

May 27, 2025

Mr. Ritchie Murray
Acting Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Mr. Murray:

**Re: Sedum Master Inc.
Application for Approval of Franchise Agreement and Limited CPCN
Township of Blandford-Blenheim
Ontario Energy Board File No. EB-2025-0090**

In accordance with Procedural Order No. 1, the following are Enbridge Gas' submissions on the application of Sedum Master.

In its application, Sedum Master is requesting approval of a franchise agreement with and a limited Certificate of Public Convenience and Necessity (CPCN) for the Township of Blandford-Blenheim to allow it to construct a proposed pipeline and supply gas to its expanded greenhouse facility.

While Enbridge Gas acknowledges that the costs to extend our existing infrastructure to provide service to the expanded Sedum Master greenhouse facility is more than the costs for Sedum Master to build its own pipeline, there are concerns, both generally and as the supplier of gas to the proposed Sedum Master system, with respect to confirmation that Sedum Master will be following the same rules and measures expected of any gas distributor in Ontario.

As illustrated by Sedum Master's response to OEB Staff 1(d), since 2016, Union Gas - now Enbridge Gas - has responded to numerous requests from Sedum Master to evaluate a range of design parameters, including peak hourly flow, delivery pressure, and annual volume. These requests have involved exploring multiple connection routes and locations. In response, Enbridge Gas has conducted several engineering design iterations, site visits, meetings, and developed several cost estimates. Each design scenario was distinct, resulting in variability in the estimates ultimately provided to Sedum Master.

Sedum Master has not provided the information as set out by Section 3.8 of the filing requirements in the Ontario Energy Board's (OEB's) *Natural Gas Facilities Handbook* related to applicants who have not previously been granted a CPCN by the OEB.¹ Enbridge Gas is concerned with Sedum Master not describing their technical expertise to develop, construct, operate and maintain the natural gas pipeline proposed in this application. Contrary to Sedum

¹ Sedum Master Response to OEB STAFF- 4

Master's arguments that they are not providing an essential service to the public,² the proposed pipeline will be installed and operated within the municipal right-of-way and the OEB should consider its safe operation as it pertains to the public and the community. Enbridge Gas is concerned with the lack of information on qualifications to install, operate, and maintain a natural gas pipeline, in general, as well as through environmentally sensitive areas.

With respect to the installation of the proposed pipeline, Sedum Master has not provided procedures on its installation methods in accordance with regulatory / code requirements nor has it provided evidence that its installation contractors have the appropriate certification to install a natural gas pipeline. Furthermore, there is no evidence who has designed the pipeline to meet the operating pressures and who will certify that the installation meets regulatory / code requirements. Sedum Master believes the questions asked in EGI-4 are beyond the scope of a CPCN proceeding, however, Enbridge Gas is concerned with Sedum Master's ability and their contractor's qualifications to safely design, construct, operate and maintain a natural gas distribution pipeline in accordance with [Ontario Regulation 210 /01: Oil and Gas Pipeline Systems](#) and CSA Z662-23 (Oil and Gas Pipeline Systems).

With respect to its operations, Sedum Master has not provided specific evidence related to its licence to distribute natural gas from the Technical Safety Standards Authority (TSSA), how it is compliant with the TSSA's [Pipeline Compliance Standard Summary Checklist](#), its emergency response procedures nor its pipeline integrity management plans.³

Sedum Master should be required to ensure that these documents are available to the OEB and the public, as is required of any regulated gas distributor in Ontario, before a Decision and Order is issued in this proceeding.

Sedum Master notes that the construction schedule for the proposed pipeline is dependent upon the timing of the OEB decision in this proceeding, the timing of any subsequent governmental approvals and Enbridge Gas' construction schedule for the proposed transfer station.⁴ As we have previously informed Sedum Master, construction of the transfer station will not be initiated until all permit and regulatory requirements are satisfied, including OEB approval of the Sedum Master application, and a contribution in aid of construction (CIAC) payment is received from Sedum Master. This includes proof that the franchise agreement approved by the OEB has been fully executed by the Township of Blandford-Blenheim, a gas distributor license has been issued by the TSSA, an updated permit has been issued by the Grand River Conservation Authority (GRCA), and that Sedum Master is fully compliant with the Gas Distribution Access Rule (GDAR). Enbridge will not accept the CIAC until all the other requirements are met.

Enbridge Gas notes that Sedum Master does not believe that it is subject to the requirements under the GDAR.⁵ According to the *Ontario Energy Board Act*, "distributor" means a person who owns or operates a distribution system and "gas distributor" means a person who delivers gas to a consumer. Enbridge Gas submits that both of these definitions apply to Sedum Master with respect to the proposed project so all requirements of the GDAR apply to the operation of the proposed pipeline.

² Sedum Master Response to OEB STAFF- 4

³ Sedum Master Response to EGI-1(c)

⁴ Sedum Master Response to OEB STAFF- 1(f)

⁵ Sedum Master Response to EGI-1(e)

Enbridge Gas disagrees with Sedum Master's argument that its application is not considered a bypass of Enbridge Gas' system. Since 1986, the OEB has reviewed several applications involving the role of bypass within the natural gas industry. Historically, bypass has arisen in two forms: economic bypass and physical bypass. EBRO 410-I / EBRO 411-I / EBRO 412-I was the first proceeding addressing the "factual and legal" issues concerning bypass. As is noted by Sedum Master, in the 2005 proceeding reviewing Greenfield Energy Centre's leave to construct and CPCN application,⁶ the OEB outlined definitions of economic and physical bypass:

- Economic bypass was defined as a situation where a customer may seek and obtain a bypass competitive rate from the utility with the approval of the OEB.
- Physical bypass was characterized as the construction and use of a facility other than that of the distributor with a franchise to distribute gas in the territory. The end user would employ an alternative pipeline other than that being offered by the existing distributor in order for the end user to bypass the service of the LDC.

Enbridge Gas considers Sedum Master's proposed project as a physical bypass of the Enbridge Gas system and this application should be regarded and considered as such.

Sedum Master refers to the GRCA approving its application to construct the proposed pipeline. The documentation provided by Sedum Master consisted of a permit granted to the Township of Blandford-Blenheim to install a natural gas pipeline on Township Road 2 and Gobles Road through a GRCA protected area.⁷ This permit expired 8 months ago (September 15, 2024) and Sedum Master indicates that it is in the process of getting the permit re-issued. It is not clear to Enbridge Gas why the Township of Blandford-Blenheim is the applicant for such a permit given that Sedum Master will construct and own the pipeline. As noted above, Enbridge Gas will need to receive evidence of the issuance of an updated permit before initiating construction of the transfer station.

Given the potential for flooding in this GRCA protected area, Enbridge Gas is concerned that Sedum Master has not provided any evidence 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 that may be subject to flooding.⁸

Enbridge Gas notes that the franchise agreement proposed by Sedum Master (Application Appendix D) has alternative wording from that approved by the OEB pursuant to the RP-1999-0048 Report to the Board. Any franchise agreement approved for Sedum Master should conform to the Model Franchise Agreement unless justification can be provided for any amendment. Enbridge Gas submits that the proposed amendments are not justified by assuming that the alternative wording does not alter the substantive terms of the Model Franchise Agreement.⁹ The OEB has repeatedly confirmed its longstanding policy position that any discussion of generic changes to the Model Franchise Agreement is not in scope within the review of an application for the approval of one specific franchise agreement.¹⁰

⁶ RP-2005-0022 / EB-2005-0441 / EB-2005-0442 / EB-2005-0443 / EB-2005-0473 - Decision and Order (January 6, 2006)

⁷ Sedum Master Response to EGI-2(d)

⁸ Sedum Master Response to EGI-2(f)

⁹ Sedum Master Response to OEB STAFF-5

¹⁰ EB-2024-0134 - Procedural Order No. 2, September 6, 2024; EB-2025-0058 - Procedural Order No. 1, March 13, 2025.

Sedum Master has not provided compelling reasons for each of the amendments being proposed by Sedum Master to the Model Franchise Agreement in this application.¹¹

Sedum Master declined to provide any correspondence with and notes from meetings with the Township of Blandford-Blenheim about the proposed project since the municipality's resolution was passed almost 3 years ago (July 6, 2022).¹² Enbridge Gas questions whether the municipality has been kept informed on issues being raised as part of this proceeding and the concerns about the amendments being requested to the Model Franchise Agreement.

With respect to the limited CPCN for the Township of Blandford-Blenheim contained in Appendix F to the Application, Enbridge notes that the CPCN description does not include a limitation on the width of the right-of-way to which Sedum Master's CPCN rights will be limited and does not appear to include all areas to which Sedum Master would like the CPCN to apply.¹³ Sedum Master's proposed pipeline is within the same municipal road-allowance, and may cross over/under, Enbridge Gas' existing distribution network.

Enbridge Gas notes that the map provided by Sedum Master at Appendix A of its Application fails to provide the details required for franchise agreements and CPCNs pursuant to the OEB's *Natural Gas Facilities Handbook*.¹⁴ Sedum Master has not provided any explanation of how granting the requested CPCN is in the public interest with respect to the public interest criteria typically used by the OEB.

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

Yours truly,

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¹¹ Sedum Master Response to EGI-6(d)

¹² Sedum Master Response to EGI-5(c)

¹³ Sedum Master Response to OEB STAFF- 1

¹⁴ Natural Gas Facilities Handbook, Section 2.4 – 3(b) and Section 3.7 – 4(b).