Patricia Squires
Manager
Regulatory Applications - LTC
Regulatory Affairs

Tel: (416) 753-6284
Email: Patricia.Squires@Enbridge.com
EGIRegulatoryProceedings@enbridge.com

Enbridge Gas Inc.
500 Consumers Road
North York, Ontario, M2J 1P8
Canada

October 14, 2026

VIA RESS AND EMAIL

Ritchie Murray
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
P.O. Box 2319
Toronto, ON M4P 1E4

Dear Ritchie Murray:

Re: Enbridge Gas Inc. (Enbridge Gas)
Ontario Energy Board (OEB) File: EB-2022-0003
NPS 20 Waterfront Toronto Relocation Project

On July 7, 2022, the OEB issued its Decision and Order for the above noted proceeding, which included, as Schedule B, several Conditions of Approval.

Per Conditions 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.

Please find enclosed the post construction financial report and final monitoring report for the above-mentioned project. Enbridge Gas acknowledges that the October 6, 2026 deadline for this notification (15 months after the in-service date of July 6, 2025) was missed inadvertently, and apologizes for the oversight.

If you have any questions, please contact the undersigned.

Sincerely,

Patricia Squires

Patricia Squires
Manager, Regulatory Applications – Leave to Construct

POST CONSTRUCTION FINANCIAL REPORT

Waterfront Toronto Relocation Project
EB-2022-0003

In compliance with the Ontario Energy Board Order EB-2022-0003, the following is a report on the capital cost for the Waterfront Toronto Relocation Project

ct's actual cost was $9,193,895, approximately 53% lower than the original estimate. The following provides an explanation of the significant cost variances that cc
to this substantial difference between the estimated and actual project costs.

Table 1: Project Cost Forecast to Actual

Item No.	Description	Project Estimate ($)	Actual Cost ($)	Variance ($)	Variance (%)
1	Material Costs	2,531,319.00	3,187,146.00	655,827.00	26%
2	Labour Costs	10,176,815.00	6,999,062.00	(3,177,753.00)	-31%
3	External Permitting, Land	20,241.00	24,218.00	3,977.00	20%
4	Outside Services	2,230,858.00	1,969,602.00	(261,256.00)	-12%
5	Direct Overheads	272,759.00	367,918.00	95,159.00	35%
6	Contingency Costs	4,570,785.00	-	(4,570,785.00)	-100%
7	Direct Capital Costs	19,802,777.00	12,547,946.00	(7,254,831.00)	-37%
8	Indirect Overheads	3,251,073.00	795,475.00	(2,455,598.00)	-76%
9	Interest During Construction	407,708.00	425,237.00	17,529.00	4%
10	Total Project Costs	23,461,558.00	13,768,658.00	(9,692,900.00)	-41%
11	Less: CIAC	(5,000,000.00)	(5,000,000.00)	-	0%
12	Total	18,461,558.00	9,193,895.00	(9,692,900.00)	-53%

Item No.	Catgeory	Variance Explanation
1	Material Costs	Material costs exceeded the original estimate primarily due to unforeseen field conditions and additional temporary bypass protection requirements. During construction, laminations were identified at the proposed eastern tie-in point, requiring the installation team to trace the existing gas main until a suitable location for the tie-in could be identified. This resulted in approximately 25 m of additional gas main being required beyond what was included in the original estimate. In addition, the estimate did not include the materials required to protect the temporary bypass, as these costs were originally anticipated to be covered by Waterfront Toronto. These additional material requirements contributed to the overall material cost overrun.
2	Labour Costs	At the time the construction estimate was developed, the project anticipated that a significant portion of the gas main installation near the Don River would need to be completed using barges. This approach would have required specialized training, safety measures, marine support, staging and additional material-handling requirements beyond typical work protocols. Restrictions associated with working on barges would have also expected to reduce productivity, thereby increasing the labour hours required to complete the installation. This construction methodology also carried additional risks and uncertainties, which contributed to the use of a 30% contingency rather than the typical 20% and was reflected in the overall construction estimate. As construction progressed, the methodology changed significantly. The project was able to utilize several existing work areas that had already been prepared by Waterfront Toronto and its sub-contractors, allowing much of the work to be completed from land rather than from barges, and thereby reducing the labour hours worked to complete the installation, and eliminating much of the costs associated with completing the instillation from barges. This reduced the complexity and risk associated with the work and ultimately resulted in a more efficient construction approach than had been assumed in the original estimate.
5	Direct Overheads	During construction, several unforseen field conditions and project changes resulted in greater-than-anticipated internal support and oversight during construction. Specifically, changes to the tie-in location, coordination with the City for traffic closures to enable the construction work required to complete the Project, and additional temporary bypass protection requirements resulted in increased project coordination, increased internal engineering costs, inspection, and administrative activities associated with these unforseen field conditions and project changes.
6	Contingency	As noted in the Labour Cost variance explanation, a higher-than-normal contingency was included in the original estimate due to the unconventional construction methods anticipated for the project. Specifically, the expectation that a significant portion of the work would need to be completed from barges introduced additional complexity, risk, and uncertainty compared to a more traditional land-based construction approach. As construction progressed, the project team was able to take advantage of existing work areas prepared by the Waterfront Toronto construction team, allowing much of the work to be completed from land using more conventional construction methods. This significantly reduced the anticipated complexity and associated costs. As a result, actual costs were considerably lower than originally estimated, and none of the contingency included in the estimate was ultimately required.
8	Indirect Overheads	Indirect overhead costs were lower than estimated due to the significant reduction in direct project costs and overall project effort required to complete the work. As many indirect overhead allocations are applied based on direct labour and project expenditures, the reduced construction cost, and reduced hours of labour resulted in lower overhead allocations than originally forecasted. The reduction in direct project costs was primarily attributable to the use of a less complex, land-based construction methodology rather than the anticipated barge-based approach. Accordingly, the indirect overhead variance reflects the lower level of direct project activity and associated costs to which overheads were applied.

NPS20 Waterfront Toronto Relocation Project
Final Monitoring Report EB–2022–0003

Final Report

October 14, 2026

Prepared for:
Enbridge Gas Inc. doing business as Enbridge Gas Ontario (Enbridge Gas)

Prepared by:
Stantec Consulting Ltd.

Project/File:
160951735

Stantec

Limitations and Sign-off

The conclusions in the Report titled NPS 20 Waterfront Toronto Relocation Project Final Monitoring Report 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 take into account 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. doing business as Enbridge Gas Ontario (Enbridge Gas) (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:

Signature

Chris Revak, B.Sc., CISEC
Senior Environmental Scientist
Printed Name and Title

Reviewed by:

Signature

Mark Knight, MA, RPP, MCIP
Principal, Environmental Planner
Practice Lead Environmental Services
Printed Name and Title

Approved by:

Signature

Rooly Georgopoulos
Principal, Senior Project Manager
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 replace and abandon a segment of a high-pressured steel Nominal Pipe Size (NPS) 20 (20-inch) natural gas pipeline over the Don River supplying the City of Toronto, Ontario (the Project). The pipeline is located partially on the Keating Railway Bridge, an above ground river crossing that spans the Don River, and partially underground immediately east and west of the bridge. The OEB issued *Leave to Construct (LTC)* for the Project on July 7, 2022, subject to the *Conditions of Approval (COA)* contained in *Schedule B - Decision and Order in the EB-2022-0003*.

As part of the *LTC COA*, Enbridge Gas is required to complete a *Final Monitoring Report* to be filed with the OEB within fifteen (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 July 6, 2025, making the filing date for the *Final Monitoring Report* October 6, 2026, as per *condition 7. b)* of *Schedule B - Decision and Order - Enbridge Gas Inc. - EB-2022-0003 - COA.* This *Final Monitoring Report* has been prepared in support of the *EB-2022-0003 Decision and Order* (OEB 2022), detailing the reporting requirements and the actual environmental conditions of the right-of-way current to September 23, 2026.

The work involved installation of a temporary above ground by-pass, and a two-phase final relocation: above ground installation (Phase 1) and a below ground installation (Phase 2). Construction commenced in Phase 1 in June 2023 and on Phase 2 in June 2025. The Project had an in-service date of July 6, 2025.

Many of the potential environmental effects were avoided or reduced since the Project was located in a heavily urbanized area. Other potential environmental effects were further reduced by implementing appropriate feature specific mitigation measures and proactively stabilizing disturbed areas as soon as possible after construction. Stabilization was proactive throughout construction with temporary stabilization and clean-up occurring at the end of each phase of the Project.

Mitigation monitoring was employed by using field inspectors throughout construction to monitor contractor activities so that the pipeline was constructed in accordance with applicable designs, specifications, and regulations. Environmental inspection was also conducted to monitor compliance with conditions and recommendations in the Project's *Environmental Report* (Stantec, 2022) and the *Environmental Clearance Notification* (Stantec, 2023b) and to reduce potential impacts that may result during construction.

Final restoration has been completed on-site. No complaints were received during construction of the Project or up to October 6, 2026. 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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Acronyms / Abbreviations

COA	Conditions of Approval
ESC	erosion and sediment control
EI	Environmental Inspector
Enbridge Gas	Enbridge Gas Inc.
ECN	Environmental Clearance Notification
LTC	Leave to Construct
NPS	nominal pipe size
OEB	Ontario Energy Board
ROW	right-of-way
Stantec	Stantec Consulting Ltd.

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 replace and abandon a segment of a high-pressured steel Nominal Pipe Size (NPS) 20 (20-inch) natural gas pipeline over the Don River supplying the City of Toronto, Ontario (the Project).

The pipeline is located partially on the Keating Railway Bridge, an above ground river crossing that spans the Don River, and partially underground immediately east and west of the bridge. The OEB issued *Leave to Construct (LTC)* for the Project on July 7, 2022, subject to the *Conditions of Approval* (COA) contained in *Schedule B - Decision and Order* in the *EB-2022-0003* (OEB 2022). See **Appendix A** for a map of the Project. The work involved installation of a temporary above ground by-pass, and a two-phase final relocation: above ground installation (Phase 1) and a below ground installation (Phase 2). Construction commenced on Phase 1 in June 2023 and on Phase 2 in June 2025. The Project had an in-service date of July 6, 2025.

As per condition 7. a) of *Schedule B - Decision and Order* of the LTC COA, Enbridge Gas must file a *Final Monitoring Report* with the OEB within fifteen (15) 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 July 6, 2025, making the filing date for the *Final Monitoring Report:* October 6, 2026,

1.1 Scope

This *Final Monitoring Report* has been prepared to adhere to the *EB-2022-0003 Decision and Order* (OEB 2022). 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 September 23, 2026.

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

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.*
7. *Both during and after construction, Enbridge Gas shall monitor the impacts of construction, and shall file with the OEB one electronic (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' 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; and*
        v. *include a log of all complaints received by Enbridge Gas, 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."*

The full *EB-2022-0003 Decision and Order* can be found in **Appendix B**.

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-2022-0003 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.

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 a Project-specific environmental orientation training to become familiarized with environmental features and developed mitigation. Communication and regularly scheduled meetings 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.

Many of the potential environmental impacts were avoided since the Project was located in previously disturbed areas and a highly urbanized environment. Conservation authority permits were obtained and reviewed prior to construction. Conservation authority permits were kept onsite for the duration of the Project. The watercourse was crossed as per the permits granted by Toronto Region Conservation Authority.

During construction, watercourses were not obstructed in a way that impeded the free movement of water or fish or were there increases in sedimentation as a result of construction. Erosion and sediment control (ESC) measures were implemented to prevent off-site sediment migration into the Don River.

Other potential adverse environmental effects were reduced by implementing appropriate mitigation measures and common management practices including implementing, inspecting, and maintaining ESC measures; completing pre-disturbance studies as recommended; consulting with municipal and provincial stakeholders as necessary; and proactively reclaiming disturbed areas as soon as possible following construction.

3.2 Local By-Law Issues and Non-Compliances

Since Project construction commenced, Enbridge Gas did not record any by-law issues or non-compliances. Frequent contact was maintained with the local regulatory agencies as a best practice. No non-conformances or non-compliances with the ER or environmental permits occurred during the construction phase of the Project.

3.3 Modifications to the Project

Pursuant to condition 5 of the *COA* contained in the *EB-2022-0003 Decision and Order*, that Enbridge Gas shall advise the OEB of any proposed changes to OEB-approved construction or restoration procedures; there were no changes to the OEB-approved construction or restoration procedures during construction and restoration of the Project.

4 Construction Monitoring Programs

To address condition 7(b)(iv) within the 2022-0003 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 (Stantec Consulting Ltd. [Stantec], 2022)* and the *Environmental Clearance Notification* (ECN; Stantec, 2023b) and to reduce potential impacts that may result during construction.

The monitoring programs for the Project focused on areas where the *Environmental Report* (Stantec 2022) 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 contracted Stantec to provide an experienced EI that was a Certified Inspector of Sediment and Erosion Control. The EI conducted regularly scheduled inspections during construction.

The EI's main responsibilities during construction were to:

- assist Enbridge Gas and the contractor in being compliant with environmental commitments, undertakings, and conditions of environmental permits and approvals
- to observe and document that mitigation and protection measures were being implemented and maintained to be effective
- communicate to workers and inspectors the environmental sensitivities and permit requirements for the site when the EI was not on-site
- to observe and document that work was completed in accordance with applicable environmental regulations and Enbridge Gas policies, procedures, and specifications

Upon completion of the Project, the EI assessed the conditions of the ROW in support of both the *Post Construction Report* and the *Final Monitoring Report* to determine potential outstanding concerns. During the site assessment in support of the *Final Monitoring Report* some minor erosion concerns were noted near the bridge abutment as discussed in Section 6. No other issues or concerns were identified.

5 Complaint Management

To address condition 7(b)(v) within the EB-2022-0003 Decision and Order - COA for the Project, the following section includes the complaint tracking, management, and resolution process; and the complaints received since the filing of the *Post Construction Report*.

5.1 Recording and Response Process

When a complaint is received, Enbridge Gas' process is to record the complaint and track the activities leading to the resolution of the complaint. The process involves recording the correspondence between the complainant and Enbridge Gas as efforts are made to reach a resolution. Actions to reach the resolution are tracked and followed up by Enbridge Gas to confirm resolution.

5.2 Summary of Complaints

No complaints and/or concerns were received during construction or since the filing of the *Post Construction Report*. Therefore, there are no outstanding complaints or concerns regarding the Project.



6 Current Conditions of the Right-of-Way

To address condition 7(a)(ii) within the *EB-2022-0003 Decision and Order - COA*, the following section outlines the current condition of the ROW and document outstanding concerns related to the Project. Many of the potential environmental impacts were avoided with the Project occurring in a previously disturbed highly urbanized area. Mitigation measures within the ECN and permits were implemented as required to reduce potential impacts to the environment. Once each phase of the Project was completed, the site was stabilized and/or backfilled and re-graded as soon as practical to match pre-existing conditions. Temporary ESC measures were used as needed. Excess soils were removed from the site and disposed of as per the *Soil Characterization Report* (Stantec 2023). Upon backfilling the site was handed over to the municipal contractor to complete surface improvements.

Currently the ROW has been stabilized and restored and there is no outstanding work required. A site visit occurred on September 23, 2026 to confirm the conditions of the site in support of the *Final Monitoring Report.* Generally, the site appeared to be in good condition and stabilized with sod, gravel, and other surface improvements as necessary (see Photolog in **Appendix D**). There was some minor erosion occurring near the bridge abutment that has resulted in some gullying from the bridge. There was no evidence of gravel migrating into the Don River as a result of the erosion.

As the site had been relinquished to the municipal contractor for subsequent works, Enbridge Gas notified the contractor of the observed conditions, provided photographs for their awareness, and recommended that additional stabilization measures be considered, as appropriate.

As the pipeline has been backfilled and surface restoration (including concrete and pavement works) has been completed, no outstanding restoration concerns associated with the Enbridge Gas works were identified during this inspection. No significant residual or cumulative effects on environmental and/or socio-economic features are anticipated from the construction of the Project.



7 References

Enbridge Gas Inc. (Enbridge Gas). 2020. *Environmental Guidelines for Construction.* June 2020 Edition. Prepared by Enbridge Liquid Pipelines and Major Projects in cooperation with TERA Environmental Consultants.

Enbridge Gas. 2023. *Environmental Clearance Notification* (June 16, 2023).

Ontario Energy Board (OEB). 2022. *Decision and Order EB-2022-0003 Enbridge Gas Inc. Application for leave to construct two natural gas pipelines and associated facilities in the City of Toronto.* July 1, 2022.

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

Stantec Consulting Ltd. (Stantec). 2022. *Proposed NPS 20 Don River Relocation Project Environmental Report* (December 17, 2021). Prepared for Enbridge Gas Inc.

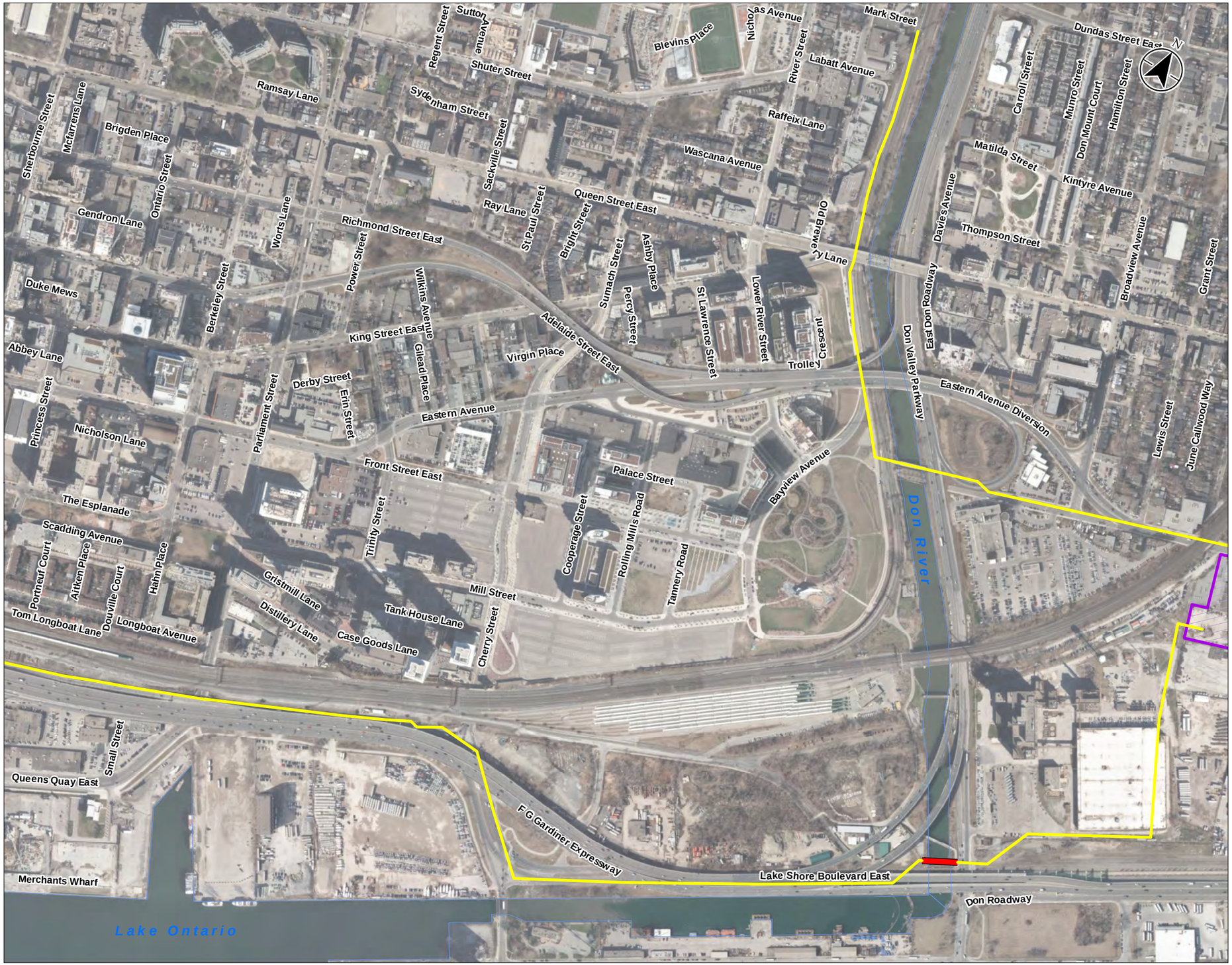
Stantec. 2023a. *Limited Soil Characterization Report - NPS 20 Don River Relocation Project, Toronto, Ontario* (August 8, 2023). Prepared for Enbridge Gas Inc.

Stantec. 2023b. *Environmental Clearance Notification (June 16, 2023).* Prepared for Enbridge Gas Inc. Updated in 2025.

Stantec. 2025. *NPS20 Waterfront Toronto Relocation Project (October 6, 2025) Post Construction Report*. Prepared for Enbridge Gas Inc.

Appendices

Appendix A Project Overview Figure



Stantec

Legend

Enbridge Gas Features

- Replacement Section
- Existing Pipeline
- Existing Station

Natural Features

- Watercourse
- Waterbody

0 120 240 metres

1:6,000 (At original document size of 11x17)

Notes

1. Coordinate System: NAD 1983 UTM Zone 17N
2. Base features produced under license with the Ontario Ministry of Natural Resources and Forestry © Queen's Printer for Ontario, 2018.
3. Orthoimagery © First Base Solutions, 2020. Imagery Date, 2018.



Project Location
City of Toronto

160951293 REVA
Prepared by SPE on 2021-11-29
Technical Review by BCC on 2021-11-30

Client/Project
ENBRIDGE GAS INC.
DON RIVER 20 INCH NATURAL GAS
PIPELINE REPLACEMENT

Figure No.
1

Title
Project Location

Disclaimer: Stantec assumes no responsibility for data supplied in electronic format. The recipient accepts full responsibility for verifying the accuracy and completeness of the data. The recipient releases Stantec, its officers, employees, consultants and agents, from any and all claims arising in any way from the content or provision of the data.

October 14, 2026

Appendix B EB-2022-0003 Decision and Order

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

DECISION AND ORDER

EB-2022-0003

ENBRIDGE GAS INC.

Application for leave to construct two natural gas pipelines and associated facilities in the City of Toronto

BEFORE: Emad Elsayed
Presiding Commissioner

Robert Dodds
Commissioner

July 7, 2022

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

Ontario

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1 OVERVIEW

On February 24, 2022, Enbridge Gas Inc. (Enbridge Gas) filed an application under section 90 of the *Ontario Energy Board Act*, *1998*, S.O. 1998, c. 15, (Schedule B) (OEB Act) for leave to construct two new gas pipelines in the City of Toronto: a temporary 190 metre 20-inch diameter bypass pipeline and a permanent 160 metre 20-inch diameter pipeline (the Project).

The Project will facilitate the abandonment of approximately 155 metres of existing 20-inch diameter pipeline that is located on and near the existing Keating Railway Bridge (Existing Pipeline) and that conflicts with the construction of Waterfront Toronto's Port Lands Flood Protection and Enabling Infrastructure Project (Flood Protection Project).

The temporary bypass pipeline would be located on the existing Lake Shore Bridge and would maintain current service levels to the downtown Toronto area (Temporary Bypass) while the permanent 160 metre 20-inch diameter pipeline is constructed (Permanent Pipeline). The Permanent Pipeline would be constructed within a newly designed utility corridor (New Utility Corridor) that will be located on the Keating Railway Bridge after the bridge has been upgraded and elongated as part of the Flood Protection Project.

Enbridge Gas has also applied under section 97 of the OEB Act for approval of the form of land-use agreements it has offered or will offer to landowners affected by the routing and construction of the Project.

The current application is an update to an application originally filed by Enbridge Gas in October 2020 (2020 Application) that was withdrawn so that Enbridge Gas could reassess alternatives to the project proposed in that application.[1]

For the reasons provided in this Decision and Order, the OEB grants Enbridge Gas's application for leave to construct the Project.

The OEB finds that the Project is in the public interest based on an examination of the Project need, alternatives, cost and economics, environmental impacts, land use requirements, and Indigenous consultations.

The leave to construct is subject to the OEB's conditions of approval, attached as Schedule B to this Decision and Order.

[1] Enbridge Gas Inc.'s original Waterfront Relocation application, EB-2020-0198

2 CONTEXT AND PROCESS

2.1 The 2020 Application

In its original 2020 Application, Enbridge Gas applied to the Ontario Energy Board (OEB) for leave to construct approximately two kilometres of 20-inch diameter pipeline and ancillary facilities (including a new feeder station) in the City of Toronto in order to abandon approximately 155 metres of existing NPS 20 pipeline (Original Pipeline Relocation Project).[2] Enbridge Gas stated that the Original Pipeline Relocation Project was needed to relocate the Existing Pipeline located on and near the Keating Railway Bridge that conflicts with the construction of the Flood Protection Project.

The Existing Pipeline forms part of Enbridge Gas's Kipling Oshawa Loop and supplies many residential, commercial, institutional and industrial customers in the downtown Toronto area. A 42-metre portion of the Existing Pipeline that is located on the Keating Railway Bridge was replaced in 2000.[3]

The Flood Protection Project is a $1.25 billion project aimed at revitalizing 800 acres of flood prone land in the Toronto Port Lands and surrounding areas. The Flood Protection Project will widen the mouth of the Don River to better handle flood waters from extreme weather events.

The estimated cost of the Original Pipeline Relocation Project was $70.5 million and Enbridge Gas advised Waterfront Toronto that it was responsible for 100% of the cost because Waterfront Toronto had requested the pipeline relocation. Waterfront Toronto disagreed and, on October 30, 2020, the City of Toronto terminated the license that allowed Enbridge Gas's pipeline to occupy the Keating Railway Bridge after May 2, 2022.

The City of Toronto also commenced a court application for an order requiring Enbridge Gas to remove the Existing Pipeline from the Keating Railway Bridge. The Court granted the order and held that Enbridge Gas would be a trespasser if it did not remove the pipeline by August 31, 2022. The Court specifically did not order an injunction requiring Enbridge Gas to remove the Existing Pipeline by a fixed date.[4]

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[2] Ibid.
[3] Enbridge Gas's Reply Submission, June 23, 2020 (Reply Submission), page 3
[4] *City of Toronto v. Enbridge Gas Inc*., Ontario Superior Court of Justice, May 17, 2021, Court File No. CV-21-00654243-0000 at paras 33-35. A copy of the decision is included in Application at Exhibit B, Tab 1, Schedule 1, Attachment 2

On January 22, 2021 the OEB issued a decision that found that the OEB has full jurisdiction to determine cost responsibility for the Original Pipeline Relocation Project to the extent that it is pertinent to the OEB's rate-setting mandate and its consideration of the public interest in a leave to construct proceeding as articulated in the OEB Act. However, the OEB stated that it does not have jurisdiction to order Waterfront Toronto to pay all or part of the project cost. The decision also noted that, although Enbridge Gas had provided an assessment of several project alternatives, the list may not have included some potentially more cost-effective solutions.[5]

The OEB had scheduled a settlement conference starting on January 25, 2021. However, after the first day of the conference, Enbridge Gas filed notice that it was withdrawing the 2020 Application in order to reconsider the project alternatives. The OEB accepted Enbridge Gas's withdrawal request on February 19, 2021.

In its decision that approved Enbridge Gas's request to withdraw the 2020 Application, the OEB set out several expectations for the current application which are further discussed in part 3 of this Decision and Order (Decision Outline).

2.2 The Current Application

The Project that is the subject of the current application consists of the Temporary Bypass and the Permanent Pipeline (Application).

The Temporary Bypass would be located on the existing Lake Shore Bridge. The Temporary Bypass would maintain current service levels to the downtown Toronto area while the Permanent Pipeline is constructed and put into service. The Permanent Pipeline would be constructed within the New Utility Corridor to be located on the elongated Keating Railway Bridge.

The Project is estimated to cost $23.5 million, which is approximately $47 million or 67% lower than the Original Pipeline Relocation Project. As a result of negotiations with Enbridge Gas, Waterfront Toronto agreed to contribute $5 million to the Project making the net cost to Enbridge Gas $18.5 million.

Enridge Gas and the City of Toronto will be entering into an updated license agreement for the New Utility Corridor for the Permanent Pipeline. In the meantime, the City of

[5] EB-2020-0198, Decision and Order on Application Withdrawal Request, February 19, 2021

Toronto has granted permission for the Existing Pipeline to remain on the Keating Railway Bridge until April 30, 2023, which is when the Temporary Bypass must be operational.

2.3 Process

Enbridge Gas filed the current application with the OEB on February 24, 2022. The OEB issued the Notice of Hearing on March 16, 2022, and Procedural Order No. 1 on April 29, 2022. The City of Toronto, Energy Probe (EP), Environmental Defence (ED), Pollution Probe, School Energy Coalition (SEC), and Waterfront Toronto were approved as intervenors. EP, ED, Pollution Probe and SEC are eligible to apply for an award of costs.

3 DECISION OUTLINE

The OEB's legislative authority with respect to applications seeking approval for the construction of hydrocarbon pipelines is set out in Sections 90, 91 and 96(1) of the OEB Act. When determining whether a project is in the public interest, the OEB typically examines the following factors that comprise the OEB's Section 90 and 91 Leave to Construct Issues List:

1. The need for the project
2. Project alternatives
3. Project cost and economics
4. Environmental impacts
5. Land matters
6. Indigenous consultation
7. Conditions of approval

As noted above, the current application is related to an earlier application that was withdrawn by Enbridge Gas. In its decision approving withdrawal of the earlier application, the OEB stated that, if Enbridge Gas files a new application, the OEB would have the following expectations:

1) Enbridge Gas would assess all feasible alternatives with a focus on protecting the interests of ratepayers with respect to prices and the reliability and quality of gas service
2) Ratepayers would not be asked to pay any amount that exceeds the benefits being delivered to them
3) Issues between Enbridge Gas and Waterfront Toronto and/or the City of Toronto regarding schedule, legal rights and cost responsibility would be resolved before the new application is filed
4) Enbridge Gas would allow sufficient time for the OEB to conduct a proper review of the new application

In Procedural Order No. 1, the OEB stated that Items #3 and #4 are addressed in the current application as filed and do not need to be added to the standard issues list in

this proceeding. Item #1 can be addressed under “project alternatives” and item #2 can be addressed under “project cost and economics”. Therefore, the OEB determined that there was no need to make changes to the standard issues list for this proceeding.

This Decision and Order is structured to follow the OEB’s standard issues list for leave to construct applications.

4 POSITIONS OF PARTIES AND OEB FINDINGS

The City of Toronto and EP submitted that the Application should be approved as filed. OEB staff and SEC submitted that the Application should be approved, but with certain conditions (as explained below). ED and Pollution Probe were silent on whether the Application should be approved but provided their views on certain aspects of the Project which are discussed further in this Decision and Order. While Waterfront Toronto did not file a formal submission, it expressed its support for the Application in its intervention request.[6] Enbridge Gas also noted that since the withdrawal of the 2020 Application, it has held several discussions with Waterfront Toronto and the City of Toronto and they have come to an agreement on the Project schedule, cost, and associated legal rights.[7]

4.1 Need for the Project

The Project is driven by the City of Toronto's requirement to remove the Existing Pipeline from the Keating Railway Bridge and the direct conflict with the Flood Protection Project. No party disputed the need for the Existing Pipeline to be relocated.

Enbridge Gas stated that the Project consists of like-for-like replacement of existing capacity and does not include any incremental or growth capacity.

Fit within Relevant Growth Plans and Dependencies

OEB staff submitted that the Project is not part of a multi-phase project and noted that the Project was identified in Enbridge Gas's Asset Management Plan Addendum, which was filed in its 2022 Rates Proceeding.[8] The Project does not contain any planned future phases and is not dependent upon any previously filed leave to construct application by Enbridge Gas. Furthermore, the Project does not have a growth component associated with it.

Future Demand in the City of Toronto

Pollution Probe noted that the City of Toronto is forecasting a significant decline in natural gas use over the life of the proposed pipeline.[9] Pollution Probe submitted that

[6] Waterfront Toronto's intervention request letter, April 5, 2022
[7] Exhibit A-2-1, page 3
[8] EB-2021-0148, Exhibit B-2-3, EGI Asset Management Plan Addendum – 2022, pages 9-12
[9] Enbridge Gas response to Interrogatory I.PP.6

using a “like for like” assumption does not match project capacity to future demand and increases the potential for the proposed pipeline to become stranded (in part or whole) in the future. The proposed amortization period for the proposed Permanent Relocation is 40 years which would mean that ratepayers will still be paying for costs related to this pipeline in 2062. Even by 2050 the City of Toronto is forecasting natural gas use within the City of Toronto to be approximately 30% of historical demand. Pollution Probe proposed that the OEB create a blanket requirement that broad system demand forecasts be updated and filed for all future projects which seek leave to construct approval as this would ensure that the projects align with future demand and reduces the likelihood of stranded assets that are not fully depreciated.[10]

In its reply submission, Enbridge Gas argued that Pollution Probe’s commentary about amortization methodologies are rate-related issues that are more appropriately considered in a rate-related hearing and are out of scope in this proceeding.[11]

In response to Pollution Probe’s proposal that the OEB create a blanket requirement that broad system demand forecasts be updated and filed for all future projects which seek leave to construct approval, Enbridge Gas noted that not every project requires a demand forecast for the entire system which is impacted by a project. The Project proposed in the Application is a relocation project which is required to maintain system reliability in the immediate term and so a long-term demand forecast is neither important nor required to establish Project need.[12]

SEC noted that various levels of government have implemented policies and programs aimed at reducing natural gas consumption and greenhouse gas emissions. SEC submitted that Enbridge Gas has not provided sufficient information to support the need for a 20-inch diameter pipeline (versus a smaller diameter) and the OEB has insufficient supporting evidence to assess whether a 20-inch diameter pipeline is the prudent option for the Project.

In its reply submission, Enbridge Gas reiterated that a 20-inch diameter pipeline is needed to meet today’s demand[13] and that a 16-inch diameter pipeline is not sufficient to provide the same reliability and puts the security of supply at risk for customers. Additionally, reducing the size of the Permanent Pipeline would preclude Enbridge Gas from being able to complete in-line inspections on the Lisgar to Station B portion of the

[10] Pollution Probe Submission, page 4
[11] Reply Submission, page 11, para 49
[12] Reply Submission, page 11, para 50
[13] Also see Enbridge Gas response to Interrogatories I.PP.6(d) and I.STAFF.2

Kipling Oshawa Loop. Finally, reducing the pipeline size would have only a marginal potential cost savings related to the proposed Project.[14]

Enbridge Gas noted the suggestion by several intervenors that there will be future reduced demand for natural gas in the downtown Toronto core but argued that the demand and reliability required today by approximately 15,000 customers in the downtown Toronto region must be satisfied and reduction to NPS 16 while meeting this current demand is not possible.[15]

Enbridge Gas also noted that the reference by intervenors to the City of Toronto's future demand was excerpted from a report that was introduced as a preamble to an interrogatory which was not properly put into evidence, subject to cross-examination or full evaluation. Furthermore, the City of Toronto, which was the author of the report, did not rely on the report and also supports the Application. As such, Enbridge Gas submitted that no weight can be given to such information from the intervenors.[16]

Findings

The OEB finds that Enbridge Gas has demonstrated the need for the Project.

The OEB agrees with Enbridge Gas that a section of the Existing Pipeline located on and near the Keating Railway Bridge must be relocated for the following reasons:

- It conflicts with Waterfront Toronto's Flood Protection Project which involves the widening of the mouth of the Don River where the Keating Railway Bridge is located
- The Existing Pipeline is a critical source of safe and reliable natural gas supply to the downtown Toronto area serving approximately 15,000 customers
- While it is possible that the future demand for natural gas may reduce in this area in several decades, there will be no such immediate reduction and the current demand must be met

[14] Reply Submission, pages 7-8, paragraphs 30-31
[15] Reply Submission, page 8, para 32
[16] Reply Submission, page 8, paragraph 33

Based on the above, the OEB finds that Enbridge Gas has no choice but to explore alternatives for relocating the Existing Pipeline.

The OEB also notes that the City of Toronto obtained an order of the Ontario Superior Court of Justice terminating any entitlement Enbridge Gas had to occupy the Keating Bridge after August and if the Existing Pipeline is not removed, Enbridge Gas will be liable for trespass.[17]

4.2 Project Alternatives

Enbridge Gas evaluated several pipeline alternatives based on their ability to meet the project need, capital cost, constructability, safety risks, land constraints, legal requirements and whether they could meet Waterfront Toronto's timelines.

In the 2020 Application, Enbridge Gas proposed to replace the Existing Pipeline with approximately a 2 kilometre, 20-inch diameter pipeline and abandon the Existing Pipeline at an estimated cost of $70.5 million. Enbridge Gas subsequently withdrew the 2020 Application in order to explore other alternatives. In its decision approving Enbridge Gas's withdrawal request, the OEB found that Enbridge Gas should "assess all feasible alternatives with a focus on protecting the interests of ratepayers with respect to prices and the reliability and quality of gas service."[18] (emphasis added)

The City of Toronto, EP, and OEB staff submitted that Enbridge Gas has adequately considered all viable pipeline alternatives to the Project and has demonstrated that the need to relocate the Existing Pipeline is best addressed by the Project.

Integrated Resource Planning

The aim of Integrated Resource Planning (IRP) is to ensure that applicants have evaluated and compared both supply-side and demand-side options, including an

[17] *Toronto v. Enbridge Gas,* supra notes 34 and 35 and Enbridge Gas response to Interrogatory I.SEC.3, page 1. While the court found that Enbridge Gas would be trespassing if it did not remove the pipeline by August 31, 2022, the City later agreed to extend the deadline provided that Enbridge Gas will pursue this Project and remove the existing pipeline by April 30, 2023.

[18] OEB's Decision and Order in EB-2020-0198, page 13

interplay of options, and identified the best solution to meet a system need. In 2021, the OEB approved an IRP Framework for Enbridge Gas.[19]

Enbridge Gas stated that it did not conduct an IRP alternative assessment related to the Project because it believes, in accordance with the IRP Framework, the Project is exempt from such consideration due to it being needed in less than three years.[20]

Pollution Probe argued that an exemption from IRP considerations is not automatic and that a proposed leave to construct project can only be considered for a potential exemption if the OEB determined that the project is exempt and that reasonable attempts were taken to assess IRP alternative (such as a decreased pipeline size) during project development prior to application filing.[21] Pollution Probe submitted that this Project has been in consideration for more than three years and although recent circumstances outlined in the Application have increased the sense of urgency, an IRP assessment should have been conducted.

In its reply submission, Enbridge Gas stated that, in the IRP Framework, the OEB confirmed that binary screening criteria is part of the process to determine whether an IRP assessment is required and that where a system need had to be met within a 3-year time frame, an IRP assessment would not be required.[22]

In its submission, OEB staff agreed with Enbridge Gas's assessment that the Project does not warrant IRP assessment.

Findings

The OEB finds the alternative proposed in this application to be reasonable.

The OEB is satisfied that the current application demonstrates that examination of project alternatives was an appropriate step to arrive at a solution that avoids the conflict with the Flood Protection Project while protecting the interests of the ratepayers.

The OEB finds that an IRP assessment is not required in this case given that the proposed Project is a like-for-like with no growth component and has a tight timeline.

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[19] OEB's Decision and Order in EB-2020-0091, Enbridge Gas's Integrated Resource Planning Proposal (July 22, 2021) including Appendix A to the Decision and Order (IRP Framework)
[20] Exhibit C-1-1, pages 5-6
[21] Pollution Probe Submission, page 5
[22] Reply Submission, paragraph 29 and OEB Decision and Order in Enbridge Gas's Integrated Resource Planning Proposal, EB-2020-0091, issued July 22, 2021, page 48

However, the OEB encourages Enbridge Gas to provide more comprehensive studies with respect to future load on proposed pipelines in future leave to construct applications.

In respect of its expectations for the Application arising from its decision to withdraw the 2020 Application, the OEB finds that:

a) Enbridge Gas has met the OEB's expectation that it would assess all feasible alternatives with a focus on protecting the interests of ratepayers with respect to prices and the reliability and quality of gas service

b) Enbridge Gas's anticipated decision date of September 2022 provides the OEB with sufficient time to conduct a proper review of this application and render a decision

4.3 Project Cost and Economics

Estimate of the Project Cost

Contribution from Waterfront Toronto

The Project is estimated to cost $23.5 million, which is approximately $47 million or 67% lower than the Original Pipeline Relocation Project (estimated to cost $70.5 million). As a result of negotiations with Enbridge Gas, Waterfront Toronto agreed to contribute $5 million to the Project making the net cost to Enbridge Gas $18.5 million. The Application and interrogatory responses refer to a "Project Work Agreement" which was not filed on the record of this proceeding. [23] However, the evidence filed with the Application

[23] At Exhibit A, Tab 2, Schedule 1, page 3, para 6, Enbridge Gas stated:
"Since the withdrawal of Enbridge Gas's EB-2020-0198 application, the Company has held several discussions with Waterfront Toronto and the City of Toronto and have come to an agreement on the Project schedule, cost, and associated legal rights."

At Exhibit D, Tab 1, Schedule 1, page 3 para 6, Enbridge Gas stated:
"… An agreement has been reached and is in the process of being executed between Enbridge Gas and Waterfront Toronto regarding the sharing of Project costs. As a result, Waterfront Toronto will contribute $5 million to the Project. A letter dated July 13, 2021, which confirms the details of the forthcoming legal agreement and Waterfront Toronto's contribution to the Project, is included as Attachment 1 to this Exhibit."

includes a letter dated July 13, 2021, which confirms the details of the forthcoming legal agreement and Waterfront Toronto's contribution to the Project.[24]

In its submission, OEB staff noted that a contribution in aid of construction is not required in this case and that the OEB has no authority to impose any portion of the Project costs on Waterfront Toronto. Waterfront Toronto's contribution of $5 million benefits Enbridge Gas's ratepayers. Waterfront Toronto will also be responsible for the costs it incurs related to consulting and construction services to design and construct the New Utility Corridor on the Keating Railway Bridge, the estimated value of which is approximately $3 million. Waterfront Toronto is also contributing the cost for the removal and disposal of the Existing Pipeline.

In its reply submission, Enbridge Gas noted that Waterfront Toronto has absorbed certain costs related to the revised Flood Protection Project schedule and there is no liability for Enbridge Gas's pipeline remaining on the Keating Railway Bridge beyond August 2022.[25]

ED submitted that Waterfront Toronto should not be covering any of the cost. ED acknowledged that the OEB does not have jurisdiction to annul the agreement with Waterfront Toronto but asserted that there is no legal reason for any party but Enbridge Gas to pay for the Project. By refusing to move its pipeline, even though it lacked the authority to remain on the Keating Railway Bridge, Enbridge Gas forced Waterfront Toronto to contribute to the Project to achieve the certainty it needs for its Flood Protection Project. The result is an over $5 million subsidy from taxpayers toward fossil fuel infrastructure which ED strongly opposes.[26]

Project and Unit Costs

SEC submitted that the proposed budget for the Project is overstated and that the OEB should approve a smaller budget. SEC noted that the Project has much higher unit costs than other projects.[27]

In Interrogatory Response I.EP.2 Enbridge Gas stated that it met with Waterfront Toronto on June 14, 2021 and June 23, 2021 to negotiate Waterfront Toronto's contribution to the Project costs. Following these meetings, a Project Work Agreement was drafted, reviewed, and executed.

[24] Exhibit D, Tab 1, Schedule 1, Attachment 1
[25] Reply Submission, page 10, paragraph 46
[26] ED Submission, page 2
[27] Interrogatory I.STAFF.3 preamble

OEB staff accepted Enbridge Gas's explanation that the differences in project unit costs relate to such things as pipeline diameter, length, and the relative complexity of the work.

While OEB staff submitted that the Project cost is reasonable and that Enbridge Gas appropriately assessed the project economics, OEB staff also noted that the terms and conditions of the pending licence agreement between Enbridge Gas and the City of Toronto for the New Utility Corridor have not been filed on the record of this proceeding and that agreement will have costs that impact Enbridge Gas's ratepayers.[28]

In its reply submission, Enbridge Gas stated that, while the per-metre costs may appear high, such costs are in-line with the cost of the NPS 30 Don River Replacement Project and consider the specific facts of the Project including:

a) It is a relatively short pipeline segment

b) It involves NPS 20 ST pipeline and the specialized equipment necessary to complete the Project,

c) It has both above grade and below grade construction in both the Temporary Bypass and the Permanent Relocation

d) It requires two mobilizations and two abandonments

e) It requires four tie-ins (two for the Temporary Bypass and two for the Permanent Pipeline) instead of the typical two

Project Risks and Contingency

The cost estimate includes a 30% contingency applied to all direct capital and abandonment costs to reflect the preliminary design stage of the Project. Enbridge Gas noted that this contingency amount has been calculated based on the risk profile of the Project and is consistent with contingency amounts calculated for similar projects – specifically Cherry to Bathurst NPS 20 Replacement, the St. Laurent Ottawa North Replacement Project,[29] and the NPS 30 Don River Replacement Project.[30] Enbridge Gas confirmed that it used the American Association of Cost Engineers International

[28] OEB Staff Submission, page 7
[29] EB-2020-0293, Decision and Order, May 3, 2022
[30] Enbridge Gas response to Interrogatory I.STAFF.3(d)

Cost Estimate Classification System to establish the estimated cost of the Project, including the contingency.[31] The Project cost estimate is a Class 4 estimate.

OEB staff submitted that Enbridge Gas had adequately identified and described risks associated with the Project and that the proposed contingency budget is appropriate and consistent with the identified risks.

SEC submitted that the Project may in fact be less risky than other projects and that Enbridge Gas had not provided circumstances unique to this Project that justify the 30% contingency. SEC noted that, for example, the cost for constructing the Utility Corridor and the deck for Temporary Bypass will be borne by Waterfront Toronto, and Enbridge Gas will not be affected by the uncertainties associated with that construction. Furthermore, as far as complexity of the Project is concerned, SEC stated that the only aspect of the Project that stands out from other pipeline cut-out and replace projects is the Temporary Bypass, which Enbridge Gas described as a commonly utilized design during tie-ins to avoid supply disruption.[32]

In its reply submission, Enbridge Gas noted that contingency is an amount included in a cost estimate to account for events, circumstances or conditions that may or may not occur, for which the impact is uncertain, but which experience indicates an aggregate amount to account for such is appropriate. Enbridge Gas submitted that contingency amounts do not go into rate base, unless used in the completion of the Project in a prudent manner.[33]

Project Economics

Typically, in a leave to construct application, the applicant must demonstrate that the project's economics meet the OEB's economic tests using the methodology outlined in EBO 188 or EBO 134. In the present case, Enbridge Gas did not complete a Discounted Cash Flow assessment using the OEB methodology EBO 188 or EBO 134 because the Project is underpinned by compliance requirements and will not create any incremental capacity or new revenues from customers.

OEB staff agreed that a Discounted Cash Flow assessment is not required in this case.

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[31] Enbridge Gas response to Interrogatory I.STAFF.3(e)
[32] SEC Submission page 4
[33] Reply Submission, para 39

Ratepayers Not to Pay Amount that Exceeds Benefits

Enbridge Gas stated that since the withdrawal of the 2020 Application, it has prudently managed the potential ratepayer impacts of the Project by:

a) Determining a new, lower cost preferred alternative

b) Negotiating a fair contribution to the Project from Waterfront Toronto

Enbridge Gas submitted that there are no lower cost alternatives to meet the Project need while ensuring reliability of gas service to customers in the Toronto region.

Enbridge Gas submitted that its ratepayers are benefiting from the Project by continuing to receive safe and reliable natural gas amidst Enbridge Gas being required to relocate the critical Existing Pipeline.

OEB staff submitted that Enbridge Gas seems to be taking appropriate steps to ensure that ratepayers will not be asked to pay any amount that exceeds the benefits being delivered to them. However, OEB staff noted that the terms and conditions of the pending licence agreement between Enbridge Gas and the City of Toronto for the New Utility Corridor have not been filed on the record of this proceeding. The agreement will have costs that impact Enbridge Gas's ratepayers – some of which may not be included in the $23.5 million cost estimate for the Project (e.g., the "proportionate contribution" toward the capital maintenance and repair of the New Utility Corridor).[34] Enbridge Gas stated that it expects to finalize the licence agreement by the end of August 2022.[35] In its submission, OEB staff invited Enbridge Gas to provide an estimate as to the potential quantum of these costs in its reply submission. OEB staff submitted that the OEB should require Enbridge Gas to file a copy of the executed licence agreement and evidence supporting the reasonableness of the executed licence agreement as part of Enbridge Gas's upcoming rebasing application. OEB staff submitted that the OEB can review the reasonableness of the executed licence agreement in terms of its impact on ratepayers as part of the rebasing proceeding. Finally, for the purpose of completing the record of this proceeding, OEB staff submitted that the executed licence agreement should also be filed on the record of the current proceeding.

In its reply submission, Enbridge Gas stated that it expects the licence agreement to have a term similar to the expected useful life of the pipeline. Additionally, the costs will

[34] OEB Staff Submission, page 10
[35] Enbridge Gas response to Interrogatory I.STAFF.1(a)

not be material and will not have a significant impact on Enbridge Gas's cost of service. Enbridge Gas submitted that not having concluded the licence agreement is no different than not having concluded arrangements with landowners which are completed after having received leave to construct approval by the OEB.

SEC noted that the pipeline segment on the Kipling Railway Bridge was replaced in 2000 and, assuming an amortization period of 40 years, the Existing Pipeline would have 18 years left, which represents 45% of its lifetime. SEC submitted that the OEB should allocate 55% of the net Project costs to ratepayers for the purpose of Enbridge Gas's rate recovery for the Project. SEC submitted that this approach would ensure that ratepayers would not be asked to pay any amount that exceeds the benefits being delivered to them.[36]

In its reply submission, Enbridge Gas disagreed with SEC's suggestion of disallowing part of the cost of the Project based upon the premise that the existing natural gas pipeline crossing the Keating Railway Bridge is being abandoned before it has been fully depreciated. The suggestion is inconsistent with the accounting approach of pooling assets for depreciation. Further, there has been no suggestion that Enbridge Gas was imprudent in the pipeline replacement 22 years ago nor in the need to relocate the Existing Pipeline to accommodate the Flood Protection Project.[37]

Pollution Probe submitted that the Temporary Bypass should only be allowed in rate base for the period it is in operation (i.e., while "used and useful") but noted that Enbridge Gas does not have a specific internal policy/guidance document, nor is it aware of any OEB direction that sets the basis for evaluation and financial treatment of a proposed Temporary Bypass.[38] Pollution Probe's concern appears to be that if the OEB approves the Project as filed, there would be no other OEB review of project costs and the full project costs (Permanent Pipeline plus Temporary Bypass) would be added to Enbridge Gas's rates at rebasing in 2024 to be amortized over a 40 year period.

In its reply submission, Enbridge Gas submitted that Pollution Probe's commentary about amortization methodologies are rate-related issues which are more appropriately considered in a rate-related hearing and do not pertain to the issues in this leave to construct application.[39]

[36] SEC Submission, page 5
[37] Reply Submission, para 48
[38] Pollution Probe Submission, page 6 and Enbridge Gas response to Interrogatory I.PP.7
[39] Reply Submission, paragraph 49

Findings

The OEB finds that the proposed Project, at an estimated cost of $23.5 million ($18.5 million from Enbridge Gas and $5 million from Waterfront Toronto) is reasonable. The OEB notes that the Original Pipeline Relocation Project in the 2020 Application had an estimated cost of $70.5 million. This significant cost reduction came about as a result of an agreement reached between Enbridge Gas and Waterfront Toronto to use the Temporary Bypass while the Permanent Pipeline is constructed within the New Utility Corridor to be located on the revamped (elongated) Keating Railway Bridge.

Although the OEB has no authority to impose any portion of the Project costs on Waterfront Toronto, the OEB finds that Waterfront Toronto's negotiated contribution of $5 million plus the cost of the removal and disposal of the existing pipeline as well as the design and construction of the New Utility Corridor to be an optimal solution to minimizing the impact on Enbridge Gas's ratepayers.

The OEB agrees with Enbridge Gas that inclusion of a differing amortization schedule for the Temporary Bypass and early replacement of the Existing Pipeline are ratemaking matters that are beyond the scope of this leave to construct application. These issues should be addressed in Enbridge Gas's next rebasing application.

The OEB finds that the cost of the executed licence agreement between Enbridge Gas and the City of Toronto for Enbridge Gas's use of the New Utility Corridor does not need to be addressed in this proceeding for the following reasons:

a) The licence agreement is not expected to be finalized until the end of August 2022 after the record of this proceeding is closed

b) The costs contemplated in the licence agreement are not expected to be material

The OEB orders Enbridge Gas to bring the cost associated with the licence agreement forward in its upcoming rebasing application to demonstrate its prudence. The OEB also orders Enbridge Gas to file the executed licence agreement on the record of this proceeding.

The OEB finds that Enbridge Gas's explanation of the estimated cost per metre for this Project compared to other projects, as well the 30% contingency used in the Project cost estimate, to be reasonable based on the unique characteristics of the Project and the risks associated with it.

In respect of its expectations for the Application arising from its decision to withdraw the 2020 Application, the OEB finds that:

a) Enbridge Gas's ratepayers are not being asked to pay any amount that exceeds the benefits being delivered to them. The OEB finds that the negotiated cost sharing between Enbridge Gas and Waterfront Toronto, which provides for continued safe and reliable natural gas supply to downtown Toronto, meets this expectation.

b) Issues between Enbridge Gas and Waterfront Toronto and/or the City of Toronto regarding schedule, legal rights and cost responsibility have been resolved as evidenced by the letter filed with the Application.[40]

4.4 Environmental Impacts

Enbridge Gas stated that with the implementation of the mitigation and protective measures outlined in the updated Environmental Report (ER) and pending Environmental Protection Plan, the environmental impacts resulting from construction of the Project are not anticipated to be significant. Enbridge Gas also noted that, in the preparation of the preferred route and alternative, significant agency consultation had occurred and no agency has expressed any concern about the Project proceeding.[41]

No party raised any concern regarding environmental impacts. OEB staff submitted that Enbridge Gas's Environmental Report (ER) meets the requirements of the OEB's Environmental Guidelines[42] and that the ER appropriately identifies the environmental impacts associated with construction of the Project and adequately describes how it intends to mitigate and manage these impacts.

Findings

The OEB finds that Enbridge Gas's updated ER meets the requirement of OEB's Environmental Guidelines. The updated ER concludes that, with the implementation of specific mitigating measures, the environmental impacts resulting from construction of the Project are not anticipated to be significant. These mitigating / contingency

[40] Exhibit D, Tab 1, Schedule 1, Attachment 1
[41] Reply Submission, paragraph 53
[42] Ontario Energy Board Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario, 7th Edition, 2016

measures include potential unknown soil or groundwater contamination that may be encountered during construction.

4.5 Route Map and Form of Landowner Agreements

All phases of the Project will be constructed within road allowances in the City of Toronto apart from the Keating Railway Bridge, which is owned by the City of Toronto (and operated by CreateTO), for which a new licence agreement is required. Schedule A to the Decision and Order includes a map of the project.

Enbridge Gas noted that the Permanent Pipeline phase of the Project will be located within the road allowance and easements will not be required.[43]

For the Temporary Bypass, Enbridge Gas stated that it is currently working with Waterfront Toronto on the proposed alignment. Once the alignment has been finalized, Enbridge Gas will then determine if easements are required. Enbridge Gas has discussed the requirements of the Project with Waterfront Toronto and does not anticipate any issues acquiring easement or bylaw land rights, if necessary, for the Temporary Bypass.[44]

Enbridge Gas noted that temporary working areas may be required to facilitate construction.

Enbridge Gas filed its forms of easement agreement and working area agreement for OEB approval. Enbridge Gas confirmed that the forms of agreement filed in this proceeding had been previously approved by the OEB,[45] and that no changes have been made to the forms of agreement since they were last approved.[46]

No party raised any concern with the route map or forms of landowner agreement.

[43] Enbridge Gas response to Interrogatory I.STAFF.6(a)
[44] Ibid.
[45] Enbridge Gas noted that the form of Working Area Agreement has been previously approved by the OEB as part of the OEB's Decision and Order regarding Enbridge Gas's Innes Road Project (EB-2012-0438, OEB Decision and Order, April 11, 2013, pp. 5-6) and the form of Easement Agreement has been previously approved by the OEB as part of the OEB's Decision and Order regarding Enbridge Gas's London Lines Replacement Project (EB-2020-0192, OEB Decision and Order, January 28, 2021, p. 29).
[46] Enbridge Gas response to Interrogatory I.STAFF.6(b)

Findings

The OEB approves the forms of working area agreement and easement agreement filed by Enbridge Gas for the use of temporary work areas to facilitate construction.

4.6 Indigenous Consultation

The Ministry of Energy has determined that the Project does not trigger the Duty to Consult. The Ministry encouraged Enbridge Gas to engage and provide Project updates to the Mississaugas of the Credit First Nation (MCFN), which Enbridge Gas did.[47]

No Indigenous communities filed a letter of comment or sought intervenor status in this proceeding.

No party raised any concern with respect to Indigenous consultation.

Findings

The Ministry of Energy has determined that the Project does not trigger the Duty to Consult. However, the OEB encourages Enbridge Gas to continue engaging and providing Project updates to MCFN.

4.7 Conditions of Approval

OEB staff submitted that the OEB's use of its standard conditions of approval are sufficient in this case, and that no modifications or additions are required.

OEB staff noted that standard condition No. 3 would require Enbridge Gas to obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the Project.

Findings

The OEB finds that the standard conditions of approval are sufficient in this case and that no modifications or additions are required.

[47] Exhibit F-1-1, Attachment 2

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 City of Toronto 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 B.
4. 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 14, 2022**.
5. 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 21, 2022**.
6. 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 28, 2022**.
7. Enbridge Gas Inc. shall pay the OEB's costs 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-2022-0003** 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.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Ritchie Murray at ritchie.murray@oeb.ca and OEB Counsel, Ljuba Djurdjevic at ljuba.djurdjevic@oeb.ca.

DATED at Toronto July 7, 2022

ONTARIO ENERGY BOARD

Nancy Marconi

Digitally signed by Nancy Marconi
Date: 2022.07.07 11:39:18 -04'00'

Nancy Marconi
Registrar

SCHEDULE A

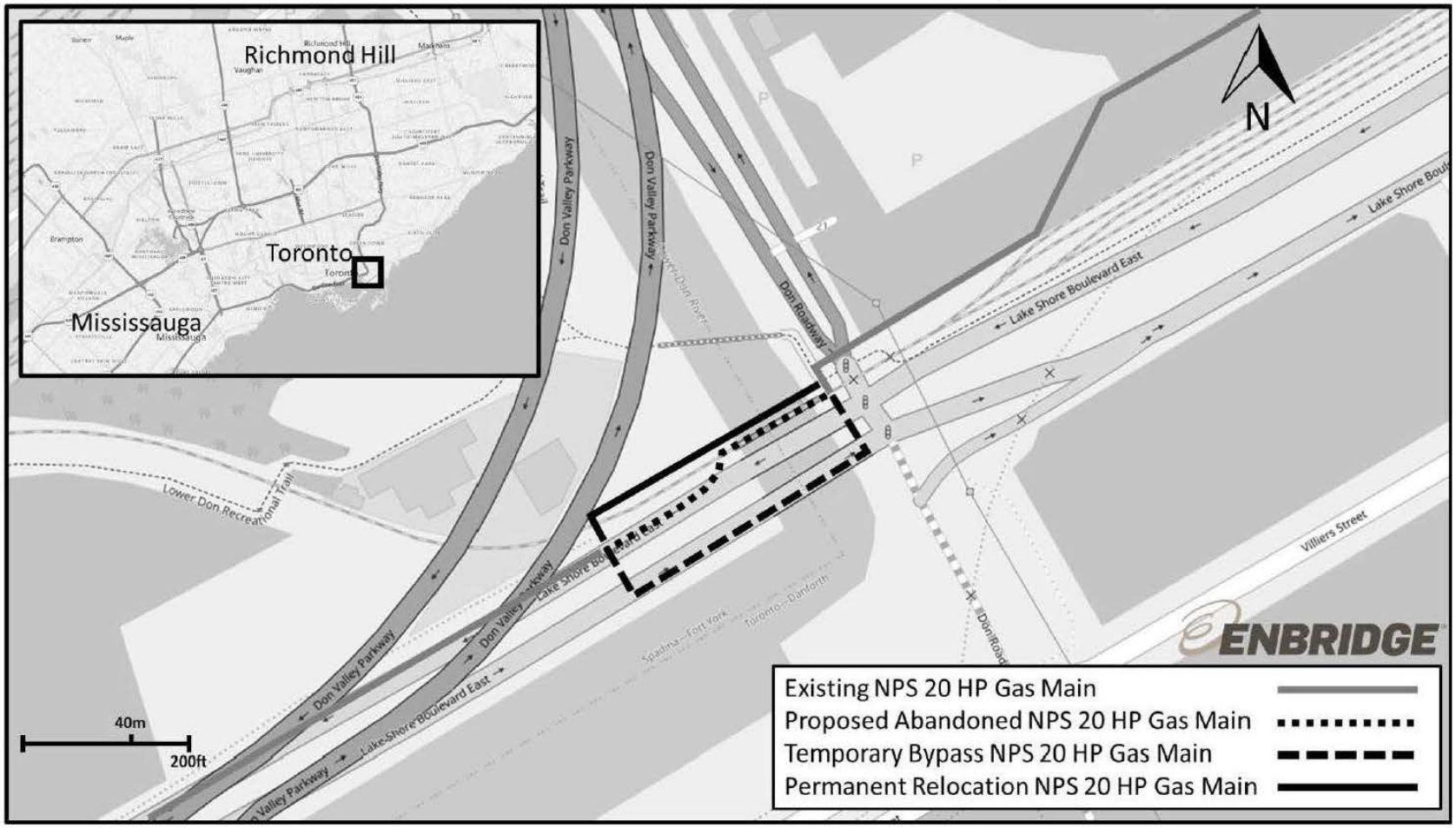
DECISION AND ORDER

ENBRIDGE GAS INC.

EB-2022-0003

JULY 7, 2022

NPS20 Waterfront Relocation Project



SCHEDULE B

DECISION AND ORDER

ENBRIDGE GAS INC.

EB-2022-0003

JULY 7, 2022

Leave to Construct Application under
Section 90 of the OEB Act
Enbridge Gas Inc.
EB-2022-0003
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-2022-0003 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 date, at least 10 days prior to the date the facilities 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 in-service date, no later than 10 days after 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 Inc. 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 Inc. 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 Inc. 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 in-service date, which shall:

      i. provide a certification, by a senior executive of the company, of Enbridge Gas'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 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'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 its employees as project manager who will be responsible for the fulfillment of these conditions, and shall provide the employee's name and contact information to the OEB and to all the appropriate landowners, and shall clearly post the project manager's contact information in a prominent place at the construction site.

Appendix C Executive Certification

Leave to Construct Application under Section 90 of the OEB Act
Enbridge Gas Inc.
EB-2022-0003
Conditions of Approval
July 7, 2022

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 the OEB's Decision and Order in EB-2022-0003 and the Conditions of Approval, as per Condition 7 (b)(i).

2026-10-09
Date

Bob Wellington
Director, Capital Project Planning
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'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: Restored and sodded ROW on the west side of the Don River previously used at temporary works space during construction (September 23, 2026).



Photo 2: Restored and sodded ROW previously utilized temporary works space during construction (September 23, 2026).



Photo 3: Location of above-ground pipeline spanning the Don River (September 23, 2026).



Photo 4: Restored and gravel ROW currently used at temporary workspace as for other project (September 23, 2026).

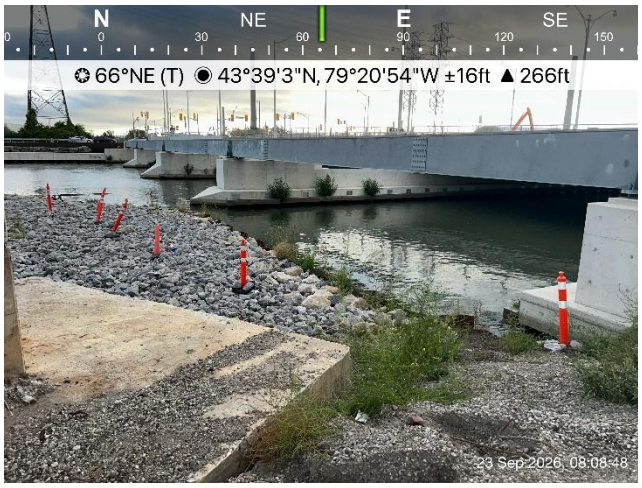


Photo 5: Completed bridge spanning over the Don River (September 23, 2026).



Photo 6: Some rills and gullies have formed at the west abutment of the bridge within the work area (September 23, 2026).