keep a copy of the permit on-site.

If you have questions regarding this letter or the conditions described on the permit, please contact Fred Natolochny, Supervisor of Resource Planning at (519) 621-2763, Extension 2229.

Encl.

c.c. Clerk, Township of Blandford-Blenheim
Building Inspector, Township of Blandford-Blenheim
Sedum Master



Permit No. 715/22

Grand River Conservation Authority

Under Ontario Regulation 150/06 made under the Conservation Authorities Act, R.S.O. 1990, Chapter C.27, permission is granted to:

The Township of Blandford-blenheim

Whose address for purposes pertaining to this project is:

47 Wilmot Streert South
Drumbo, ON
N0J 1G0

To execute proposed works in accordance with the following particulars and conditions:

Location of Work: Township Road 2 and Gobles Road
Township of Blandford-Blenheim

Purpose of Work: To install a natural gas line.

This permit is valid from: **September 15, 2022**

And expires on: **September 15, 2024**

The attached Schedules form parts of this permit describing the approved work and must be implemented in order so that the true intent of the permit can be achieved.

The Permittee, by acceptance and in consideration of the issuance of this permit, agrees to the conditions listed on the reverse side of Schedule "A".

Dated at Cambridge, Ontario, this 15th day of September, 2022

GRAND RIVER CONSERVATION AUTHORITY

A handwritten signature in black ink, appearing to read 'Lawson', is written over a horizontal line.

Samantha Lawson,
Chief Administrative Officer



GRCA USE ONLY
APPLICATION NUMBER

Schedule "A" - Application for Development, Interference with Wetlands and Alterations to Shorelines and Watercourses Permit (Pursuant to Ontario Regulation 150/06)

Please read, complete each section as required, attach fee payment and sign and date this application. Payment must be addressed to the Grand River Conservation Authority. Applications can be mailed to:

Grand River Conservation Authority Administration Office
400 Clyde Road, P.O. Box 729, Cambridge, Ontario N1R 5W6
Telephone: 519-621-2761 Fax: (519) 621-4945

Owner's Contact Information:	
Name: Jim Borton	E-mail: jborton@blandfordblenheim.ca
Mailing Address: 47 Wilmot St S	City/Town: Drumbo
Postal Code: N0J 1G0	Business Telephone: 519-463-5347
Residential Telephone: 519-463-5347	Fax: 519-463-5881

Agent/Consultant/Contractor's Contact Information	
Name: Sedum Master	E-mail: edwmagda@gmail.com
Mailing Address: 855217 Gobles Rd	City/Town: Princeton
Postal Code: N0J 1V0	Business Telephone: 519-458-4061
Residential Telephone: 519-754-5030	Fax:

Location of Proposed Work:	
Municipal Address: Township Road 2	
City/Town/Village: Princeton	County/Region: Oxford County
Lot and Concession:	Township: Blandford-Blenheim

Application Type (check which applies). Refer to Fee Schedule on Pages 3 and 4.

- ☒ Minor Development
- ☐ Minor Interference with Wetlands, Alteration to Shorelines and Watercourses
- ☐ Standard Development
- ☐ Standard Interference with Wetlands, Alteration to Shorelines and Watercourses
- ☐ Major Development
- ☐ Major Interference with Wetlands, Alterations to Shorelines and Watercourses

Description of Proposed Work:


The proposed work is for a gas line to be bored through the Township right of way. The Township right of way runs through a GRCA protected area. All work will be on the Township's right of so no GRCA land will be disturbed.

Please Note: This application must include **four (4) folded copies** of each appropriate plan(s) showing the proposed work.

Current Land Use:
Road right of way

Proposed Change in Use (if any):
no change

I declare that I have read and agree to the General Conditions of Permit on the reverse of this form and that all information provided is true.

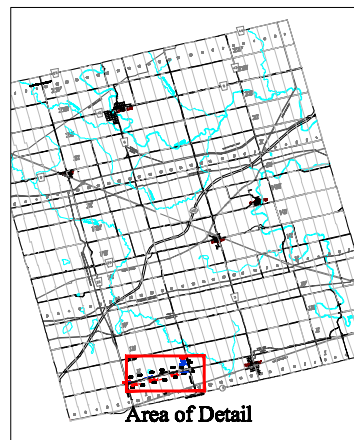
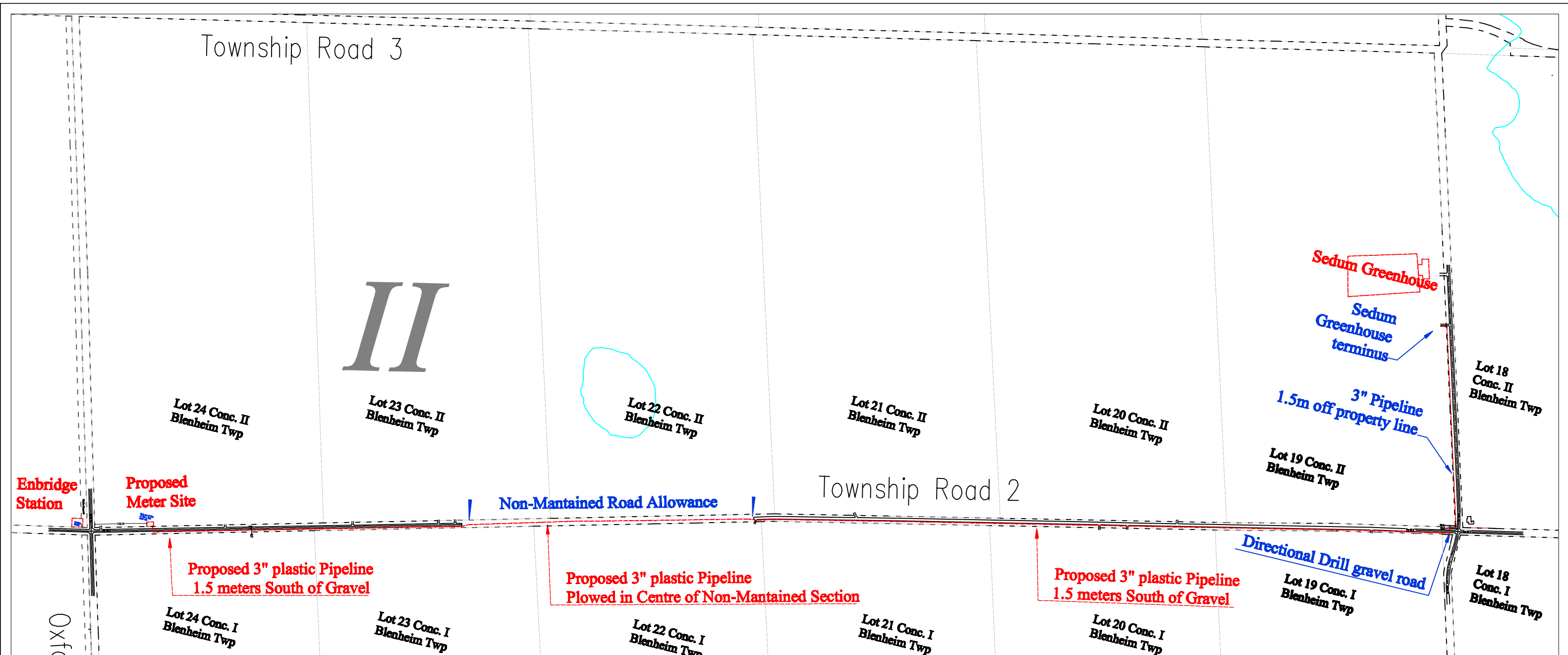
Signature of Owner: 	Date: Sept. 6 2022
Signature of Agent:	Date:

GENERAL CONDITIONS OF PERMIT

1. This permit does not absolve the permittee of the responsibility of obtaining necessary permission from applicable federal and provincial agencies or local municipalities.
2. The permittee agrees by acceptance of the permit:
 - (a) to indemnify and save harmless, the Grand River Conservation Authority and its officers, employees, or agents, from and against all damage, injury, loss, costs, claims, demands, actions and proceedings, arising out of or resulting from any act or omission of the permittee or of any of his agents, employees or contractors relating to any of the particular terms or conditions of this permit.
 - (b) that this permit shall not release the permittee from any legal liability or obligation and remains in force subject to all limitations, requirements and liabilities imposed by law.
 - (c) that all complaints arising from the proposed works authorized under this permit shall be reported immediately by the permittee to the Grand River Conservation Authority. The permittee shall indicate any action which has been taken, or is planned to be taken, with regard to each complaint.
 - (d) to provide certification of conformance to ensure compliance with the intent of the permit. This certification must be provided by an accredited professional and is to be submitted as may be specified in the permit.
3. Authorized representatives of the Grand River Conservation Authority will be granted entry at any time into lands and buildings which are the subject of this permit application in order to make such surveys, examinations, investigations, inspections or other arrangements which such representatives deem necessary.
4. The Grand River Conservation Authority may cancel this permit or may change any of the conditions at any time and without prior notice if it is determined that:
 - (a) the works are not in conformance to the intent of the permission granted;
 - (b) the information presented to obtain a permit is false;
 - (c) the works or method of construction have detrimental impacts on the environment.
5. This permit shall not be assigned (non-transferable).
6. Permits are valid for two years. No notice will be issued on expiration of the permit and it is the responsibility of the permittee to ensure a valid permit is in effect at the time work is occurring.
7. The Grand River Conservation Authority may make copies of Schedule A and materials submitted in conjunction with Schedule A, as required, for the purposes of assessing the proposal and, where approved, to form part of the permit issued.
8. The Grand River Conservation Authority may request that GIS data files be submitted as part of Schedule A, to be used for business purposes pursuant to Regulation 150/06.

NOTICE OF COLLECTION

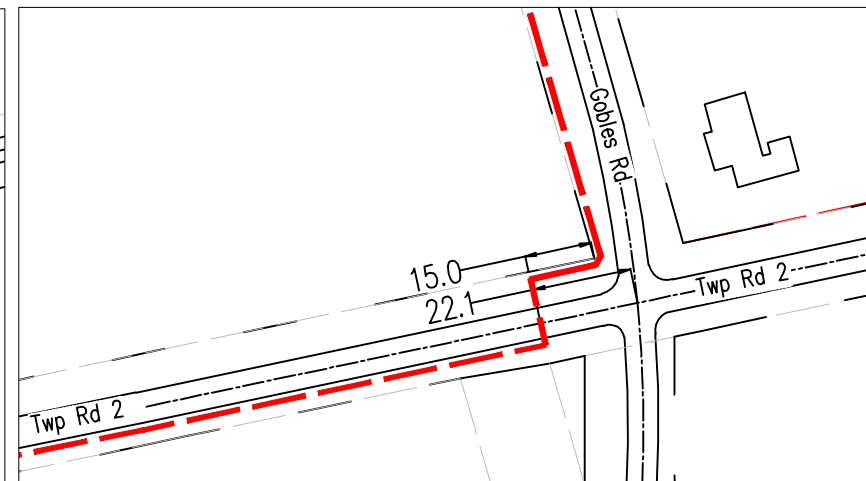
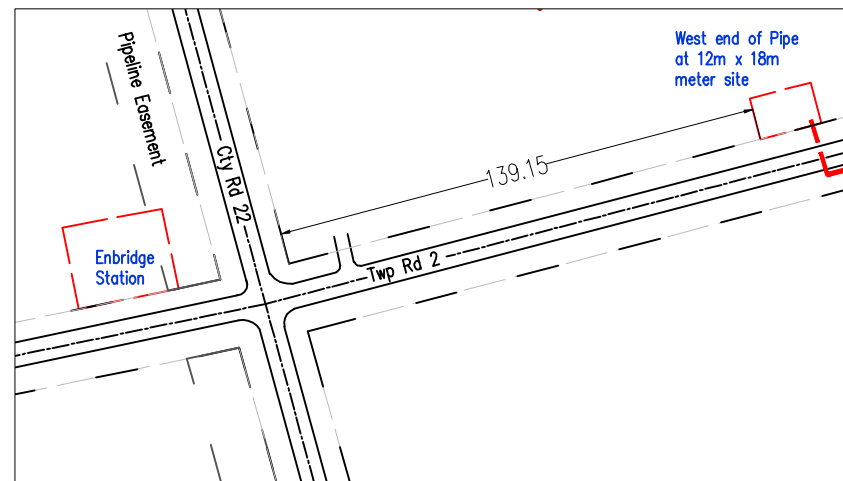
Pursuant to section 29(2) of the Municipal Freedom of Information and Protection of Individual Privacy Act R.S.O 1990, C.M.56 the personal information contained on this form is collected under the legal authority of the Conservation Authorities Act, R.S.O. 1990, c.27, as amended. This information is used to assess applications for and, where approved, issue the Permit. Information on this form may be disclosed to Government and Municipal Agencies for review and comment. The name of the applicant, location of the work and a description of the project may be published in GRCA documents including agendas, reports and meeting minutes which are posted on the GRCA website. Questions about the collection of personal information should be directed to the Freedom of Information Co-ordinator, Administration Division, Grand River Conservation Authority, 400 Clyde Road, P.O. Box 729, Cambridge, Ontario, N1R 5W6, (519) 621-2761.



Note:
4064.0 meters of 3" polyethylene
pipe installed w/ tracer wire

All pipe to be plowed in at a
minimum depth of 0.8m and
bored under pavement at a
depth of 1.2m

Blenheim Twp. Oxford County

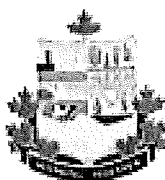


**Sedum Master
Greenhouse Inc.**

**Proposed 3" Gas Pipeline &
Meter Site**
Blandford-Blenheim Twp., Oxford Co.,
Ontario

SCHEDULE B

Appendix “B” – Report # CAO-22-14



TOWNSHIP OF BLANDFORD-BLENHEIM

Agenda Item

To:	Members of Council	From:	Rodger Mordue, CAO/Clerk
Reviewed By:		Date:	June 28, 2022
Subject:	Franchise agreement between Sedum Master Inc. and the Township	Council Meeting Date:	July 6, 2022
Report #:	CAO-22-14		

Recommendation:

That Report CAO-22-14 be received; and,

That Council approves the form of draft by-law and franchise agreement attached to this report and authorizes the submission thereof to the Ontario Energy Board for approval pursuant to the provisions of Section 9 of the Municipal Franchises Act; and,

That Council requests that the Ontario Energy Board make an Order declaring and directing that the assent of the municipal electors to the attached draft by-law and franchise agreement pertaining to the Corporation of the Township of Blandford-Blenheim is not necessary pursuant to the provisions of Section 9 (4) of the Municipal Franchises Act.

Background:

The Township has received a request from Sedum Master Inc. to support its application to the Ontario Energy Board (OEB) to construct a 4.5 km pipeline to connect their greenhouse facility on Gobles Road to the Enbridge Gas Inc. system at the corner of Township Road 2 and County Road 22. The proposed pipeline would run east on Township Road 2 and then north on Gobles Road to their facility.

Analysis/Discussion:

In order for gas distribution companies to operate within a municipality, they must enter into a Franchise Agreement (Agreement) with the municipality. This process is regulated through the OEB who serves as the approval authority for Agreements. The proposed Agreement (attached to this report) is based on the Model Franchise Agreement, which was developed in the early 2000s by a working group of industry and municipal representatives, and addresses matters that protect the interests of both municipalities and the gas distribution companies. The Agreement system is a long-standing measure to regulate gas distribution in Ontario through

the OEB and legislated by the Municipal Franchises Act, 1990 R.S.O., and it should be noted that deviations to the Model Franchise Agreement are typically not approved by the OEB.

Should Council approve the request from Sedum to support its application, the OEB requires that a draft by-law with the proposed Agreement be submitted, along with a resolution of Council approving the draft by-law and Agreement, authorizing a submission to the OEB and requesting that the OEB make an order on Sedum's application. Based on this highly regulated process, Council will be required to provide First and Second Reading of the by-law to authorize the execution of the Agreement, with Third Reading to follow once the OEB has issued an Order approving the application of Sedum.

Financial Considerations:

- N/A

Attachments:

- Draft By-law
- Draft Franchise Agreement with Sedum Master Inc. based on Model Franchise Agreement
- Request for Franchise Agreement
- Ontario Energy Board Gas Franchise Handbook

Respectfully submitted by:

Rodger Mordue
CAO/Clerk