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500 Consumers Road,
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June 1, 2026

VIA EMAIL and RESS

Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario, M4P 1E4

Dear Ritchie Murray:

**Re: Enbridge Gas Inc. (“Enbridge Gas”)
Ontario Energy Board (“OEB”) File No.: EB-2023-0200
Sandford Community Expansion Project (“Project”)**

On July 4, 2024, the OEB issued its Decision and Order for the above noted proceeding which included, as Schedule A, several Conditions of Approval.

Per Condition of Approval 6 and 7 (b) in the Decision and Order, Enbridge Gas is to provide the OEB with a post construction financial report concurrent with the final monitoring report referred to in Condition of Approval 7 (b) no later than fifteen months after the in-service date, or, where the deadline falls between December 1 and May 31, the following June 1. Find enclosed the final monitoring report and the post construction financial report for the above-mentioned project.

Please contact me if you have any questions.

Yours truly,

Olatunbosun Ishola

Olatunbosun Ishola,
Advisor, Regulatory Applications – Leave to Construct

Sandford Community Expansion Project Final Monitoring Report EB-2023-0200

FINAL REPORT

May 28, 2026

Prepared for:
Enbridge Gas Inc.
101 Honda Blvd.
Markham, Ontario L6C 0M6

Prepared by:
Stantec Consulting Ltd.
300W-675 Cochrane Drive
Markham, ON L3R 0B8

Project/File:
160951549



Limitations and Sign-off

The conclusions in the Report titled Sandford Community Expansion Project Final Monitoring Report EB-2023-0200 are Stantec's professional opinion, as of the time of the Report, and concerning the scope described in the Report. The opinions in the document are based on conditions and information existing at the time the scope of work was conducted and do not consider any subsequent changes. The Report relates solely to the specific project for which Stantec was retained and the stated purpose for which the Report was prepared. The Report is not to be used or relied on for any variation or extension of the project, or for any other project or purpose, and any unauthorized use or reliance is at the recipient's own risk.

Stantec has assumed all information received from Enbridge Gas Inc. (the "Client") and third parties in the preparation of the Report to be correct. While Stantec has exercised a customary level of judgment or due diligence in the use of such information, Stantec assumes no responsibility for the consequences of any error or omission contained therein.

This Report is intended solely for use by the Client in accordance with Stantec's contract with the Client. While the Report may be provided to applicable authorities having jurisdiction and others for whom the Client is responsible, Stantec does not warrant the services to any third party. The report may not be relied upon by any other party without the express written consent of Stantec, which may be withheld at Stantec's discretion.

Prepared by:  Digitally signed by
Revak, Chris
Date: 2026.05.28
09:50:14 -04'00'

Signature

Chris Revak, B.Sc., CISEC
Senior Environmental Scientist

Printed Name and Title

Reviewed by: **Reeves,
Brent**  Digitally signed by
Reeves, Brent
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Signature

Brent Reeves, B.A. Hon., CISEC
Environmental Scientist

Printed Name and Title

Approved by:  Digitally signed by
Knight, Mark
Date: 2026.05.28
10:49:08 -04'00'

Signature

Mark Knight, MA, RPP, MCIP
Principal Environmental Planner
Practice Lead, Environmental Services

Printed Name and Title



Executive Summary

Enbridge Gas Inc., doing business as Enbridge Gas Ontario, (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) under section 90 of the Ontario *Energy Board Act*, 1998, S.O. 1998, c. 15, Schedule B for an order granting leave to construct of approximately 13.5 kilometers of 2-inch and 4-inch Nominal Pipe Size polyethylene natural gas pipeline and associated facilities to supply natural gas to the Village of Sandford and residents along the alignment (the Project). The pipeline was located primarily in the road allowance of Concession 6, Sandford Road and along municipal roads in the Village of Sandford located in the Township of Uxbridge, Ontario. The OEB issued Leave to Construct (LTC) for the Project on July 4, 2024, subject to the *Conditions of Approval (COA)* contained in *Schedule A - Decision and Order* in the *EB-2023-0200 (OEB 2024)* proceeding.

As part of the LTC COA, Enbridge Gas is required to complete a *Final Monitoring Report* to be filed to the OEB within fifteen (15) months of the in-service date or, where the deadline falls between December 1 and May 31, the following June 1. As reported to the OEB, the Project's in-service date was November 4, 2024, making the filing date for the *Final Monitoring Report* June 1, 2026, as per condition 7. b) of *Schedule A - Decision and Order - Enbridge Gas Inc. - EB-2023-0200 - COA*.

This *Final Monitoring Report* summarizes the following:

- The success of mitigation measures and the conditions of the rehabilitated land.
- The monitoring programs conducted in support of the construction of the Project.
- Complaints or issues received by Enbridge Gas since the filing of the *Post Construction Report* and/or any outstanding complaints or issues in the *Post Construction Report*.
- Outstanding commitments and monitoring.

Currently the right-of-way (ROW) is in a stable state with successful germination resulting in limited potential for erosion or off-site sedimentation and/or other potential impacts. Site monitoring was conducted along various locations in the spring of 2026 (April 14, 2026). The restoration of the pipeline ROW was completed in fall 2024. No supplemental restoration was required in 2025.

Based on the observations from the spring 2026 site visit and that there have not been concerns or complaints received by Enbridge Gas from residents along the ROW or stakeholders, no significant residual or cumulative effects on environmental and/or socio-economic features are anticipated from the construction of the Project.



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Abbreviations

CHR	Cultural Heritage Resource
CHL	Cultural Heritage Landscapes
COA	Conditions of Approval
EI	Environmental Inspector
Enbridge Gas	Enbridge Gas Inc.
EPP	Environmental Protection Plan
ER	Environmental Report
HDD	horizontal directional drilling
km	kilometers
LTC	Leave to Construct
NPS	nominal pipe size
OEB	Ontario Energy Board
ROW	right-of-way
Stantec	Stantec Consulting Ltd.
ZOI	Zone of Influence



1 Introduction

Enbridge Gas Inc., doing business as Enbridge Gas Ontario, (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) under section 90 of the Ontario *Energy Board Act*, 1998, S.O. 1998, c. 15, Schedule B for an order granting leave to construct of approximately 13.5 kilometers (km) of 2-inch and 4-inch Nominal Pipe Size (NPS) polyethylene natural gas pipeline and associated facilities to supply natural gas to the Village of Sandford and residents along the alignment (the Project).

The pipeline was located primarily in the road allowance of Concession 6, Ball Road, Sandford Road and along municipal roads in the Village of Sandford located in the Township of Uxbridge, Region of Durham, Ontario. The OEB issued Leave to Construct (LTC) for the Project on July 4, 2024, subject to the *Conditions of Approval* (COA) contained in *Schedule A - Decision and Order* in the *EB-2023-0200* proceeding. See **Appendix A** for an overview map of the Project.

As part of the *LTC COA*, Enbridge Gas is required to complete a *Final Monitoring Report* to be filed with the OEB within three months of the in-service date and a *Final Monitoring Report* within 15 months of the in-service date, or on June 1 if the deadline falls between December 1 and May 31. As reported to the OEB, the Project's in-service date was November 4, 2024, making the filing date for the *Final Monitoring Report* June 1, 2026, as per condition 7. b) of *Schedule A - Decision and Order - Enbridge Gas Inc. - EB-2023-0200 - COA*.

1.1 Scope

This *Final Monitoring Report* has been prepared to adhere to the *EB-2023-0200 Decision and Order* (OEB 2023). It describes the reporting requirements upon completion of the Project and reports on the environmental conditions of the Project right-of-way (ROW) up to April 14, 2026.

The scope of this *Final Monitoring Report* addresses requirements outlined in the *EB-2023-0200 Decision and Order*, specifically:

1. *Enbridge Gas Inc. shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2023-0200 and these Conditions of Approval...*
4. *Enbridge Gas Inc. shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review...*
7. *Both during and after construction, Enbridge Gas Inc. shall monitor the impacts of construction, and shall file with the OEB one electronic (searchable PDF) version of each of the following reports:*
 - a) *a post construction report, within three months of the in-service date, which shall:*
 - i. *provide a certification, by a senior executive of the company, of Enbridge Gas Inc.'s adherence to Condition 1*
 - ii. *describe any impacts and outstanding concerns identified during construction*



Sandford Community Expansion Project Final Monitoring Report EB-2023-0200

1 Introduction

May 28, 2026

- iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction*
 - iv. include a log of all complaints received by Enbridge Gas Inc., including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions*
 - v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licenses, and certificates required to construct, operate, and maintain the proposed project*
- b) a final monitoring report, no later than fifteen months after the in-service date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:*
- i. provide a certification, by a senior executive of the company, of Enbridge Gas Inc.'s adherence to Condition 4*
 - ii. describe the condition of any rehabilitated land*
 - iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction*
 - iv. include the results of analyses and monitoring programs and any recommendations arising therefrom*
 - v. include a log of all complaints received by Enbridge Gas Inc., including the date/time the complaint was received; a description of the complaint; any actions taken to address the complaint; and the rationale for taking such actions*

The full *EB-2023-0200 Decision and Order* can be found in Error! No bookmark name given.



2 Executive Certification

To address condition 7(b)(i) within the *EB-2023-0200 Decision and Order - COA*, **Appendix C** provides a certification, by a senior executive of the company, of Enbridge Gas' adherence to Condition 4.



3 Mitigation Measures and Compliance

To address condition 7(b)(iii) within the *EB-2023-0200 Decision and Order - COA* “describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction”; the following section outlines the effectiveness of the mitigation measures implemented during construction. Mitigation measures were implemented as required to reduce the potential for environmental and socio-economic effects from construction of the Project and to identify and rectify any deviations from the proposed mitigation measures initially identified in the *Environmental Report* (WSP 2023).

3.1 Pipeline and Facilities Construction

Appropriate mitigation measures were established during construction for the Project to reduce the potential for impacts. All on-site personnel completed project-specific environmental orientation training to become familiarized with environmental features and developed mitigation. Communication and regularly scheduled meetings (weekly) during construction between Enbridge Gas supervisory and inspection staff, the Contractor and the environmental inspector (EI), was key to review proposed work, understand responsibilities, plan and schedule monitoring requirements, and discuss opportunities for the reduction of potential adverse environmental effects.

Primary mitigations included installing the pipeline within the previously disturbed road ROW, avoiding the clearing of shrubs and trees, installing the pipeline via horizontal directional drilling (HDD) and scheduling the pipeline work to be completed in late summer/fall to reduce the potential for interaction with wildlife and species at risk during sensitive breeding/roosting windows. By reducing construction to near the end of terrestrial animal restricted activity periods, direct impacts and/or interactions with wildlife was generally avoided. If the restricted activity periods could not be avoided, appropriate surveys were completed prior to construction to further limit potential interactions.

Since most of the pipeline was installed via HDD, including across all wetland and watercourse crossings along the alignment, the potential for surface vegetation and wetland/watercourse disturbances were significantly reduced to isolated locations along the ROW outside of these sensitive features. Mitigation measures within the *Environmental Protection Plan* (EPP; WSP 2024a) were implemented as stated including setting back entry and exit pits a minimum of 30 m from watercourses, wetlands, and other sensitive features where possible, and did not encroach within 15 m of potential fisheries watercourses as per DFO (2022). Surface disturbances were reclaimed as soon as feasibly possible in 2024. No additional surface improvements were required in 2025 or 2026.

3.2 Local By-Law Issues and Non-Compliances

Since summer 2024 when the Project construction commenced, Enbridge Gas did not record any by-law issues or non-compliances. Frequent contact was maintained with the local municipalities as a best practice. Sensitive and regulated areas were clearly marked in the field and appropriate training (*EPP* and *Environmental Alignment Sheets*) was provided to the Contractor and field inspectors. No non-



Sandford Community Expansion Project Final Monitoring Report EB-2023-0200

3 Mitigation Measures and Compliance

May 28, 2026

conformances or non-compliances with the EPP or environmental permits occurred during the construction phase of the Project.



4 Construction Monitoring Programs

To address condition 7(b)(iv) within the *EB-2023-0200 Decision and Order - COA* “include the results of analyses and monitoring programs and any recommendations arising therefrom,” the following section outlines the results of analyses and monitoring programs and any recommendations resulting from the monitoring programs. Mitigation monitoring was employed in the following ways:

- Enbridge Gas employed field inspectors throughout construction to monitor contractor activities and ensure the pipeline was constructed in accordance with applicable designs, specifications and regulations.
- Environmental inspection was conducted to remain in compliance with conditions and recommendations in the Project’s *Environmental Report (WSP, 2023)* and *EPP (WSP, 2024a)* and to reduce potential impacts that may result during construction.
- Breeding bird nest surveys were completed in advance of construction activities in accordance with the *Migratory Bird Convention Act*.
- Vibration monitoring of identified cultural heritage resources was conducted during construction in accordance with recommendations from the Project’s *Cultural Heritage: Existing Conditions and Preliminary Impact Assessment Report (WSP 2024b)*.

Enbridge Gas implemented two primary construction monitoring programs to monitor potential effects during construction of the Project. The monitoring programs for the Project focused on areas where the *Environmental Report (WSP 2023)* identified potential interactions with the environment to assess potential impacts that may result during construction. This section describes the monitoring programs implemented during construction of the Project along with a general discussion of the results of each program.

4.1 Environmental Inspection Program

Enbridge Gas retained Stantec Consulting Ltd. (Stantec) to provide a trained EI that was a Certified Inspector of Sediment and Erosion Control. The EI conducted regularly scheduled inspections during construction as well as additional inspections during and after major weather events or when construction was occurring near sensitive environmental features, as conditions arose.

The EI’s main responsibilities were to:

- Assist Enbridge Gas and the contractor in being compliant with environmental commitments, undertakings and conditions of environmental permits and approvals.
- Communicate to workers and inspectors the environmental sensitivities and permit requirements for the site when the EI was not on-site.



- Observe and document that mitigation and protection measures were being implemented and maintained to be effective and/or provide direction should the mitigation and protection measures be insufficient.
- Observe and document that work was completed in accordance with regulatory commitments and applicable environmental regulations, as well as Enbridge Gas policies, procedures, and specifications.
- Provide onsite monitoring of HDD activities when necessary.

Since pipeline construction occurred within the road allowance, weekly or twice weekly EI visits were determined to be suitable to assist in confirming that construction staff adhered to environmental commitments during construction activities.

4.2 Vibration Monitoring

A Cultural Heritage: Existing Conditions and Preliminary Impact Assessment Report was prepared by WSP (2024b) and included an initial screening of Cultural Heritage Resources (CHR) and Cultural Heritage Landscapes (CHL) within a 50 m buffer of the ROW. Heritage resources within the 50 m buffer were identified by a qualified cultural heritage specialist. The results of the assessment determined that there are 23 CHR and 15 CHLs for a total of 38 potential cultural heritage resources within 50 m of the ROW.

A vibration zone of influence (ZOI) study was completed for the local ground conditions to identify a potential ZOI which was determined to be 7 m based on the vibrations emitted during drilling. WSP then compared the ZOI to the distance between the heritage resource and construction footprint to determine if vibration monitoring was required. WSP identified four CHRs considered to be potentially susceptible to vibration impacts based on the calculated ZOI.

Landowners were contacted to request participation in vibration monitoring and pre/post-construction condition surveys within their property. Vibration monitoring was carried out on the four properties, and a pre/post-construction condition survey was completed on one property based on landowner's consent. Vibration monitoring values at the CHRs did not exceed recommended vibration thresholds at three of the monitoring locations and there were no changes in the defects previously documented in the pre-construction survey on the one property. One single reading was recorded marginally above the vibration threshold. The sensor was approximately 0.5 m from the alignment with the CHR approximately 7 m from the alignment. Since vibration attenuates with distance, the vibration level at the CHR was anticipated to be less than the vibration threshold (WSP 2025).

No additional concerns were identified by the landowners or residents of the properties since construction was completed in November 2024.



5 Stakeholder Relations and Complaint Management

To address condition 7(b)(v) within the *EB-2023-0200 Decision and Order - COA* for the Project, the following section includes:

- the complaint tracking, management, and resolution process,
- date/time the complaint was received,
- a description of the complaint,
- any actions taken to address the complaint, and
- the rationale for taking such actions.

Design and construction schedules were made available throughout construction to interested parties, as necessary.

Agencies and stakeholders that Enbridge Gas continued to work closely with included the Township of Uxbridge, the Region of Durham, Indigenous communities, and Lake Simcoe Region Conservation Authority. Enbridge Gas also coordinated closely with utility companies and adjacent landowners on various aspects of the Project, as needed.

5.1 Recording and Response Process

When a complaint was received, Enbridge Gas recorded and tracked the activities leading to the resolution of the complaint. The process involved recording the correspondence between the complainant and Enbridge Gas as efforts were made to reach a resolution. Correspondence included phone calls, voicemails, emails and in-person meetings. Actions to reach a resolution were tracked and followed up by Enbridge Gas to confirm resolution.

5.2 Summary of Complaints

Enbridge Gas maintained a Complaints and Resolutions Log for the duration of the construction period for the Project (**Appendix E E**). The log was used to track complaints received and the correspondence and actions executed to resolve the complaints. This log is a living document in which content is added as complaints, actions and resolutions are managed.

During the preparation and construction phases of the Project, twelve (12) recorded questions/complaints were received by Enbridge Gas. These questions and complaints generally related to the following issues:

- Overall concerns with the Project
- Potential disruptions to natural features on the resident's property



Sandford Community Expansion Project Final Monitoring Report EB-2023-0200

5 Stakeholder Relations and Complaint Management

May 28, 2026

- Fraudulent phone calls received by resident
- Potential disruptions to resident's operations during construction
- Safety concerns
- Poor or not completed restoration
- Inadequate information and/or billing concerns

Complaints/questions were addressed as quickly as possible. As of May 31, 2026, there are no unresolved complaints/questions and there have been no additional comments or concerns since the filing of the *Post Construction Report* on January 30, 2025.



6 Current Condition of the Right-of-Way

To address condition 7(b)(ii) within the *EB-2023-0200 Decision and Order – COA “describe the condition of any rehabilitated land,”* this section describes the rehabilitated condition of the Project ROW.

ROW restoration was proactive throughout construction and included topsoil amendments to any disturbed areas and seeding. Restoration occurred throughout late summer and fall of 2024 to stabilize the ROW where surface disturbance occurred because of construction. Where applicable, disturbed areas were stabilized with the use of erosion and sediment control measures (i.e., sediment fence or soxx) to limit the potential for erosion and/or off-site sedimentation during heavy precipitation events while vegetation established and stabilized the ROW.

Overall, the ROW is in good condition and vegetation has been well established and stabilized throughout the ROW (see **Appendix D** for Photos). At the time of the site visit on April 14, 2026, there was significant deposition of sand and gravel in the ditches from winter road maintenance activities. Areas throughout the ROW had significant build-up of granular material which has migrated down gradient in some instances and resulted in deposition and accumulation of sediment. These issues did not appear to be the result of exposed soil and/or erosion from the Project but rather from the build up of sediment from road maintenance and the subsequent erosion of these loose granular materials.

No areas of settlement were observed in 2026. There were no stability concerns or sedimentation risks observed at either wetlands or watercourses along the ROW. Areas which do not have full vegetation establishment are expected to re-seed naturally over time.

Based on the current conditions of the ROW, no further deficiencies, impacts or liabilities are anticipated. However, Enbridge Gas is committed to reclaiming areas of landowner or stakeholder concerns and will address any complaints should they arise going forward.



7 Outstanding Commitments

There are currently no outstanding commitments for Enbridge Gas to complete. Currently the ROW has been permanently stabilized to pre-construction conditions including those locations identified in the *Post Construction Report*. All areas where active settling and/or poor germination was previously identified has been resolved through grading, hydroseeding or natural revegetation. There are no stability concerns or erosion/sedimentation risks observed at either wetlands or watercourses along the ROW and there are no outstanding complaints. Therefore, there are no significant residual or cumulative effects on environmental and/or socio-economic features anticipated from the completion of the Project.



8 References

Fisheries and Oceans Canada (DFO). 2022. *DFO and Enbridge Gas Inc. Agreement Related to Watercourse Crossings for Pipeline Construction and Maintenance in Ontario*. Agreement between DFO and Enbridge Gas Inc. March 2022.

Lake Simcoe Region Conservation Authority (LSRCA). 2023a. *Permit No. UP.2023.038*. Issued on October 19, 2023.

LSRCA. 2023b. *Permit No. UP.2023.045*. Issued on December 6, 2023.

Ontario Energy Board (OEB). 2023. *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario 8th Edition*.

OEB. 2024. *Decision and Order EB-2023-0200 Enbridge Gas Inc. Application for Leave to Construct Sandford Community Expansion Project*. July 4, 2024.

WSP. 2023. *Sandford Community Expansion Project – Environmental Report*. Prepared by WSP Canada Inc.

WSP. 2024a. *Sandford Community Expansion Project Environmental Protection Plan*. Prepared by WSP Canada Inc.

WSP. 2024b. *Sandford Community Expansion Project – Cultural Heritage: Existing Conditions and Preliminary Impact Assessment Report*. Prepared by WSP Canada Inc.

WSP. 2025. *Technical Memorandum: Vibration Monitoring of Horizontal Directional Drilling (HDD) for Enbridge Gas Inc.* Prepared by WSP Canada Inc.

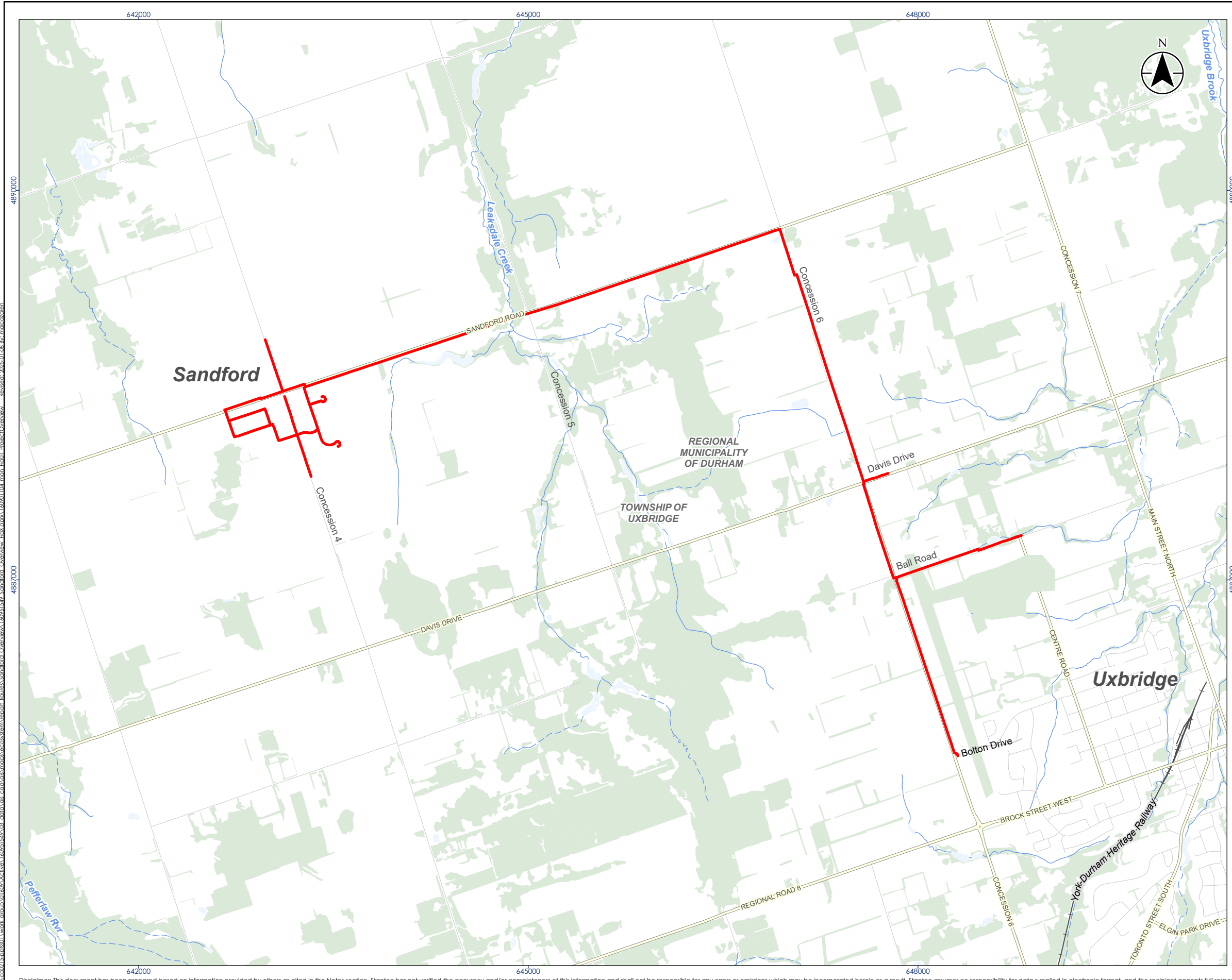


Appendices

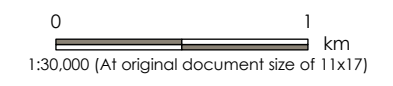


Appendix A Figures

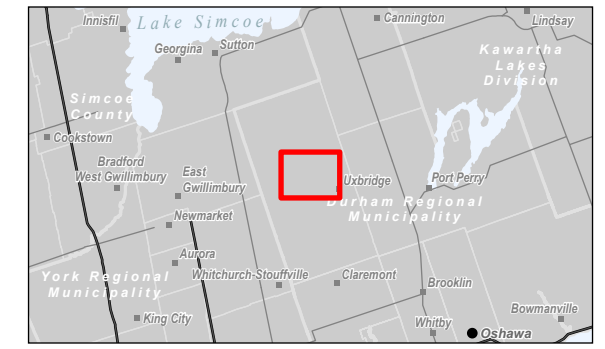




- Legend**
- Project Route
 - Major Road
 - Minor Road
 - Railway
 - Watercourse (Intermittent)
 - Watercourse (Permanent)
 - Waterbody
 - Wooded Area



- Notes**
1. Coordinate System: NAD 1983 UTM Zone 17N
 2. Contains information licensed under the Open Government Licence – Ontario.



Project Location: Regional Municipality of Durham
 Prepared by MDA on 2025-01-08
 Technical Review by JW on 2024-12-24

Client/Project: ENBRIDGE GAS INC. SANDFORD COMMUNITY EXPANSION PROJECT

Figure No. **1**

Title: **Project Overview**

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Appendix B **Schedule A Decision and Order**
EB-2023-0200





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

DECISION AND ORDER

EB-2023-0200

ENBRIDGE GAS INC.

**Application for Leave to Construct Sandford Community
Expansion Project**

BEFORE: Robert Dodds
Presiding Commissioner

Michael Janigan
Commissioner

David Sword
Commissioner

July 4, 2024



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1 INTRODUCTION AND SUMMARY

Enbridge Gas Inc. (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) under section 90 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, (Schedule B) (OEB Act), for an order granting leave to construct approximately 13 kilometres of natural gas pipeline and associated facilities in the Community of Sandford in the Township of Uxbridge.

The proposed natural gas pipelines (Project) consist of:

- 4.9 kilometres of nominal pipe size (NPS) 2-inch polyethylene (PE) distribution pipeline
- 8.4 kilometres of NPS 4-inch PE distribution pipeline

According to Enbridge Gas, the Project is needed to supply natural gas to approximately 183 forecasted customers who currently do not have access to natural gas service. The Project was selected as eligible to receive funding from Phase 2 of the Ontario Government's Natural Gas Expansion Program (NGEP).¹

Enbridge Gas also applied under section 97 of the OEB Act to the OEB for approval of the form of land-use agreements it offers to landowners affected by the routing or location of the Project.

Enbridge Gas is also seeking an Order pursuant to section 8 of the *Municipal Franchises Act* cancelling and superseding the existing Certificates of Public Convenience and Necessity held by Enbridge Gas for the former Town of Uxbridge, the former Township of Uxbridge and the former Township of Scott and replacing them with a single Certificate of Public Convenience and Necessity to construct works to supply natural gas in the Township of Uxbridge.

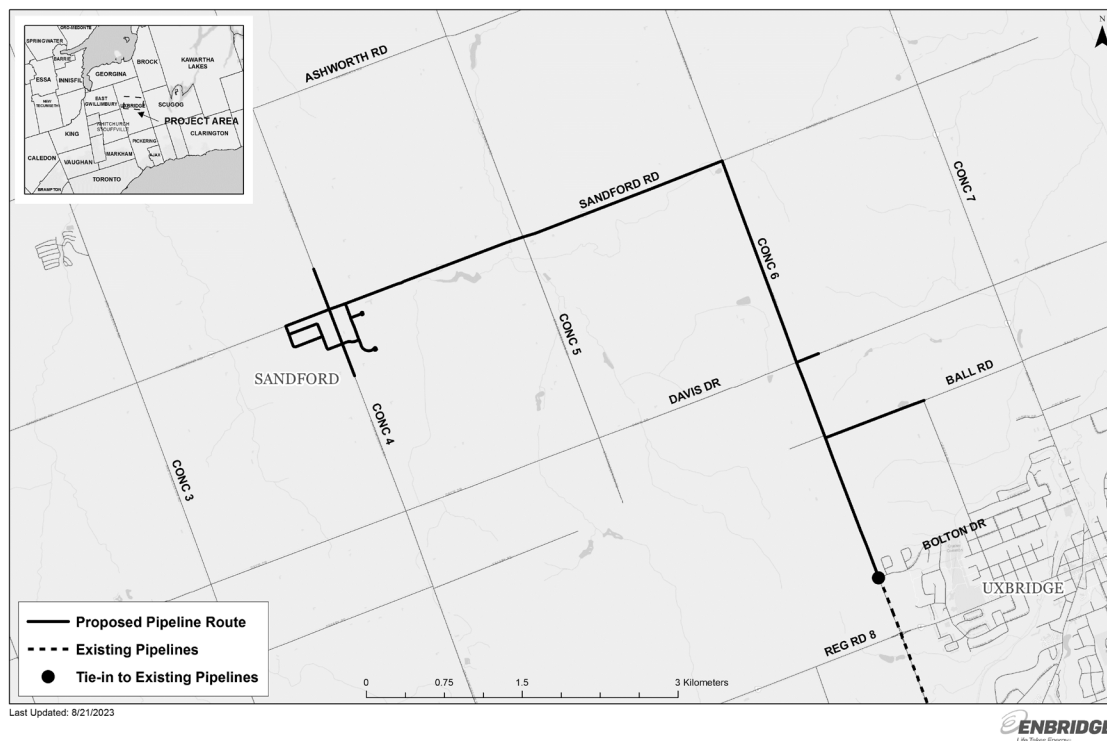
Enbridge Gas advised that as a result of the Project's regulatory proceeding delay, construction of the Project is now planned to commence in July 2024 and is expected to be able to begin connecting residences and businesses as early as January 2025 and continuing into the fall.²

¹ Ontario Regulation 24/19: Expansion of Natural Gas Distribution Systems, under Ontario Energy Board Act, 1998, S.O. 1998, c. 15 Sched B, current June 8, 2021

² Argument-in-Chief, pp.5,6

The general location of the Project is shown on the map below:

SANDFORD COMMUNITY EXPANSION PROJECT



The OEB approves Enbridge Gas’s leave to construct application, subject to the conditions of approval contained in Schedule A of this Decision.

The OEB also provides its findings with respect to the appropriate treatment of the Project during the Rate Stability Period (RSP) and at the time of the rebasing following the conclusion of the Rate Stability Period.

The OEB approves the forms of easement agreement and Temporary Land Use Agreement proposed by Enbridge Gas.

The OEB also approves Enbridge Gas’s request to cancel and supersede the existing Certificates of Public Convenience and Necessity held by Enbridge Gas for the former Town of Uxbridge, the former Township of Uxbridge and the former Township of Scott and replace them with a single Certificate of Public Convenience and Necessity to construct works to supply natural gas in the Township of Uxbridge.

2 THE PROCESS

The OEB issued a Notice of Hearing on September 11, 2023, after Enbridge Gas filed its application on August 16, 2023.

Environmental Defence, Pollution Probe and Elizabeth Carswell applied for intervenor status. Environmental Defence and Pollution Probe also applied for cost eligibility. The OEB granted those requests.

In its request for intervenor status, Environmental Defence stated that it wished to file evidence related to the cost effectiveness of heat pumps relative to natural gas (heat pump evidence). Environmental Defence also stated that it may request that the OEB provide for a technical conference after the receipt of interrogatory responses. Elizabeth Carswell also mentioned that she may wish to file evidence in this proceeding may be desired.

In Procedural Order No. 1, issued October 19, 2023, the OEB stated that it would make a determination on requests to file evidence in the current proceeding, and any process associated with that request, at a later date; and make its determination on the request for a technical conference after the responses to interrogatories were filed. The OEB provided for the filing of interrogatories and responses, and for the filing of comments on the need for a technical conference.

OEB staff and intervenors filed interrogatories by November 2, 2023, and Enbridge Gas filed its interrogatory responses on November 16, 2023. OEB staff and intervenors filed comments on the need for a technical conference by November 20, 2023, and Enbridge Gas filed a response to these comments on November 22, 2023.

On September 27, 2023, Environmental Defence filed a Motion to Review³ the OEB's decisions (relating to the admissibility of intervenor evidence and to the merits of the applications) in the proceedings for the following Enbridge Gas community expansion projects: Selwyn; Mohawks of the Bay of Quinte and Shannonville; and Hidden Valley.⁴

In letters filed on November 20, 2023, and November 27, 2023, Elizabeth Carswell confirmed her request to file evidence in this proceeding, provided a description of the evidence and requested direction from the OEB on the presentation of this evidence.⁵

³ EB-2023-0313 Motion to Review and Vary OEB Decisions in EB-2022-0156/EB-2022-0248/EB-2022-0249

⁴ EB-2022-0156 – Selwyn Community Expansion Project; EB-2022-0248 – Mohawks of the Bay of Quinte and Shannonville Community Expansion Project; EB-2022-0249 – Hidden Valley Community Expansion Project

⁵ Elizabeth Carswell, letters dated November 20 and 27, 2023

In addition to its letter filed on November 22, 2023, responding to comments by OEB staff and intervenors on the need for a technical conference, Enbridge Gas filed a further letter on November 28, 2023, providing further comments regarding the need for a technical conference and addressing Elizabeth Carswell's request to file evidence.

On November 29, 2023, the OEB issued a letter placing this proceeding in abeyance pending the OEB's determination on the Motion to Review, stating that the matters cited in the Motion to Review raise issues that are relevant to this proceeding and that it would be prudent to provide directions on the next steps in this proceeding after the OEB has considered the Motion to Review.

On December 4, 2023, Environmental Defence withdrew the part of its motion relating to the Mohawks of the Bay of Quinte and Shannonville project and the OEB confirmed withdrawal of this portion of the motion.

The OEB issued a decision⁶ on December 13, 2023, denying the remainder of Environmental Defence's motion with respect to the other two community expansion projects noting that the OEB's orders approving the three projects remain in full force and effect.

On December 14, 2023, Environmental Defence filed a letter with respect to the Enbridge Gas community expansion applications being heard by the OEB at that time (Bobcaygeon, Sandford, Eganville, Neustadt) and the EPCOR Natural Gas Limited Partnership (EPCOR) Brockton application (that application has been withdrawn by EPCOR), proposing that:

- The OEB consolidate the hearing of these natural gas expansion projects given the overlap in the issues and evidence
- A joint technical conference for these projects be convened
- Environmental Defence be allowed to file evidence with respect to the Enbridge Gas natural gas expansion projects based on community surveys that it will conduct (survey evidence)

Enbridge Gas filed a response on December 21, 2023, stating that the OEB should reject Environmental Defence's proposals.

On December 28, 2023, the OEB issued a letter seeking clarification and further information from Environmental Defence, by January 11, 2024, on the evidence it is proposing.

⁶ EB-2023-0313 Decision on Motion to Review and Vary OEB Decisions in EB-2022-0156/EB-2022-0248/EB-2022-0249

Environmental Defence filed responses to the OEB's questions on January 11, 2024. Between January 11, 2024, and February 2, 2024, Environmental Defence and Enbridge Gas filed several letters regarding Environmental Defence's proposed evidence.

The OEB issued a Decision and Procedural Order No. 2 on February 29, 2024, denying the requests made by Environmental Defence and Elizabeth Carswell for the filing of evidence, and the requests of Environmental Defence, Elizabeth Carswell and Pollution Probe for further discovery on the application. On March 18, 2024, Enbridge Gas filed its argument-in-chief. OEB staff and intervenors filed their submissions by April 2, 2024, and Enbridge Gas filed its reply submission on April 16, 2024.

On March 11, 2024, Environmental Defence filed a motion to review and vary the OEB's Decisions on Intervenor Evidence in the Enbridge Gas leave to construct community expansion applications currently before the OEB (Current Applications).⁷ Environmental Defence contested the OEB's decisions to deny intervenors an opportunity to file evidence and allow further discovery in these proceedings.

Enbridge Gas filed a letter on March 19, 2024, arguing that the OEB should dismiss Environmental Defence's motion without a hearing, and that if the motion is heard it should be dealt with before the OEB issues decisions on the Current Applications.

In a letter issued on April 11, 2024, the OEB noted that Environmental Defence's motion to review is based on an interlocutory decision by the hearing panel to deny the filing of evidence and is based on an alleged procedural error in advance of the hearing panel making its final decisions on the Current Applications. In the same letter, the OEB determined that the appropriate time to consider a motion to review is once the hearing panel has made its final decisions in the Current Applications, at which time the impact of the alleged error on the final decision can be assessed.

On June 3, 2024, Environmental Defence filed a Motion to Review⁸ in respect of the OEB's final decisions and its earlier decisions on evidence and further discovery in the Current Applications. The OEB included the subject proceeding in its Notice of Motion, advising that Environmental Defence's Notice of Motion notes that it refers to the four Current Applications "even though a final decision has not been issued in the Sandford case. Environmental Defence will be filing an updated notice of motion to reflect the

⁷ EB-2022-0111 (Bobcaygeon) dated February 20, 2024; and EB-2023-0200 (Sandford), EB-2023-0201 (Eganville), and EB-2023-0261 (Neustadt) dated February 29, 2024. These files have been referred to here as the "Current Applications", although Decisions and Orders were previously issued in all but the current proceeding.

⁸ EB-2024-0197 Motion to Review and Vary OEB Decisions in EB-2022-0111/EB-2023-0200/EB-2023-0201/EB-2023-0261

outcome of that case when the decision is released. A single notice has been prepared to promote efficiency.”⁹

On June 17, 2024, the OEB issued a letter placing this proceeding in abeyance. That was because as of that date, Enbridge Gas had not filed with the OEB a letter of opinion from the Ministry of Energy (now the Ministry of Energy and Electrification, and referred to here as the Ministry) regarding the adequacy of the Indigenous consultation undertaken by Enbridge Gas, as contemplated in the *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario* (Environmental Guidelines). The OEB advised that it would resume processing the application upon receipt of the Ministry’s letter of opinion.

On July 2, 2024, Enbridge Gas filed an updated version of the application that included the Ministry’s letter of opinion. The matter of Indigenous consultation is discussed further in section 3.6, below. The OEB notes at this time, however, that as it has now received the letter of opinion, it has resumed the processing of this application.

⁹ *Ibid.*, at p.12, para. 30.

3 REQUEST FOR LEAVE TO CONSTRUCT

The OEB's decision is structured to address the following issues:

1. Need for the Project
2. Proposed Facilities and Alternatives
3. Project Cost and Economics
4. Environmental Matters
5. Land Matters
6. Indigenous Consultation
7. Conditions of Approval

3.1 Need for the Project

In 2019, the Minister of Energy sought advice from the OEB in respect of projects that could be candidates to receive government funding under Phase 2 of the NGEP. The Project was one of 210 proposals for community expansion projects, including four economic development projects, submitted by natural gas utilities to the OEB for consideration in this regard, and included in the *OEB's Report to the Minister of Energy, Northern Development and Mines and to the Associate Minister of Energy: Potential Projects to Expand Access to Natural Gas Distribution*.¹⁰

The Project is one of 28 projects across 43 communities selected by the Government to be eligible to receive funding as part of Phase 2 of the NGEP, as specified in the Expansion of Natural Gas Distribution System Regulation.¹¹

The NGEP provides funding to Ontario natural gas distributors to support the expansion of natural gas to communities that are not currently connected to the natural gas system. NGEP funding acts in a manner similar to a contribution in aid of construction and is designed to bring projects that would otherwise be uneconomic to a Profitability Index (PI) of 1.0 (i.e., make them economic under the OEB's test under E.B.O. 188).

The Expansion of Natural Gas Distribution Systems Regulation sets out the funding mechanism¹² and includes the projects selected to receive the Government funding as well as the amount of funding allocated to each project. Enbridge Gas noted that the Project supports the Government's efforts to help expand access to natural gas

¹⁰ EB-2019-0255, *OEB's Report to the Minister of Energy, Northern Development and Mines and the Associate Minister of Energy: Potential Projects to Expand Access to Natural Gas Distribution*, December 10, 2020

¹¹ Ontario Regulation 24/19 – Expansion of Natural Gas Distribution Systems, Schedule 2

¹² The Expansion of Natural Gas Distribution Systems Regulation sets the mechanism for sourcing the funding of the eligible expansion projects by requiring that rate-regulated natural gas distributors charge each of their customers \$1 per month.

in Ontario to areas that do not currently have access to the natural gas system.¹³

Enbridge Gas stated that the need for the Project is supported by its ten-year forecast of customer attachments as shown in Table 1 below:

Table 1
Forecasted Customer Attachments for the Project

Project Year	1	2	3	4	5	6	7	8	9	10	Total
Residential Units (Singles)	34	34	25	18	18	9	9	9	8		173
Commercial	3	2	2	1							8
Institutional		1									
Industrial		1									
Total	37	38	27	19	18	9	9	9	8		183

Enbridge Gas stated that its forecast of customer attachments is based on the results of multiple methods to acquire information on the interest for natural gas service in the community: surveys (by telephone, online and in-person) and in-person surveys of potential commercial/industrial customers.¹⁴

Enbridge Gas stated that at the end of the ten-year period, the overall assumed capture rate for the Project is approximately 88%.¹⁵ Enbridge Gas also stated that in 2024, and throughout the Project lifecycle, it would begin customer outreach activities which will include customer information sessions, digital and social marketing campaigns, and one-on-one conversations at the request of residents.¹⁶

Enbridge Gas noted that the need for the Project is directly supported by the community's municipal government through its request for natural gas for its constituents. The Township of Uxbridge first indicated its support in a letter dated June 24, 2020.¹⁷ The Township of Uxbridge has since emphasized its support for the Project through a letter dated November 17, 2023.¹⁸

Environmental Defence submitted that Enbridge Gas's survey results are biased and unreliable. Environmental Defence stated that the surveys failed to provide key information before asking customers whether they were likely to connect to the gas system (for example, not setting out, in detail, various government incentives to install electric heat pumps, not providing customers with an estimate of the savings from

¹³ Argument-in-Chief, p.7

¹⁴ Application, Exhibit B, Tab 1, Schedule 1, Attachment 6 and paragraph 11

¹⁵ IRR, Exhibit I, STAFF.2. pp. 5,6

¹⁶ Exhibit I.STAFF-2 (d)

¹⁷ Exhibit B, Tab 1, Schedule 1, Attachment 2

¹⁸ Exhibit B, Tab 1, Schedule 1, Attachment 4

installing a heat pump versus a gas furnace). Environmental Defence argued that Enbridge Gas has failed to provide a reliable revenue forecast that prudently considers and accounts for the likely take-up rate for electric heat pumps as an alternative to gas.¹⁹

Environmental Defence also submitted that for previous community expansion projects, Enbridge Gas did not achieve its forecast number of customer connections in each year for the past four years (2020-2023). More specifically, Environmental Defence stated that actual connections in the past two years were 50% and 66% of the forecasted connections.²⁰

Elizabeth Carswell submitted that the survey results overstate the number of residents who intend to connect, and that improved survey information would show that the project does not meet the economic threshold.²¹ Enbridge Gas noted that Elizabeth Carswell has no evidence to support that the Township of Uxbridge does not reflect the views of its residents.²²

As noted previously, the OEB denied the requests by Environmental Defence and Elizabeth Carswell for leave to file evidence. The OEB's findings and reasons in this regard are set out in Procedural Order No. 2, and need not be repeated here. Notwithstanding that finding, Elizabeth Carswell included in her submission what can only be described as evidence relating to: an informal community survey she conducted within the Project area, including her conclusion that "In total 55% were not interested in gas or were interested in heat pumps when I spoke to them at the door"; and references to third party studies on the limitations of online surveys.²³

Enbridge Gas submitted that the filing of these survey results disregards the OEB's decision to deny leave to file evidence, and the OEB's *Rules of Practice and Procedure*, specifically [Rule 13.02](#).²⁴ Enbridge Gas also noted that Elizabeth Carswell referred in her submission to an article from an online study and a link from a research paper about the limitation of online surveys. Enbridge Gas submitted that "Neither of these studies are in evidence, nor do these studies specifically refer to the surveys that the Company has relied on. It would not be fair or appropriate for the Company to reply to submissions that rely on unqualified opinions and untested evidence. Enbridge Gas

¹⁹ Environmental Defence submission, pp.6,9

²⁰ Environmental Defence submission, p. 6

²¹ Elizabeth Carswell submission, p. 2

²² Reply submission, p. 5

²³ Elizabeth Carswell submission, p. 5

²⁴ Reply submission, p. 5

submits that the submissions of [Elizabeth Carswell] which rely on unqualified opinions and untested evidence should be given no weight.”²⁵

The OEB agrees with Enbridge Gas in this regard. Rule 13.02 provides, in part, that “A party shall not file written evidence without leave of the OEB.” The OEB denied Elizabeth Carswell leave to file evidence; it is not appropriate to then present that evidence in a written argument. To be clear, Elizabeth Carswell is free to criticize Enbridge Gas’s survey methodology, and has done so in her submission. However, the OEB cannot give weight to Elizabeth Carswell’s comments about the methodology and results of Ms. Carswell’s own survey, nor will it give weight to the studies cited in Ms. Carswell’s submission.

Pollution Probe submitted that Enbridge Gas's survey result was based on a passive survey that reflected poor, incomplete and biased consumer education and did not provide information on other energy options (e.g., OEB-approved demand side management (DSM) programs, Independent Electricity System Operator (IESO) electricity conservation programs, etc.) and the incentives that support them. Pollution Probe argued that the percentage of customers choosing a different energy option than natural gas will increase once consumers decide to make an equipment change after educating themselves on the options available (and the related incentives offered).²⁶

Pollution Probe noted that Enbridge Gas identified that there is a total population of 183 customers in this community that could be considered for natural gas connections. A total of 108 surveys were completed from a list of 199 homeowners. Pollution Probe submitted that the survey results may include data beyond what the Project could actually serve as 199 customers were surveyed when the total population is 183.

OEB staff submitted that Enbridge Gas has established the need for the Project, noting that availability of NGEF funding to enable the provision of natural gas service in unserved communities is an important consideration in the determination of the public interest, as it is designed to make projects economic that would otherwise be uneconomic based on the OEB’s test under the E.B.O. 188 guidelines. OEB staff noted that the OEB, in its decisions²⁷ on previous community expansion projects, underscored the importance of the genesis of community expansion projects in its assessment of project need, specifically noting that these proposed projects obtain their potential viability because of the passage of *Access to Natural Gas Act, 2018*.

OEB staff also submitted that the need for the Project is supported by Enbridge Gas’s

²⁵ Reply submission, p. 5

²⁶ Pollution Probe submission, p. 10, 11

²⁷ EB-2022-0248 Decision, pp. 12,13; EB-2022-0156 Decision, pp. 12,13; EB-2022-0249 Decision, pp. 12,13

survey results, although OEB staff noted that there is certainly a risk that over the ten-year customer attachment period, some of the customers that are forecast to attach may not actually do so.

Enbridge Gas argued that the submissions of Environmental Defence, Pollution Probe and Elizabeth Carswell are premised on the incorrect notion that electric heat pumps are more cost effective than natural gas service in every and all customer circumstances both technically and financially and that any assertion to the contrary is an expression of bias and not fact.²⁸ Enbridge Gas submitted that the OEB should reject the submissions of Environmental Defence and Pollution Probe since the premise on which they rely is ill-conceived and, if accepted, requires the OEB to adopt an abstract over-simplification of energy conversion that is neither representative of the actual energy choices or energy preferences customers expressed in response to Enbridge Gas's attachment surveys.²⁹

Enbridge Gas noted that Environmental Defence's submissions are a combination of arguments that relate to four distinct leave to construct applications.³⁰ Enbridge Gas submitted that any Environmental Defence argument made and justified based on evidence from the unrelated proceedings should be rejected by the OEB and given no weight. Enbridge Gas stated that this is particularly an issue in relation to Environmental Defence's assertions regarding Enbridge Gas's customer attachment survey.

In its reply submission, Enbridge Gas reiterated that it has provided an attachment forecast based on extensive consultation with the community and its representative municipal government. Enbridge Gas further stated that the survey results represent the energy interests expressed by actual residents and business-owners within the Project area, which intrinsically incorporates all factors including financial and non-financial considerations.³¹

Environmental Defence filed a letter on April 20, 2024, clarifying that it did not ignore the OEB's decision to not consolidate Enbridge Gas's community expansion proceedings as Enbridge Gas has alleged but did so to avoid the time that would have been wasted by the OEB, and other parties, if it had submitted four separate submissions with almost identical content. Environmental Defence stated that, in its view, it was more efficient for the OEB to be able to review the unique aspects of the

²⁸ Reply submission, p. 7

²⁹ Reply submission, p. 2

³⁰ Bobcaygeon Community Expansion Project (EB-2022-0111), Sandford Community Expansion Project (EB-2023-0200), Eganville Community Expansion Project (EB-2023-0201), and Neustadt Community Expansion Project (EB-2023-0261)

³¹ Reply Submission, p. 4

individual applications in the tables provided in its submission, which included the relevant data for all cases. Environmental Defence also stated that its arguments on the customer survey apply to all four proceedings, reiterating that none of the surveys provided key information to survey recipients that would be necessary to adequately forecast whether customers will likely convert to gas.³²

Findings

The OEB's findings on project need are similar to the findings made by the OEB in previous Decisions on community expansion projects that are to be accomplished through the NGEF program.³³ The OEB finds that Enbridge Gas has established the need for the Project.

The OEB acknowledges that support for the Project has been expressed by the community's municipal government. As well, Enbridge Gas's forecast regarding the potential percentage take-up of natural gas service in the community, which was based on the market surveys filed with this application, has assisted the OEB with its findings. While no survey can provide an unassailable prediction of customer take up of natural gas, they provide some additional support for the OEB's conclusion regarding the need for the Project.

Of particular importance to the assessment of project need is the genesis of this community expansion project, as well as other community expansion projects that are being proposed to enable natural gas service to unserved communities. These proposed projects obtain their potential viability because of the passage of *Access to Natural Gas Act, 2018*, provisions of which are incorporated in section 36.2 of the OEB Act.

Traditional utility regulatory principles provide that costs should be allocated proportionately to customers that have caused the costs to occur. This is reflected in the OEB's decision in the Generic Proceeding on Community Expansion³⁴ and, more specifically, in the rejection of a proposed approach that would result in existing customers subsidizing an uneconomic community expansion:

The chief measure proposed to enable more expansions was a subsidy from existing customers. The OEB has determined that this is not appropriate. As noted above, the economic benefits of expansion to many

³² Environmental Defence letter, April 20, 2024

³³ EB-2022-0248 Decision, pp. 12,13; EB-2022-0156 Decision, pp. 12,13; EB-2022-0249 Decision, pp. 11-13, EB-2022-0111 Decision, pp. 12-14, EB-2023-0261 Decision, pp. 10-12, EB-2023-0201 Decision, pp. 10-12

³⁴ EB-2016-0004

communities are much greater than the costs. This approach would also distort the market to the detriment of existing energy services that compete with gas, such as propane, and new gas distributors who do not have an existing customer base. Under these circumstances, it would not be appropriate to require existing customers to pay for a portion of any expansion. The communities that receive the benefit will be the ones paying the costs.³⁵

The Access to Natural Gas Act, 2018 and O. Reg. 24/19 that was promulgated following its passage enabled an exception to the established regulatory principles as cited above. This exception advanced the goal of rate protection for customers in communities where the gas distributor has made a qualifying investment providing those customers with a rate reduction for natural gas service, which was designed to ensure that the revenues of the project would match the costs of the project (net of the grant) and thereby avoid any cross-subsidization from existing customers.

The gas distributor, in this case Enbridge Gas, would then be compensated for such rate reduction by way of a payment from the IESO in the amounts set out in O. Reg. 24/19, and funded from a surcharge to all natural gas customer accounts in the amount of \$1 per month added to the fixed monthly customer charge. The payment to the gas distributor operates in a similar manner to a contribution in aid of construction in specific project amounts administered by the IESO.

In addressing the question of need that is integral to a finding of the Project's advancement of the public interest, the OEB notes the importance assigned to the issue of the expansion of natural gas service to unserved communities that is demonstrated by the passage and promulgation of legislation³⁶ that enables it to occur.

This importance is shown in the necessity of the departure from the traditional principle against cost subsidization by utility customers that did not cause the costs to be incurred by the gas distributor. The OEB must conclude that the Ontario government has identified a public need and, provided that a project is shown to be economic within the financial parameters set out in the legislation, meets the requirements of the public interest criterion in section 96(1) of the OEB Act.

The OEB accepts Enbridge Gas's customer forecast and associated revenues and is satisfied that, with support from Natural Gas Expansion Program funding as well as the System Expansion Surcharge (SES), the project can achieve a PI of 1.0 and is economic. However, even if the actual customer connections do not meet the forecast,

³⁵ EB-2016-0004, Decision with Reasons, November 17, 2016, page 4

³⁶ *Access to Natural Gas Act 2018* and O. Reg. 24/19

then as discussed in greater detail in the Project Costs and Economics section below, the ten-year RSP places the responsibility on Enbridge Gas for any shortfall in revenues needed to meet its revenue requirement.

This provides some insulation against possible under-achievement of its customer sign-up estimates or projected natural gas consumption. Beyond the ten-year RSP period, there is no guarantee that Enbridge Gas will be permitted to recover any post-RSP revenue shortfalls. Enbridge Gas is not guaranteed total cost recovery if actual capital costs and revenues result in an actual PI below 1.0. Accordingly, while the forecasts are relevant to the application, the OEB is satisfied that the Project has the support of the municipalities to which service would be extended, and that protection is available to existing natural gas customers in the event that the connection forecast is not met.

3.2 Proposed Facilities and Alternatives

Enbridge Gas stated that the Project was selected for funding by the Government of Ontario as part of Phase 2 of the NGEP based on a description of the Project (including preliminary facility design and estimated Project costs) that was reviewed and approved by the Government of Ontario and the OEB. Accordingly, Enbridge Gas did not assess other facility alternatives. However, Enbridge Gas did assess routing alternatives.³⁷

Regarding non-facility alternatives, Enbridge Gas applied the IRP Binary Screening Criteria and determined that the Project meets the definition of a community expansion project as defined in the IRP Framework; accordingly, no IRP evaluation is required for a community expansion project.³⁸

OEB staff submitted that as the Project is a NGEP-related community expansion project, no IRP evaluation is required, and Enbridge Gas is not required to consider alternatives to infrastructure facilities to meet the need. OEB staff also agreed with Enbridge Gas that the proposed route is appropriate.

³⁷ Application, Environmental Report, section 2

³⁸ EB-2020-0091, Decision and Order, Enbridge Gas Inc. Integrated Resource Framework Proposal, July 22, 2021, Appendix A. and page 48. The IRP Framework states that, "If a facility project has been driven by government legislation or policy with related funding explicitly aimed at delivering natural gas into communities, then an IRP evaluation is not required."

Findings

Based on Enbridge Gas's evidence, the OEB finds that the Project as proposed is appropriate to meet the need established elsewhere in this Decision. This conclusion is supported by several factors.

The Project is enabled by the NGEP, a program that was established by legislation as discussed in the OEB's earlier findings in this Decision. The NGEP is directed to providing funding for the extension of natural gas services to communities that would otherwise be uneconomic to serve. The OEB's implementation of the NGEP has been responsive to the ambit of the program.

In Enbridge Gas's IRP Framework proceeding,³⁹ the OEB approved an IRP process for Enbridge Gas that required an evaluation and comparison of options to meet energy supply needs.

To meet the Ontario Government's NGEP objective of bringing service to unserved communities, the OEB provided that the consideration of such IRP options or alternatives was not required for NGEP approved projects that have been designated in O. Reg. 24/19. The OEB's decision in this proceeding is in accordance with its approved IRP process.

3.3 Project Cost and Economics

The total Project cost estimate is approximately \$7.2 million (\$5 million total pipeline costs and \$2.2 million total ancillary costs). The Project cost estimate includes a 10% contingency applied to all direct capital costs. Enbridge Gas stated that the contingency amount is consistent with the level of contingency set for other projects it proposed for the NGEP funding.

The total Project cost estimate is higher than the estimate provided in Enbridge Gas's project proposal under Phase 2 of the NGEP by approximately \$0.57 million as shown in Table 2⁴⁰.

³⁹ EB-2020-0091

⁴⁰ Exhibit I.STAFF-3 (b)

Table 2
Updated Project Cost Estimate vs. EB-2019-0255 Proposal

Item No.	Description	Table 1 Project Cost - ORIGINAL			Project Proposal		
		Pipeline Costs	Ancillary Costs	Total	Pipeline Costs	Ancillary Costs	Total
1	Material	\$167,439	\$80,000	\$247,439	\$176,007	\$156,789	\$332,797
2	Labour and Construction	\$3,610,272	\$876,698	\$4,486,970	\$2,649,531	\$1,689,405	\$4,338,936
3	Outside Services	\$636,115	\$	\$636,115	\$1,270,960	\$36,771	\$1,307,731
4	Land, Permits, Approvals and Consultations	\$11,813	\$	\$11,813	\$37,507	\$	\$37,507
5	Direct Overheads	\$57,803	\$38,183	\$95,986	\$336,925	\$104,050	\$440,976
6	Contingency	\$896,688	\$198,976	\$1,095,665	\$428,965	\$163,868	\$592,833
7	Sub-Total	\$5,380,130	\$1,193,858	\$6,573,988	\$4,899,896	\$2,150,884	\$7,050,779
8	Interest During Construction	\$53,433	\$4,215	\$57,648	\$150,601	\$1,390	\$151,990
9	Total Project Costs	\$5,433,563	\$1,198,073	\$6,631,636	\$5,050,496	\$2,152,273	\$7,202,770

Enbridge Gas stated that the original NGEF Phase 2 project proposal was based on high-level desktop information available at the time.⁴¹ Upon receiving approval for NGEF funding for the Project, Enbridge Gas refined the Project scope and associated cost estimate by conducting site-specific investigations including site visits, field surveys, environmental studies, and consultation efforts with permitting agencies. Enbridge Gas further explained that the sources of variances included the material, inspection and labour costs.

More specifically, Enbridge Gas stated that it originally assumed the Project could be drafted with simplified existing base plans but upon further review, full topographic maps and subsurface utility engineering were required to ensure a constructible design was executed to avoid utility conflicts. This added significant cost to the Project.

In addition, in 2022, Enbridge Gas updated the market research underpinning the attachment forecast for the Project, which resulted in an increase in the customer count from 140 to 183. As a result of the increased load requirements for the Project (due to the increase in total forecasted attachments), the lengths of the pipelines were adjusted

⁴¹ Exhibit I.STAFF-3 (b)

to meet increased gas supply demand at the lower operating pressure. NPS 2 was reduced from 6.9 km to 4.9km and NPS 4 was increased from 6.3 km to 8.4 km.⁴²

The NGEF funding provided for the Project is approximately \$4.4 million.⁴³ The NGEF funding is treated similarly to a contribution in aid of construction. Therefore, the total capital cost of the Project, net of NGEF funding, is approximately \$2.8 million. In addition to NGEF funding, Enbridge Gas intends to charge a SES of \$0.23/m³ to the customers attaching to the Project for a term of 40 years to assist with the economic feasibility of the Project, which is consistent with Enbridge Gas's application for a harmonized SES (Harmonized SES Proceeding).⁴⁴

According to Enbridge Gas, the Project is economically feasible, having a Profitability Index (PI) of 1.0. Enbridge Gas indicated that without the NGEF funding and SES, the PI for the Project is 0.25, and with the inclusion of the SES the PI is 0.46.⁴⁵ The PI of 1.0 is based on the most up-to-date estimated capital costs and forecasted revenues and is inclusive of the NGEF funding and revenues associated with SES charges. The original PI of the Project as filed in the OEB's proceeding on Potential Projects for NGEF Funding was also 1.0 (inclusive of NGEF funding and SES revenues).⁴⁶

Enbridge Gas stated that, consistent with the OEB's findings in the Harmonized SES proceeding,⁴⁷ after the Project is placed into service, Enbridge Gas will apply a ten-year RSP during which Enbridge Gas will bear the risk of the Project customer attachment and capital expenditure forecast. Enbridge Gas confirmed that the appropriate net capital to be included in rate base will be addressed in its next rebasing application (following the 2024 rebasing).⁴⁸ Enbridge Gas stated that at the time of the rebasing, following the conclusion of the RSP, it will file the actual costs and revenues of the Project with the OEB for consideration of inclusion in rates.

Environmental Defence requested that the OEB not make findings accepting Enbridge Gas's evidence on the customer connection and revenue forecasts as adequate or reasonable, which could be used in the future by Enbridge Gas to seek to put revenue shortfalls on the existing customer base.⁴⁹

⁴² IRR, Exhibit I.STAFF.3, p.2

⁴³ Ontario Regulation 24/19, Expansion of Natural Gas Distribution Systems, Schedule 2

⁴⁴ EB-2020-0094

⁴⁵ Exhibit E, Tab 1, Schedule 1, Attachment 1

⁴⁶ EB-2019-0255, Enbridge Gas Community Expansion Project Proposal, Schedule 6V, Table 7.1

⁴⁷ EB-2020-0094, Decision and Order, November 5, 2020, pp. 8,9

⁴⁸ Exhibit I.STAFF-7 (b)

⁴⁹ Environmental Defence submission, p.15

Environmental Defence submitted that the ten-year RSP does not address the financial risks for existing customers arising from possible revenue shortfalls. In the first rebasing case following the conclusion of the RSP, Enbridge Gas will file the actual costs and revenues of the Project with the OEB for consideration of inclusion in rates in the rebasing application. Environmental Defence submitted that as Enbridge Gas will be seeking to recover any shortfalls in the revenue forecast that arise in the first ten years at that stage, the ten-year RSP does not insulate existing customers from revenue shortfalls arising in the first ten years but simply delays the time at which Enbridge Gas can seek to recover those costs from existing customers. Environmental Defence further submitted that as the bulk of the risk for these projects arises in the 30 years beyond the RSP, over 80% of the revenue needed for the Project to break even is forecast to be collected after the end of the RSP.⁵⁰

Environmental Defence asserted that although the OEB will have an opportunity to disallow full recovery, it will be constrained by the legal principles of energy regulation that allow recovery of investments that were prudent at the time they were made, judged without hindsight. Environmental Defence stated that if the OEB grants leave to construct now under the normal regulatory construct and accepts Enbridge Gas's evidence on the project economics, it will be difficult for a future OEB panel to disallow any costs in the future. Environmental Defence submitted that that the only way to fully protect existing customers is to explicitly require that Enbridge Gas bear the revenue forecasting risk through a condition of approval.⁵¹

Environmental Defence stated that under E.B.O. 188, Enbridge Gas must establish that the present value of the stream of revenue from new customers will totally offset the present value of the incremental costs arising from the Project. This requires a reliable forecast of the revenue that will be generated from new customers attaching to the gas system. In the present case, the E.B.O. 188 analysis is conducted after subtracting the NGEF subsidy from the capital costs. Environmental Defence submitted that the forecast connection rate is questionable as it is based on a flawed customer connection survey and because customers have a strong financial incentive to install electric heat pumps instead of switching to gas, even if customers do switch to methane gas initially.⁵²

Environmental Defence and Pollution Probe submitted that Enbridge Gas did not conduct analysis on the possibility that customers who select natural gas would subsequently leave the natural gas system before the end of the 40-year revenue

⁵⁰ Environmental Defence submission, p.13

⁵¹ Environmental Defence submission, p.14

⁵² Environmental Defence submission, pp.5-6

horizon.⁵³ Environmental Defence asserted that failure to analyze and account for the possibility of subsequent disconnections undermines the reliability of Enbridge Gas's revenue forecast. Pollution Probe argued that providing more robust information on the incentives and options available with respect to non-gas options would increase the reliability of the estimate for which customers will actually connect to natural gas to support a PI of 1.0.

Environmental Defence also submitted that Enbridge Gas has assumed that newly connected customers in Sandford would consume more gas annually than the average Enbridge Gas customer and more than average consumption in gas expansion communities so far. Environmental Defence stated that these assumptions have inflated the assumed revenue generated per customer, making the Project appear more cost-effective than it would be based on Enbridge Gas consumption averages. Environmental Defence argued that if the average gas consumption is lower than forecast, existing customers bear the financial risk of a shortfall.⁵⁴

Environmental Defence noted that Enbridge Gas disregarded the extra length charge (ELC) it applies to new connections for a service line that is longer than 20 metres. Environmental Defence submitted that approximately 25% of the buildings in Sandford will require a charge, with the average cost being \$4,737.44.⁵⁵ Enbridge Gas provided the estimated lengths of services for potential customers and noted that approximately 60% of buildings are estimated to be 20 metres or less from the property line and therefore would not incur an ELC. Enbridge Gas further submitted that "any actual impact from the ELC is unknown as it will depend on which and how many customers ultimately decide to connect to the Project."⁵⁶

Environmental Defence asserted that Enbridge Gas excluded normalized reinforcement costs which is not in accordance with E.B.O. 188, and that Enbridge Gas did not provide justification for having excluded them. Environmental Defence argued that excluding these costs makes the projects appear more cost-effective than they actually are. Environmental Defence submitted that Enbridge Gas's capital plan includes various distribution and transmission reinforcement projects upstream of these communities which will add incremental demand, and thus some of the costs of those upstream projects are attributable to this gas expansion.⁵⁷

⁵³ Environmental Defence submission, p.12, Pollution Probe submission, p.6

⁵⁴ Environmental Defence submission, pp.12-13

⁵⁵ Environmental Defence submission, p.11

⁵⁶ Reply Submission, p.13

⁵⁷ Environmental Defence submission, p.13

Environmental Defence requested that the OEB take stronger measures to protect existing customers than it did in the recent decisions in the Selwyn, Hidden Valley, and Mohawks of the Bay of Quinte First Nation community expansion proceedings. Environmental Defence submitted that stronger measures are justified as the four community expansion projects (Bobcaygeon, Sandford, Eganville and Neustadt) are approximately ten times larger than the Selwyn, Hidden Valley, and Mohawks of the Bay of Quinte First Nation projects in terms of capital costs. Environmental Defence noted that the OEB's decision on the review motion emphasized that they were "small projects" twice in its decision and argued that the OEB may not come to the same conclusion for the far larger projects at issue here.⁵⁸

Environmental Defence requested that the OEB decline to grant leave to construct because Enbridge Gas has not submitted adequate evidence in support of the project economics, such that existing customers are sufficiently protected from providing an even greater subsidy beyond that set by the NGEP program. Environmental Defence stated that alternatively, if the Project is approved, Enbridge Gas should be required to assume all of the revenue forecast risk for these projects as a condition of approval.⁵⁹

Pollution Probe made similar submissions to those of Environmental Defence, stating that the OEB should consider declining leave to construct on the basis that the evidence is insufficient to validate the economic assumptions and to confirm that the actual NGEP grant will result in a PI of 1.0. Pollution Probe also submitted that, in the alternative, the OEB could grant leave to construct and require Enbridge Gas to retain the risk should the PI be less than 1.0, if the Project costs exceed those placed in evidence and/or revenues are less than those indicated in evidence. Pollution Probe submitted that this should apply to the entire Project-related capital costs (the Supply Lateral, Reinforcement and Ancillary Facilities).⁶⁰

OEB staff submitted that the Project, with the inclusion of NGEP funding and revenues associated with SES charges, is forecast to be economically feasible with a projected PI of 1.0. OEB staff noted that Enbridge Gas's proposal to charge the SES to newly attached customers over a term of 40 years is in accordance with the OEB's findings in the Harmonized SES proceeding.⁶¹ OEB staff also submitted that the OEB's decision on Enbridge Gas's 2024 rebasing application recognized NGEP projects as distinct from other expansion projects, acknowledging that the applicability of the 40-year revenue horizon to NGEP projects was appropriate.⁶²

⁵⁸ Environmental Defence submission, p.16

⁵⁹ Environmental Defence submission, p.17

⁶⁰ Pollution Probe submission, p. 7

⁶¹ EB-2020-0094, Decision and Order, November 5, 2020

⁶² OEB-2022-0200, Decision and Order, December 21, 2023, pp.30,31

OEB staff submitted that Enbridge Gas should bear the risk of any revenue shortfall during the ten-year RSP associated with the customer attachment and capital cost forecasts as this approach is in accordance with the OEB's findings in the Harmonized SES proceeding.⁶³ OEB staff noted that Enbridge Gas has appropriately included the original capital cost of the Project that underpinned the NGEF funding proposal in its rebasing application.⁶⁴ OEB staff noted that, after the RSP, the OEB will have the opportunity to review the actual project costs and revenues and determine what amount should be recognized in rates. OEB staff submitted that all options will be available to the OEB in the rebasing following the conclusion of the RSP with respect to the appropriate rate treatment of potential capital cost overruns and/or lower than forecast customer attachments/volumes (and associated revenues). OEB staff argued that Enbridge Gas is not guaranteed total cost recovery if actual capital costs and revenues result in an actual PI below 1.0.

OEB staff noted that the allocation of risk, between ratepayers and Enbridge Gas, beyond the term of the RSP for the Project has not been determined at this time. OEB staff stated that Enbridge Gas is relying on its forecast of capital costs and customer attachments to underpin the need for the Project. OEB staff commented while the customer attachment forecast supports the need for the Project, there is a risk that the customer attachments will not materialize as forecasted.

Enbridge Gas responded to the submissions of Environmental Defence and Pollution Probe asserting that Enbridge Gas did not conduct analysis on the possibility that customers who select natural gas would subsequently leave the natural gas system before the end of the 40-year revenue horizon. Enbridge Gas submitted that Environmental Defence and Pollution Probe's views are narrowly focused on the absolute cost-effectiveness of electric heat pumps now and into the future which disregards the many variables and uncertainties that are at play as energy transition evolves. Enbridge Gas argued that policy changes, growing electricity costs to modernize and renew the grid and build out supply, technological change, and economic cycles could change the economic relationship between electric heat pumps and natural gas in the future.⁶⁵

In response to Environmental Defence's submissions that average annual consumption is overestimated, Enbridge Gas stated that, in response to interrogatories, it specified that average annual consumption for the Project area varied by tier compared to all other NGEF Phase 1 and 2 projects. Enbridge Gas stated that the assumptions used

⁶³ EB-2020-0094, Decision and Order, November 5, 2020

⁶⁴ EB-2022-0200, Exhibit JT6.3, Updated July 6, 2023

⁶⁵ Reply Submission, p.13

are its best available information based on Company data for homes within the broader area relevant to the Project area.⁶⁶

In response to Environmental Defence's submissions on the exclusion of normalized reinforcement costs in determining the cost-effectiveness of the Project, Enbridge Gas stated that it had already indicated in interrogatory responses that normalized system reinforcement costs are not applicable to community expansion projects and that all reinforcement costs associated with the Project are directly applied to the Project in the discounted cashflow analysis. Enbridge Gas added that the costs of reinforcement required for community expansion projects are separate, and not included within calculations of normalized system reinforcement costs.⁶⁷

In response to Pollution Probe's submission on the appropriate NGEF funding amount for the Project, Enbridge Gas stated that its evidence and interrogatory responses state that the Project is eligible to receive funding up to \$4.4 million, which Enbridge Gas noted is consistent with the submissions of OEB staff and Environmental Defence.

Findings

Project Costs

The OEB finds that the updated total estimated cost of the Project is reasonable and in accordance with the application of the regulatory framework established for the NGEF program. In particular, the capital requirements have been adjusted to accommodate new research and information obtained by Enbridge Gas since the original proposal in Phase 2 of the NGEF process. The provision of a 10% contingency embedded in estimated costs is consistent with that set for other NGEF projects. The OEB also accepts Enbridge Gas's submission that all Project reinforcement costs have been directly applied in the discounted cashflow analysis that has been submitted.

Economics

In addressing the issue of need, the OEB notes that the evidence, inquiries and submissions in this proceeding have dealt extensively with the impact of the possible installation of electric heat pumps. This impact has centered upon potential cost savings associated with their adoption by the customers of the communities to be served by Enbridge Gas. Such take-up might occur either before or after the extension of the natural gas service to the communities. In turn, the effect of such take-up is addressed as a potential risk to project viability.

⁶⁶ Reply submission, p.14; Exhibit I.ED-39

⁶⁷ Reply submission, pp. 14 and Exhibit I.ED.22

The OEB has itself recognized the potential customer energy savings associated with the installation of such heat pumps and their favourable impact on lowering the consumption of natural gas. The OEB notes that its Decision regarding Enbridge Gas's DSM program that made Enbridge Gas, in cooperation with the federal government's Greener Homes Initiative, the principal delivery agent for an incentivized installation of heat pumps.⁶⁸

The approval of the leave to construct requested in this application does not restrict customers in these communities from obtaining heat pumps either before or after an extension of natural gas service to these communities. Nor does it remove Enbridge Gas's DSM program responsibilities in these communities.

The OEB notes Enbridge Gas's evidence supporting the economic viability of the Project is also supported by a positive response to its outreach and solicitation provided by the market survey results. The extrapolation of such results to the financial metrics of the proposed expansion is a key factor in that requisite economic assessment.

The OEB acknowledges that OEB staff noted the risk to the economic viability of the Project if the projected customer attachments do not occur and that Environmental Defence, Pollution Probe and Elizabeth Carswell drew attention to the possible effects of DSM, fuel switching or the broader energy transition over the 40-year revenue horizon.

However, the OEB agrees with Enbridge Gas's assertion that that the decisions of individual customers, now and in the future, to connect and maintain natural gas service must take into consideration more than the current cost effectiveness of electric heat pumps and factor in other variables and uncertainties associated with the evolution of any energy transition that transpires. Additionally, the OEB notes that at the same time, any survey is unlikely to capture all aspects of the likely take-up and continuance of natural gas service with complete accuracy in a changing environment of new energy efficient modes and programs, government policies and prices.

The policy determination that chosen communities should receive NGEF-based financial assistance for the provision of natural gas service is a government prerogative supported by legislation. It provides the foundation for the OEB's finding of the NGEF program fulfills a need that has been so deemed to be in the public interest. The existence of potential changes in the delivery of energy and its impact on natural gas

⁶⁸ Decision and Order, EB-2021-0002, Enbridge Gas Inc. Application for Multi-Year Natural Gas Demand Side Management Plan (2022 to 2027), November 15, 2022, page 28

systems is well known to Enbridge Gas who must be prepared to be competitive to maintain its viability with customers.

The OEB, in approving Enbridge Gas's application for leave to construct, must ensure that the interests of all Enbridge Gas's customers are also protected. One pillar of that protection is the existence of the ten-year RSP in which Enbridge Gas is responsible for any shortfall in revenues to meet its revenue requirement. This provides some insulation against possible under achievement of its customer sign-up estimates or projected natural gas consumption.

In the first rebasing following the expiration of the RSP, the OEB will review the actual project costs and revenues and determine what amount should be recognized in rates. The subsidy or contribution to the expansion of service provided in O. Reg. 24/19 is specific and limited and does not abrogate the general principles of utility cost allocation going forward.

All options will be available to the OEB in the rebasing following the conclusion of the RSP with respect to the appropriate rate treatment of potential capital cost overruns and/or lower than forecast customer attachments/volumes (and associated revenues). Enbridge Gas is not guaranteed total cost recovery if actual capital costs and revenues result in an actual PI below 1.0.

The OEB cannot bind a future panel determining that application to be made by Enbridge Gas post-RSP. However, the OEB notes that if Enbridge Gas's estimate of customers likely to take up natural gas service is correct, existing natural gas customers will have already contributed approximately \$24,003 per customer served by the Project to assist in the expansion of gas in this community. There is a clear and reasonable expectation that such customers will not be called upon to provide a further subsidy to compensate for post-RSP revenue shortfalls.

The OEB does not agree with Environmental Defence's proposition that any attribution of revenue shortfalls to the OEB after the expiration of the RSP will be constrained by the legal principles of energy regulation that allow recovery of investments that were prudent at the time they were made, judged without hindsight. The NGEP program addresses the provision of natural gas service to communities that would otherwise be uneconomic to serve.

Any OEB finding of prudence for a NGEP project proposal and its accordance with the public interest is entirely dependent on the framework of the NGEP and its implementation as set out in the legislation and the OEB decisions. This includes the acceptance of customer attachment and continuance of service projections by Enbridge Gas. The OEB's future scrutiny of revenue shortfalls for the Project post-RSP will be

informed by the OEB's expectations at the time of Project approval concerning the provision of further subsidies by all Enbridge Gas consumers.

3.4 Environmental Matters

Enbridge Gas retained WSP Canada Inc. to complete an Environmental Report. The Environmental Report and the consultation process were conducted in accordance with the OEB's *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario* (Environmental Guidelines). The Environmental Report assessed the existing bio-physical and socio-economic environment in the study area, the alternative routes, the preferred route, conducted public consultation, conducted impacts assessment and proposed mitigation measures to minimize the impacts.

Enbridge Gas stated that the Environmental Report was circulated to the Ontario Pipeline Coordinating Committee (OPCC), Indigenous communities, municipalities and conservation authorities and Enbridge Gas filed the comments received on the Environmental Report as part of its evidence.⁶⁹

Enbridge Gas stated it would prepare an Environmental Protection Plan (EPP) prior to construction of the Project. The EPP will incorporate the recommended mitigation measures identified in the Environmental Report and received in the consultation from agencies for the environmental issues associated with the Project.

Enbridge Gas stated that using the mitigation measures and monitoring and contingency plans found within the Environmental Report, EPP and additional mitigation measures provided by regulatory agencies through the permitting and approval process, construction of this Project will have negligible impacts on the environment.⁷⁰

Enbridge Gas stated that it has completed a Stage 1 Archaeological Assessment (AA) which was prepared in May 2023 and submitted to the Ministry of Citizenship and Multiculturalism (MCM) on June 28, 2023.

In its interrogatory responses, Enbridge Gas stated that "construction activities are anticipated to be confined to the municipal road Right-of-Way (RoW). Based on the results of the Stage 1 AA, areas that retain archaeological potential are adjacent to the Sandford Community and Quaker Hill cemeteries. Currently, construction activities are planned to be greater than 10m from the limits of both cemeteries, therefore, completion

⁶⁹ Application, Exhibit F, Tab 1, Schedule 1, p.4 and Attachment 2

⁷⁰ Application, Exhibit F, Tab 1, Schedule 1, p.4

of Stage 2 and 3 AAs are not anticipated.”⁷¹

The application identified potential environmental/land permits and approvals from federal, provincial and municipal agencies that Enbridge Gas requires to construct the Project.

OEB staff submitted that Enbridge Gas has completed the Environmental Report in accordance with the OEB’s Environmental Guidelines (7th Edition).⁷² OEB staff expressed no concerns with the environmental aspects of the Project, based on Enbridge Gas’s commitment to implement the mitigation measures set out in the Environmental Report and to complete the EPP prior to the start of construction. OEB staff submitted that Enbridge Gas’s compliance with the conditions of approval outlined in Schedule A of its submission will ensure that impacts of pipeline construction are mitigated and monitored. OEB staff noted that the conditions of approval also require Enbridge Gas to obtain all necessary approvals, permits, licences, and certificates needed to construct, operate and maintain the Project.

Findings

The OEB finds that Enbridge Gas completed the Environmental Report in accordance with the OEB’s Environmental Guidelines and has committed to implement the mitigation measures set out in the Environmental Report. Enbridge Gas will also complete the EPP prior to the start of construction. As such, the OEB is satisfied with the environmental aspects of the Project.

The OEB also notes that the standard conditions of approval for leave to construct require Enbridge Gas to obtain all necessary approvals, permits, licences, and certificates needed to construct, operate and maintain the proposed Project.

3.5 Land Matters

Enbridge Gas stated that the Project will be largely located in the public road allowance within the existing municipal RoW. Temporary working areas may be required along the preferred route where the road allowance is too narrow or confined to facilitate construction. Enbridge Gas stated that there are 5 non-RoW parcels owned by the Corporation of the Township of Uxbridge, which may require a permanent easement. Enbridge Gas also stated that temporary working areas may be required along the route for the Project where the road allowance is too narrow or confined to facilitate construction. These areas will be identified with the assistance of the contractor that will

⁷¹ IRR, Exhibit I. STAFF.5

⁷² The OEB released the 8th Edition of the Guidelines in March 2023 after the initiation, consultation and finalization of the Project and associated Environmental Report.

perform the construction. Agreements for temporary working rights will be negotiated where required.

Enbridge Gas stated that permanent easements are not currently expected for the pipeline facility. Enbridge Gas also stated that no concerns have been raised by landowners.

Enbridge Gas filed the forms of temporary working area agreement and easement agreement that it intends to provide to affected landowners. Enbridge Gas stated that the temporary land use agreement is the same as that approved for use in Enbridge Gas's Haldimand Shores Community Expansion Project⁷³ and the easement agreement is the same as that approved for use in Enbridge Gas's Kennedy Station Relocation Project⁷⁴.

OEB staff submitted that the OEB should approve the proposed forms of easement agreement and temporary working area agreement as both were previously approved by the OEB.

Findings

The OEB approves the proposed forms of permanent easement and temporary land use agreements.

The OEB notes that while it is not expected that permanent easements will be required for the Project, the approved form of permanent easement agreement provides Enbridge Gas sufficient flexibility should a permanent easement later be required.

3.6 Indigenous Consultation

In accordance with the Environmental Guidelines, Enbridge Gas contacted the Ministry of Energy in respect of the Crown's duty to consult related to the Project. The Ministry of Energy, by way of a letter, delegated the procedural aspects of the Crown's duty to consult for the Project to Enbridge Gas (Delegation Letter). In the Delegation Letter, the Ministry of Energy identified the following Indigenous communities that Enbridge Gas should consult with respect to the Project:

- Alderville First Nation
- Beausoleil First Nation
- Chippewas of Georgina Island First Nation
- Chippewas of Rama First Nation

⁷³ EB-2022-0088, Decision and Order, August 18, 2022

⁷⁴ EB-2022-0247, Decision and Order, May 9, 2023

- Curve Lake First Nation
- Hiawatha First Nation
- Mississaugas of Scugog Island First Nation
- Kawartha Nisnawbe
- Huron-Wendat Nation

Direct notice of the application was provided by Enbridge Gas to all the above-noted Indigenous communities, and none of them sought to intervene or otherwise participate directly in the hearing.

As part of its application, Enbridge Gas filed an Indigenous Consultation Report (ICR) describing and documenting the Indigenous consultation it has been conducting. The ICR is part of Enbridge Gas's evidence in support of the Project. In response to interrogatories, Enbridge Gas provided an update on its Indigenous consultation activities as of November 6, 2023.⁷⁵

Enbridge Gas also stated that it will continue to engage with each of the nine communities throughout the life of the Project.⁷⁶

OEB staff submitted that Enbridge Gas appears to have made efforts to engage with the potentially affected Indigenous groups identified by the Ministry of Energy.

On June 28, 2024, Enbridge Gas filed with the OEB the Ministry of Energy's Letter of Opinion regarding the sufficiency of consultation regarding the Project.⁷⁷ In that letter, the Ministry of Energy expressed its opinion that "the procedural aspects of consultation undertaken by Enbridge to-date for the purposes of the OEB's Leave to Construct for the Project are satisfactory."

Findings

The OEB is satisfied that Enbridge Gas followed the OEB's Environmental Guidelines with respect to Indigenous Consultation and finds that the duty to consult has been adequately discharged.

This finding is supported by the evidence on the record of the proceeding, as well as the Ministry of Energy's Letter of Opinion, dated June 28, 2024, stating that it is satisfied that Enbridge Gas's efforts to date are satisfactory to discharge the Crown's Duty to Consult with respect to the Project.

⁷⁵ IRR, Exhibit I. STAFF.7, Attachments 1,2

⁷⁶ *Ibid.*

⁷⁷ Application, Exhibit H, Tab 1, Schedule 1, Attachment 5

The OEB expects that Enbridge Gas will continue its consultation activities with all affected Indigenous communities throughout the life of the Project.

3.7 Conditions of Approval

The OEB has established standard conditions of approval that are typically imposed in leave to construct approvals.⁷⁸ Enbridge Gas stated that it has reviewed these standard conditions and has not identified any additional or revised conditions that it wishes to propose for the Project.

Environmental Defence and Pollution Probe requested that a new condition of approval be added that requires Enbridge Gas to assume all of the revenue forecast risk for the Project.⁷⁹

Environmental Defence and Pollution Probe also requested that the OEB direct Enbridge Gas to include accurate information on the annual operating costs of electric heat pumps versus natural gas in any marketing materials that discuss operating cost savings from natural gas. Environmental Defence and Pollution Probe submitted that this is necessary to protect the interests of new customers and to ensure that they are provided with the information they need to make informed decisions before spending considerable sums to connect to the gas system and convert their heating equipment to gas.⁸⁰

In its submission, OEB staff proposed minor modifications to Conditions 2(b)(ii) and (iv), 7(a), and 7(b) to better reflect the intent of those conditions,⁸¹ making reference to a letter filed by Enbridge Gas regarding a recently approved project.⁸² OEB staff requested Enbridge Gas to confirm in its reply submission if it agrees with these modifications.

Enbridge Gas submitted that the OEB should reject Environmental Defence's and Pollution Probe's submissions requesting that a condition of approval be added that requires Enbridge Gas to assume all the revenue forecast risk for the Project. Enbridge Gas argued that these submissions are premised on an incorrect understanding regarding the scope of a leave to construct application and a rebasing proceeding. Enbridge Gas noted that Environmental Defence acknowledged that the OEB already found that it cannot bind a future panel determining a future application to be made by

⁷⁸ Natural Gas Facilities Handbook, Appendix D

⁷⁹ Environmental Defence, p.17 and Pollution Probe submission, p. 7

⁸⁰ Environmental Defence, p.16 and Pollution Probe, pp.15-16

⁸¹ OEB Staff submission, p.18

⁸² Enbridge Gas January 12, 2024 letter providing notification of planned in-service date - Mohawks of the Bay of Quinte Community Expansion Project (EB-2022-0248).

Enbridge Gas post-RSP. Yet, Environmental Defence argued that this is insufficient because the future OEB panel will be constrained in terms of disallowing costs because they will be considered prudent investments at the time given the previous granting of the leave to construct approval. Enbridge Gas submitted that Environmental Defence ignores the OEB's additional rationale for why the OEB's approach is appropriate and Environmental Defence's is not.

Enbridge Gas referenced the OEB's statements in the Motion Decision:

These were leave to construct applications, not rate applications. The scope of the two are different. While the original panel could have added conditions of approval or provided other directions on the post-RSP rate treatment, it chose not to do so. It did not make that choice on the basis of a misunderstanding of its jurisdiction; in fact, it specifically invited submissions on the rate treatment question. Rather, it exercised its discretion not to grant what Environmental Defence asked for.

Determining the rate treatment of any shortfalls in the next rebasing proceeding after the ten-year RSP will allow the OEB to consider the issue more broadly in the context of Enbridge Gas's entire franchise area with 3.8 million existing customers, not just the two communities with 217 forecast customers.

There are 28 projects that have been approved in Phase 2 of the NGEP. The OEB strives for procedural efficiency and regulatory consistency. It makes sense to consider questions about rate treatment for such projects on a consolidated basis in a rebasing hearing, rather than on a piecemeal basis in each leave to construct proceeding. In that rebasing hearing, all options will be open, as the original panel said.⁸³

Enbridge Gas submitted that the OEB should reject Environmental Defence and Pollution Probe's submissions that Enbridge Gas be directed to provide information on the annual operating cost of electric heat pumps relative to the operating cost of natural gas.

Enbridge Gas argued that requiring it to provide consumers with information regarding the annual operating costs of non-natural gas solutions, in particular electric heat pumps, without consideration of those energy solutions' supply-side requirements and

⁸³ EB-2023-0313, Decision and Order, pp. 18-19

implications would not be appropriate or valuable. Enbridge Gas asserted that is a role best left to the providers of those non-natural gas energy solutions.⁸⁴

Enbridge Gas further submitted that the OEB has ordered Enbridge Gas through the rebasing proceeding to conduct a review of the information it provides to customers regarding energy cost comparisons⁸⁵ and it would be inappropriate to require Enbridge Gas to provide the information in advance of the conclusion of the review and the adjudication of the issue in Phase 2 of the rebasing proceeding.

With respect to OEB staff's proposed minor modifications to Conditions 2(b)(ii) and (iv), 7(a), and 7(b), Enbridge Gas agreed that the OEB should approve the Project subject to the modified conditions of approval as proposed by OEB staff. Enbridge Gas submitted that the Project be approved without any additional conditions or directions proposed by the intervenors.

On April 3, 2024, the OEB issued a letter notifying all natural gas distributors that it has made minor revisions to standard conditions of approval to address the timing of the commencement and conclusion of projects that involve multiple segments.⁸⁶ These revisions are the same minor modifications proposed by OEB staff in submissions filed in this proceeding.

Findings

The OEB requires and expects Enbridge Gas to provide fair and accurate information concerning its services to its current and potential customers. This includes any representations to customers concerning products and opportunities associated with competitors or the OEB-approved DSM programs.

This does not appear to be an issue that has been bereft of regulatory scrutiny. The OEB, in Phase 1 of Enbridge Gas's 2024 rebasing proceeding, ordered a review of the information that Enbridge Gas provides to customers regarding energy cost comparisons.⁸⁷ As well, a complaint of misleading advertising by Enbridge Gas concerning the provision of competitive energy services is currently being investigated by the federal Competition Bureau. The outcomes of those proceedings may affect Enbridge Gas's future practices in addressing alternative products and opportunities.

However, the OEB's insistence on the accuracy of representations and comparisons provided by Enbridge Gas differs from a mandating of the provision of information

⁸⁴ Reply submission, p. 17

⁸⁵ EB-2022-0200, Decision and Order, p. 140

⁸⁶ OEB letter, Minor Modifications to the Standard Conditions of Approval, Natural Gas Leave to Construct Application, dated April 3, 2024

⁸⁷ EB-2022-0200, Decision and Order, p. 140

concerning competitive energy services in preference to its own offering. The OEB is not convinced that the marketplace requires such a mandate as part of the conditions of approval at this time.

The OEB approves the Project subject to Enbridge Gas's compliance with the updated standard conditions of approval attached as Schedule A to this Decision.

4 REQUEST FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Enbridge Gas has a municipal franchise agreement with the Township of Uxbridge⁸⁸ and certificates of public convenience and necessity for the former Town of Uxbridge⁸⁹, the former Township of Uxbridge⁹⁰ and the former Township of Scott⁹¹. The Project provides access to gas distribution service in the community of Sandford, which is located within the former Township of Scott.⁹²

Enbridge Gas noted that in 1974, the former Town of Uxbridge, the former Township of Uxbridge and the former Township of Scott amalgamated to form the Township of Uxbridge as it is currently constituted.⁹³ The request for a new certificate of public convenience and necessity for the Township of Uxbridge accounts for these municipal changes and reflects the boundaries of the municipality as it is currently constituted.

Enbridge Gas noted that section 3.6.2 of the *Natural Gas Facilities Handbook* provides as follows:

If the boundaries of a person's existing certificate are affected by a municipal amalgamation or annexation, and no other person holds a certificate for any part of the newly amalgamated or annexed municipal territories, then the person should notify the OEB within 90 days of the date that the change takes effect to have the certificate amended to reflect the change. The OEB will not as a matter of course amend the territory covered by the person's existing certificate to include any additional service area that was added to the municipality through the amalgamation or annexation. The certificate would be amended to include the metes and bounds of the person's existing certificate. However, the certificate holder could also apply for a new certificate that would include any additional service area within the newly amalgamated territories.

Enbridge Gas further noted that it holds certificates of public convenience and necessity and municipal franchise agreements for the municipalities that are immediately adjacent to the Township of Uxbridge and that there are no other natural gas distributors in the area.

⁸⁸ EB-2019-0110

⁸⁹ FBC 160 dated December 23, 1957

⁹⁰ FBC 161 dated December 23, 1957

⁹¹ FBC 206 dated August 19, 1958

⁹² Exhibit A, Tab 2, Schedule 1, p. 4

⁹³ Exhibit A, Tab 2, Schedule 1, p. 3, para. 9

OEB staff submitted that the OEB should approve Enbridge Gas's requests to cancel and supersede the existing certificates of public convenience and necessity held by Enbridge Gas for the former Town of Uxbridge, the former Township of Uxbridge and the former Township of Scott and replace them with a single certificate of public convenience and necessity to construct works to supply natural gas in the Township of Uxbridge. OEB staff noted that granting a new certificate of public convenience and necessity to Enbridge Gas for the Township of Uxbridge does not affect the certificate rights of any other gas distributor.

No intervenor provided submissions on Enbridge Gas's request for a certificate of public convenience and necessity.

Findings

The OEB finds that it is in the public interest to approve Enbridge Gas's application to cancel and supersede the existing certificates of public convenience and necessity held by Enbridge Gas for the former Town of Uxbridge, the former Township of Uxbridge and the former Township of Scott and replace them with a single certificate of public convenience and necessity to construct works to supply natural gas in the Township of Uxbridge.

The OEB also notes that granting a new certificate of public convenience and necessity to Enbridge Gas for the Township of Uxbridge does not affect the certificate rights of any other natural gas distributor.

A new certificate of public convenience and necessity, attached as Schedule B to this Decision and Order, is granted to Enbridge Gas for the Township of Uxbridge.

5 ORDER

THE ONTARIO ENERGY BOARD ORDERS THAT:

1. Enbridge Gas Inc. is granted leave, pursuant to section 90(1) of the OEB Act, to construct the Project in the Township of Uxbridge as described in its application.
2. Pursuant to section 97 of the OEB Act, the OEB approves the form of Easement Agreement and Form of Temporary Land Use Agreement that Enbridge Gas Inc. has offered or will offer to each owner of land affected by the Project.
3. Leave to construct is subject to Enbridge Gas Inc. complying with the Conditions of Approval set out in Schedule A.
4. Parties in receipt of confidential information shall either return the subject information to the Registrar and communicate to Enbridge Gas Inc. that they have done so; or destroy and/or expunge the information and execute a Certificate of Destruction, following the end of this proceeding, in accordance with the OEB's *Practice Direction on Confidential Filings*. The Certificate must be filed with the Registrar and a copy sent to Enbridge Gas Inc.
5. A certificate of public convenience and necessity is granted to Enbridge Gas Inc. to construct works or supply natural gas in the Township of Uxbridge (attached at Schedule B). This certificate of public convenience and necessity cancels and supersedes F.B.C. 160, F.B.C. 161 and F.B.C. 206. The current map of the Township of Uxbridge is attached as Schedule C.
6. Eligible intervenors shall file with the OEB and forward to Enbridge Gas Inc. their respective cost claims in accordance with the OEB's *Practice Direction on Cost Awards* on or before **July 12, 2024**.
7. Enbridge Gas Inc. shall file with the OEB and forward to intervenors any objections to the claimed costs of the intervenors on or before **July 19, 2024**.
8. If Enbridge Gas Inc. objects to any intervenor costs, those intervenors shall file with the OEB and forward to Enbridge Gas Inc. their responses, if any, to the objections to cost claims on or before **July 26, 2024**.
9. Enbridge Gas Inc. shall pay the OEB's costs of and incidental to this proceeding upon receipt of the OEB's invoice.

Parties are responsible for ensuring that any documents they file with the OEB, such as applicant and intervenor evidence, interrogatories and responses to interrogatories or any other type of document, **do not include personal information** (as that phrase is

defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's [Rules of Practice and Procedure](#).

Please quote file number, **EB-2023-0200**, for all materials filed and submit them in searchable/unrestricted PDF format with a digital signature through the [OEB's online filing portal](#).

- Filings should clearly state the sender's name, postal address, telephone number and e-mail address.
- Please use the document naming conventions and document submission standards outlined in the [Regulatory Electronic Submission System \(RESS\) Document Guidelines](#) found at the [File documents online page](#) on the OEB's website.
- Parties are encouraged to use RESS. Those who have not yet [set up an account](#), or require assistance using the online filing portal can contact registrar@oeb.ca for assistance.
- Cost claims are filed through the OEB's online filing portal. Please visit the [File documents online page](#) of the OEB's website for more information. All participants shall download a copy of their submitted cost claim and serve it on all required parties as per the [Practice Direction on Cost Awards](#).

All communications should be directed to the attention of the Registrar and be received by end of business, 4:45 p.m., on the required date.

DATED at Toronto July 4, 2024

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE A
DECISION AND ORDER
ENBRIDGE GAS INC.
EB-2023-0200
JULY 4, 2024

**Leave to Construct Application under
Section 90 of the OEB Act**

**Enbridge Gas Inc.
EB-2023-0200**

Standard Conditions of Approval

1. Enbridge Gas Inc. shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2023-0200 and these Conditions of Approval.
2. (a) Authorization for leave to construct shall terminate 12 months after the decision is issued unless construction has commenced prior to that date.

(b) Enbridge Gas Inc. shall give the OEB notice in writing:
 - i. of the commencement of construction, at least 10 days prior to the date construction commences
 - ii. of the planned in-service start date, at least 10 days prior to the date the facilities begin to go into service
 - iii. of the date on which construction was completed, no later than 10 days following the completion of construction
 - iv. of the full project in-service date, no later than 10 days after all the facilities go into service
3. Enbridge Gas Inc. shall obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the Project.
4. Enbridge Gas Inc. shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
5. Enbridge Gas Inc. shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Enbridge Gas Inc. shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.
6. Concurrent with the final monitoring report referred to in Condition 7(b), Enbridge Gas shall file a Post Construction Financial Report, which shall provide a variance analysis of project cost, schedule and scope compared to the estimates filed in this

proceeding, including the extent to which the project contingency was utilized. Enbridge Gas shall also file a copy of the Post Construction Financial Report in the proceeding where the actual capital costs of the project are proposed to be included in rate base or any proceeding where Enbridge Gas proposes to start collecting revenues associated with the Project, whichever is earlier.

7. Both during and after construction, Enbridge Gas Inc. shall monitor the impacts of construction, and shall file with the OEB one electronic (searchable PDF) version of each of the following reports:

(a) A post construction report, within three months of the full project in-service date, which shall:

- i. provide a certification, by a senior executive of the company, of Enbridge Gas Inc.'s adherence to Condition 1
- ii. describe any impacts and outstanding concerns identified during construction
- iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction
- iv. include a log of all complaints received by Enbridge Gas Inc., including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions
- v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licenses, and certificates required to construct, operate, and maintain the proposed project

(b) A final monitoring report, no later than fifteen months after the full project in-service date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:

- i. provide a certification, by a senior executive of the company, of Enbridge Gas Inc.'s adherence to Condition 4
- ii. describe the condition of any rehabilitated land
- iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction
- iv. include the results of analyses and monitoring programs and any recommendations arising therefrom
- v. include a log of all complaints received by Enbridge Gas Inc., including the date/time the complaint was received; a description of the complaint; any actions taken to address the complaint; and the rationale for taking such actions

8. Enbridge Gas Inc. shall designate one of their employees as project manager who will be the point of contact for these conditions, and shall provide the employee's name and contact information to the OEB and to all affected landowners, and shall clearly post the project manager's contact information in a prominent place at the construction site.

SCHEDULE B
DECISION AND ORDER
ENBRIDGE GAS INC.
EB-2023-0200
JULY 4, 2024

SCHEDULE B
EB-2023-0200

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

Enbridge Gas Inc.

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply natural gas in the

Township of Uxbridge

as it is constituted on the date of this Decision and Order.

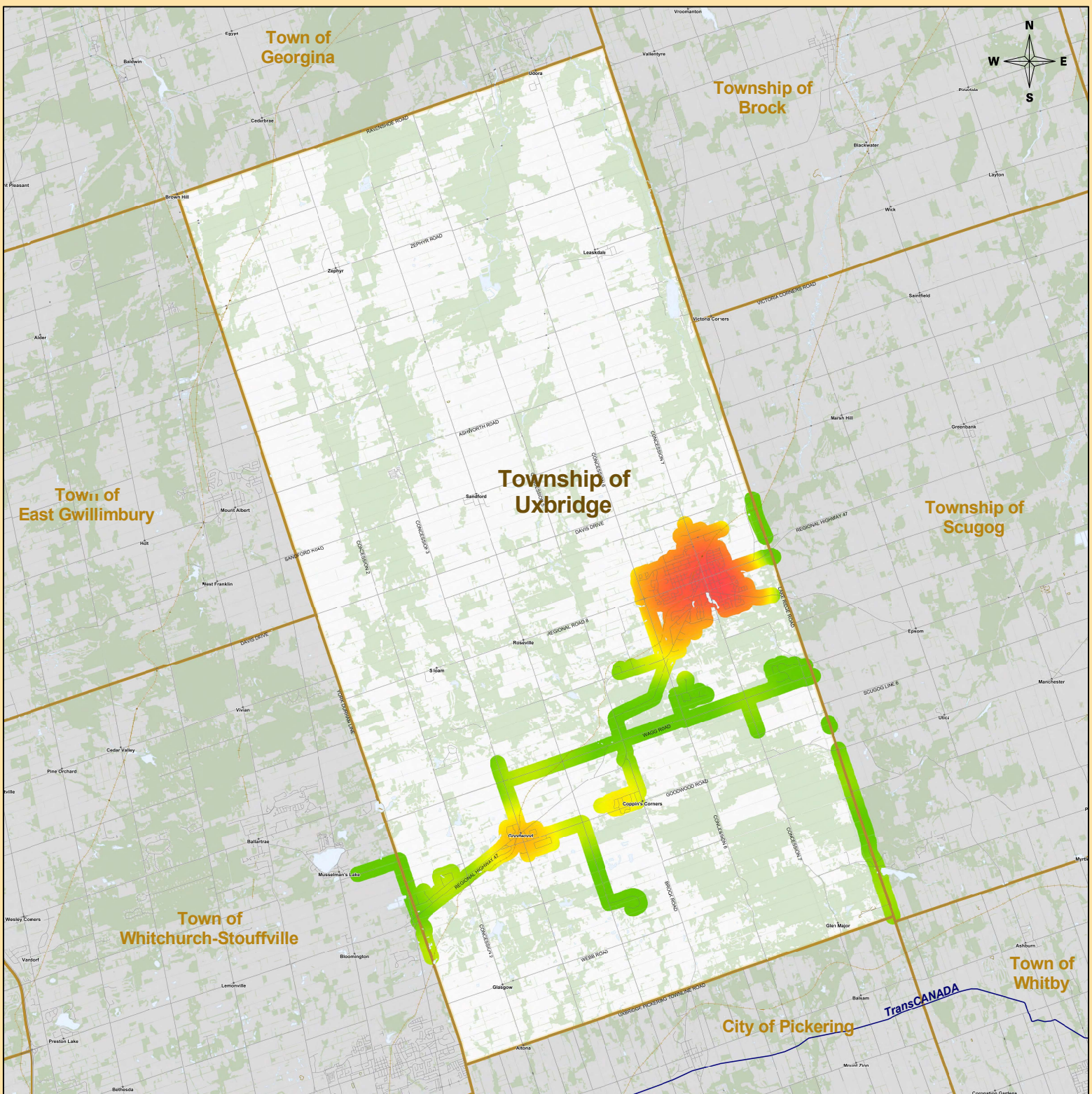
This certificate of public convenience and necessity cancels and supersedes: F.B.C. 160, F.B.C. 161 and F.B.C. 206

DATED at Toronto, July 4, 2024

ONTARIO ENERGY BOARD

Nancy Marconi
Registrar

SCHEDULE C
DECISION AND ORDER
ENBRIDGE GAS INC.
EB-2023-0200
JULY 4, 2024



Legend

- Enbridge Gas Pipeline Coverage Area
- Township of Uxbridge
- Trans Canada Pipeline
- Roads
- Railways
- Municipal and Township Boundaries
- First Nation Boundaries



Township of Uxbridge



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



Appendix C Executive Certification





Leave to Construct Application under Section 90 of the OEB Act
Enbridge Gas Inc.
EB-2023-0200
Conditions of Approval
July 4, 2024

I hereby certify that Enbridge Gas Inc. has implemented all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review in accordance with Condition 7 (b)(i) of the Conditions of Approval in the OEB's Decision and Order in **EB-2023-0200**.

5/22/2026

Date

Neil MacNeil,
Director, Capital Projects Management and
Execution
Enbridge Gas Inc.

Condition 7 (b)(i).

7. Both during and after construction, Enbridge Gas Inc. shall monitor the impacts of construction, and shall file with the OEB an electronic copy (searchable PDF) version of each of the following reports:
 - b) A final monitoring report, no later than fifteen months after the in-service date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:
 - i. provide a certification, by a senior executive of the company, of Enbridge Gas Inc.'s adherence to Condition 4

Condition 4

Enbridge Gas Inc. shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.

Appendix D Photolog





Photo 1: Restoration completed at the northeast corner of Bolton Road and Concession 6 at the end of construction (September 13, 2024).



Photo 2: ROW condition in 2026 of the area described in Photo 1 on the corner of Bolton Road and Concession 6 (April 14, 2026).



Photo 3: Restoration completed around the upgraded station at the southeast Corner of Bolton Road and Concession 6 at the conclusion of construction (September 13, 2024).



Photo 4: ROW condition in 2026 of Photo 3 around the upgraded station at the southeast Corner of Bolton Road and Concession 6 (April 14, 2026).



Photo 5: Restoration completed in CA regulated area at the corner of Ball Road and Centre Road at the conclusion of construction in 2024 (October 10, 2024).



Photo 6: ROW condition in 2026 of Photo 5 in the CA regulated area at the corner of Ball Road and Centre Road (April 14, 2026).



Photo 7: Reclaimed ditch at the southwest corner of Davis Drive and Concession 6 (April 14, 2026).



Photo 8: Reclaimed embankment on Concession 6 (April 14, 2026).



Photo 9: Reclaimed embankment along Sanford Road at the end of construction (November 14, 2024).



Photo 10: Current conditions of water flowing through stabilized embankment along Sanford Road (April 14, 2026).



Photo 11: Water flowing through ditch at the reclaimed southwest corner of Bolton Road and Concession 6 (April 14, 2026).



Photo 12: Water flowing through regulated watercourse on Sanford Road where the ditchwater from Photo 11 enters the watercourse (April 14, 2026).



Photo 13: Conditions of ROW in the village of Sandford in 2026 (April 14, 2026).



Photo 14: Conditions of ROW in the village of Sandford in 2026 (April 14, 2026).



Photo 15: Backfilling completed at the entrance pit for the HDD crossing of Leaksdale Creek after the completion of construction in 2024 (September 26, 2024).



Photo 16: Reclamation conditions in 2026 of the entrance location for the Leaksdale Creek crossing of area from Photo 15 (April 14, 2026).



Photo 17: Reclaimed ROW at a tie-in location within the Village of Sandford after construction completed in 2024 (November 14, 2024).



Photo 18: Reclaimed ROW at a tie-in location within the Village of Sandford in 2026 (April 14, 2026).



Photo 19: Restored road embankment in 2024 in front of cultural heritage resource site (CHR-29) at the NE corner of Concession 6 and Davis Drive (October 10, 2024).



Photo 20: Restored road embankment in spring 2026 on Photo 19. Winter road maintenance appears to deposit large amounts of sand on lawn on the corner of Concession 6 and Davis Drive (April 14, 2026).



Photo 21: Restored road embankment east of the Village of Sanford on Sandford Road after the completion of construction (October 16, 2024).



Photo 22: Restored road embankment east of the Village of Sanford on Sandford Road at the location from Photo 21 (April 14, 2026).



Photo 23: Water ponding after restoration at the corner of Smith Drive and James Place in the Village of Sanford (October 29, 2024).



Photo 24: Re-graded area after restoration at the corner of Smith Drive and James Place in the Village of Sanford (November 14, 2024).



Photo 25: Water ponding at the corner of Smith Drive and James Place in spring 2026 in the Village of Sanford from clogged culverts and poor drainage, see Photo 26 (April 14, 2026).



Photo 26: Water ponding and clogged culverts down gradient of the corner of Smith Drive and James Place constraining natural flow, not the result of project activities (April 14, 2026).



Photo 27: Reclaimed road ditch along Lundy Drive after the completion of construction (November 14, 2024).



Photo 28: Current conditions of reclaimed road ditch along Lundy Drive (April 14, 2026).



Photo 29: Current condition of reclaimed road ditch within the Village of Sanford (April 14, 2026).



Photo 30: Current condition of reclaimed road ditch within the Village of Sanford (April 14, 2026).

Appendix E Complaint and Resolutions Log



Sandford Community Expansion Project Final Monitoring Report EB-2023-0200
Appendix E Complaint and Resolutions Log
 May 28, 2026

Complaint and Resolutions Log

ID	Date and Time Received	Description of Complaint	Actions Taken to Address the Complaint and the Rationale for Taking Such Actions	Status
1	3/20/23	Resident sent voicemail to Enbridge Gas environmental regarding concerns on expansion project. The resident inquired about where funding comes from, who approved the project, the safety/hazard of natural gas and thinks there's no need for gas in the community.	Enbridge Gas responded to resident's concerns via voicemail to address their questions and concerns.	Resolved
2	5/2/23	Enbridge Gas received an email from resident expressing their concerns on "new pipeline distribution" and the Sandford Community Expansion Project.	Enbridge Gas acknowledged the residents' concerns via email.	Resolved
3	10/10/23	Resident received a Communication package in the Mail. However, it was missing all Attachments. The letter made reference to Attachments 1 to 6, but the package never contained the attachments.	Enbridge Gas provided the appropriate attachments to the resident.	Resolved
4	10/11/23	Customer called and left a voicemail requesting a call back.	Enbridge Gas spoke with the customer to address their questions about the process of getting a gas service.	Resolved
5	8/8/24	Resident indicated they had a commercial operation which is a horse barn. During the construction they don't want their business to get interrupted. Property has multiple domestic livestock like horse, goat, and chicken. They have concern with pipeline going in front of their property as horses are very sensitive to smell. Homeowner said if any gas leak happens near to their property they will be suing.	Enbridge Gas met with resident on-site to discuss plan to install pipeline in front of their property. To avoid disruptions, they requested the drill be completed by August 16, 2024, as they had horse riding lessons scheduled on weekend of August 17/18, 2024, and the following week. Completed work in area by August 16, 2024, as per the commitment in the meeting to address the resident's concerns.	Resolved
6	8/16/24	Town of Uxbridge have received some complaints from the residents regarding vehicles parked on Bolton Road.	Contractors adjusted activities to avoid residential roads for parking and keep parking in alignment with the traffic control plan, when possible, to avoid disrupting local community residents.	Resolved
7	8/29/24	Resident had a concern whether there will be any tree removal in their property for bringing a service gas line onto their property.	Enbridge Gas visited property and confirmed no trees will be required to be removed.	Resolved



Sandford Community Expansion Project Final Monitoring Report EB-2023-0200

Appendix E Complaint and Resolutions Log

May 28, 2026

ID	Date and Time Received	Description of Complaint	Actions Taken to Address the Complaint and the Rationale for Taking Such Actions	Status
8	9/10/24	Complaint received from a driver about a road closure with no warning signage on road closure just "No exit" with concrete barrier and cones (see Photo 10, Appendix B).	Although the road closure was close to the work area, it was not related to Enbridge Gas' work. It was east of where the contractor was working. The Contractor informed the complainant that the work and road closure was being completed by the Region or one of their contractors as was not part of Enbridge Gas' work. No personal information was taken from the caller.	Resolved
9	9/22/24	Resident emailed to express their interest in natural gas but is out of the scope for the Project.	Sent email to customer to let them know that they are out of scope for the Project and included inquiry link to submit to the region if interested to potentially include resident in future work.	Resolved
10	9/27/24	Enbridge Gas received a concern from a resident during a visit at their property on September 27, 2024. Resident indicated that they had received a call from someone on September 20, 2024, at 12:21 am that there is gas leak in front of their property and that they noticed a truck in their driveway and assumed it was an Enbridge Gas truck. Homeowner reached non-emergency help line to verify the gas leak info.	To appease the resident's concerns, Enbridge Gas informed the resident that there was no active gas line in front of the property at the time of the call and Enbridge Gas provided contact information to the resident for any future potential fraudulent calls/events.	Resolved
11	11/21/24	Customer sent email to Enbridge Gas regarding restoration. Per email, "One of the holes dug for the gas line has washed away. It was filled with sand and is on a slope, so it just washed away. It needs to be filled with something different or sod put down."	Contractor completed restoration for the property to address the resident's concerns. Contractor will return in the spring 2025 to address outstanding restoration concerns and will follow up with the resident to confirm if additional restoration is required.	Resolved
12	12/2/24	Customer sent Enbridge Gas representative a text regarding they are not happy with the expansion surcharge. They feel as though Enbridge Gas was dishonest on the fact they'd be paying more than others already on gas.	Sent the customer a breakdown of everything they'd received regarding the surcharge throughout the process of inquiring on gas, expressing interest, and then applying. They were still not happy and feel as though it's "dirty pool". Enbridge Gas provided contact number of Ombudsman for them to file a complaint.	Resolved



POST CONSTRUCTION FINANCIAL REPORT

Sandford Community Expansion Project
 EB-2023-0200
 May 11, 2026

In compliance with the Ontario Energy Board (“OEB”) Order EB-2023-0200 and Condition 6, the following is a report on project cost, schedule and scope compared to the estimates filed in the proceeding.

The actual project cost as of May 11, 2026 was \$5,422,079 or 25% lower than estimated. The following explains any significant variances.

Item No.	Description	Project Estimate (\$)	Actual Cost (\$)	Variance (\$)	Variance (%)
1	Material	332,797	497,093	(164,296)	-49%
2	Labour and Construction	4,338,936	3,319,548	1,019,388	23%
3	Outside Services	1,307,731	863,359	444,372	34%
4	Land, Permits, Approvals and Consultations	37,507	33,787	3,720	10%
5	Direct Overheads	440,976	641,471	(200,495)	-45%
6	Contingency	592,833	0	592,833	100%
7	Sub-Total	7,050,779	5,355,258	1,695,522	24%
8	Interest During Construction	151,990	66,821	85,169	56%
9	Total Project Cost	7,202,770	5,422,079	1,780,691	25%
10	NGEP Funding	(4,392,566)	(4,392,566)		
11	Net Project Cost	2,810,204	1,029,513		

Item No.	Description	Variance Explanation
1	Material	Material costs were higher than estimated due to the new station cost being higher than anticipated, and additional fittings and test points.
2	Labour and Construction Costs	Pipeline labour and construction costs were lower than estimated primarily due to more favorable ground conditions. The use of electrofusion couplings resulted in construction efficiencies and less hours worked by the construction contractor.
3	Outside Services	Outside Services costs were lower than estimated due to less environmental assessment work being required than anticipated. Specifically, a Stage 2

		Archeology Assessment and Report was not required based on the results of the Stage 1 Assessment. Additionally, topographical survey and drafting costs were lower than expected.
4	Land, Permits, Approvals and Consultations	Permits and approvals costs were lower than estimated as a result of consultation efficiency. Additionally, costs to prepare permit applications, liaise with landowners, and all title searching was included under Direct Overheads.
5	Direct Overheads	Higher costs than estimated for Direct Overheads are attributed to personnel costs to support pre-work activities, and design and documentation. In addition, see the variance explanation for Item No. 4 for actual costs included as Direct Overheads that were estimated under internal labor.
6	Contingency	No contingency for the Project was utilized.

At the time of the LTC application, Enbridge Gas forecasted the attachment of 183 customers from Year 1 to 10 (EB-2023-0200, Exhibit B, Tab 1, Schedule 1, Table 2). At this time, 87 services have been installed to date, leaving 96 forecasted customers remaining to attach by December 2033. Assuming the full 10-year forecast is realized, the remaining service installations are projected to impact the project variance. Service installations costs vary depending on service length, size, material, and ground conditions, and it is therefore difficult to forecast the variance at this time. The extra length charge collected from customers will offset some costs however as described above, the impact is unknown at this time.