



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

DECISION AND ORDER

EB-2017-0363

UNION GAS LIMITED

2018 Storage Enhancement Project

BEFORE: Emad Elsayed
Presiding Member

March 22, 2018

TABLE OF CONTENTS

1. INTRODUCTION.....	1
2. PROCESS.....	2
3. STRUCTURE OF THE DECISION.....	3
4. NEED.....	4
5. COST AND POTENTIAL IMPACT ON UNION’S RATEPAYERS.....	5
6. LAND MATTERS.....	6
7. ENVIRONMENTAL MATTERS.....	7
8. INDIGENOUS CONSULTATION.....	8
9. WELL LICENCE APPLICATIONS.....	9
10. LEAVE TO CONSTRUCT.....	10
11. OEB’S COSTS OF THIS PROCEEDING.....	11
Appendix A – Map of the 2018 Storage Enhancement Project	
Schedule 1 Report of the OEB to the MNRF	
Appendix A Conditions of Approval	
Schedule 2 Order	
Appendix A Conditions of Approval	

1. INTRODUCTION

Union Gas Limited (Union) applied on December 7, 2017 to the Ministry of Natural Resources and Forestry (MNRF) for licences to drill three injection / withdrawal wells (Proposed Wells) in the Bickford Designated Gas Storage Pool (Bickford Pool). The application was referred to the Ontario Energy Board (OEB) by the MNRF on December 8, 2017, pursuant to section 40(1) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15 (schedule B) (OEB Act). Union requested that the OEB issue a favorable report to the MNRF recommending that the licences for the three Proposed Wells be issued.

Union also applied under section 90(1) of the OEB Act for leave to construct approximately 530 metres of 12-inch diameter natural gas pipeline within the Bickford Pool (Proposed Pipelines).

The Proposed Wells and Proposed Pipelines (collectively called the 2018 Storage Enhancement Project or the 2018 Project) would allow Union to increase deliverability of the Bickford natural gas designated storage area located in the Township of St. Clair in Lambton County. The general location of the 2018 Project is shown in a map attached as Appendix A to this Decision.

The OEB approves Union's application for leave to construct the Proposed Pipelines and is issuing a favourable report to the MNRF regarding the Proposed Wells, subject to certain conditions.

2. PROCESS

The OEB issued a Notice of Application on January 4, 2018. Union served and published the Notice of Application as the OEB directed.

Enbridge Gas Distribution Inc. and the MNRF are registered intervenors in this proceeding. The OEB proceeded by way of a written hearing. In accordance with Procedural Order No. 1 issued on January 26, 2018, the interrogatory phase was completed on February 20, 2018. OEB staff and the MNRF filed written submissions on March 5, 2018. The evidentiary record was completed on March 9, 2018 with Union's written reply submission.

3. STRUCTURE OF THE DECISION

The Decision will first address the issues common to all components of the 2018 Storage Enhancement Project:

- Need for the storage enhancement
- Costs and potential impact on Union's ratepayers
- Land related matters
- Environmental matters
- Indigenous consultation

Union's application to drill the Proposed Wells in the Bickford Pool is summarized in a separate section of this Decision. Geological, engineering, operational, technical and safety aspects of underground storage operations, including drilling and operation of storage wells, are within the authority of the MNRF in accordance with requirements of *CSA Z341.1-14 "Storage of Hydrocarbons in Underground Formations"* (CSA Z341) and the *Gas and Salt Resources of Ontario, Provincial Operating Standards* (the Provincial Standards).

In the attachments to this Decision, the OEB is issuing the following:

- The OEB Report to the Minister of Natural Resources and Forestry recommending that the Minister grant Union licences to drill and deepen the Proposed Wells in the Bickford Pool, with recommended licence conditions (Schedule 1)
- An Order granting Leave to Construct the Proposed Pipelines with conditions (Schedule 2)

4. NEED

Union stated that need for the 2018 Storage Enhancement Project is founded on Union's long term gas deliverability contract with TransCanada Energy (TCE) to supply gas to the Napanee Plant (TCE-Napanee Plant). The TCE-Napanee Plant is located between Kingston and Napanee on the shore of Lake Ontario near Lennox Generating Station. The capacity of the TCE-Napanee Plant is 980 megawatts and the planned in-service date is June 2018. The construction of the TCE-Napanee Plant is underway. The total deliverability demand in Union's contract with TCE is 125,000 GJ per day. Union's 2017 Storage Enhancement Project approved by the OEB on April 13, 2017¹ will provide 70,000 GJ per day. The remaining 55,000 GJ per day will be provided by the 2018 Project.

FINDINGS

The OEB finds that Union has satisfactorily established the need for the 2018 Storage Enhancement Project based on its contract with TCE for the TCE-Napanee Plant.

¹ EB-2016-0322 – that application involved increasing deliverability of Dawn 156 and Bentpath pools.

5. COST AND POTENTIAL IMPACT ON UNION'S RATEPAYERS

Union stated that the incremental deliverability services resulting from the 2018 Project will be sold at market-based prices and therefore the 2018 Project costs will not be recovered from Union's ratepayers.

OEB staff noted that since the Natural Gas Electricity Interface Review (NGEIR)² Decision, Union has not been required to file cost or economic information for unregulated storage projects such as the 2018 Storage Enhancement Project

FINDINGS

The OEB finds that the costs of the 2018 Storage Enhancement Project will have no impact on Union's ratepayers as the increased deliverability will serve Union's unregulated storage business at market-based prices and the 2018 Project costs will be borne by Union's shareholders.

² EB-2005-0551

6. LAND MATTERS

The 2018 Storage Enhancement Project does not require any additional land rights as Union owns the land where the Proposed Wells and Proposed Pipelines will be located.

FINDINGS

The OEB is satisfied that there are no outstanding land-related concerns arising from the 2018 Storage Enhancement Project.

7. ENVIRONMENTAL MATTERS

In accordance with the requirements of the OEB “*Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines in Ontario*” (2016) (OEB Environmental Guidelines), Union completed the Environmental Protection Plan (EPP) for all of the facilities in the 2018 Project.

The EPP, which covers all facilities in the 2018 Storage Enhancement Project, including wells and pipelines, was submitted to the Ontario Pipeline Coordinating Committee (OPCC) for review on November 17, 2017. There are no outstanding matters or concerns raised in the OPCC review.

Union stated that no significant adverse environmental or socio-economic impacts are anticipated with implementation of the mitigation measures specified in the EPP.

Union has committed to conducting an environmental inspection program to ensure the implementation of all the recommendations in the EPP, any commitments made during the regulatory proceeding, and conditions of approval for both the well drilling and pipeline construction.

FINDINGS

The OEB finds that Union followed the requirements of the OEB Environmental Guidelines. Union shall comply with the conditions of its licences to drill and operate the proposed wells (Appendix A of Schedule 1) and the conditions of approval of the leave to construct the Proposed Pipelines (Appendix A of Schedule 2). Union shall ensure that impacts of well drilling and pipeline construction are monitored and mitigated.

8. INDIGENOUS CONSULTATION

Union conducted Indigenous consultation as directed by the OEB Environmental Guidelines. The Ministry of Energy (MOE) takes the lead in coordinating and delegating the procedural aspects of Indigenous consultation to pipeline and storage facilities proponents. In accordance with the OEB Environmental Guidelines, Union prepared and filed an Indigenous Consultation Report (ICR) in its evidence. The delegation letter from the MOE, which identified Indigenous communities to be consulted, is included in Union's evidence. According to the ICR, the Indigenous communities did not raise issues or concerns with the 2018 Project.

The ICR is subject to the MOE's review and a letter with the MOE's opinion on the adequacy of Indigenous consultation was filed by Union on the record (MOE Letter). The MOE Letter indicates that the MOE has reviewed the ICR and that the procedural aspects of consultation were completed to the satisfaction of the MOE. The MOE Letter also notes the MOE's expectation that Union will continue its consultation activities throughout the life of the 2018 Project and will notify the MOE should any additional issues or concerns arise.

FINDINGS

The OEB finds that Union has adhered to the intent of the OEB Environmental Guidelines regarding Indigenous consultation. It appears that, as of the date of this Decision, Union has adequately addressed the requirement for consultation with Indigenous communities.

9. WELL LICENCE APPLICATIONS

Union applied for licences to drill three new injection / withdrawal wells (UB.37, UB.38, UB.39) in the Bickford Pool.

FINDINGS

The OEB finds that the application should be approved and the licences granted.

The OEB is issuing a report to the Minister of Natural Resources and Forestry (Report) recommending that the application for licences for the Proposed Wells be approved. The Report is attached as Schedule 1 of this Decision. The OEB has attached proposed licence conditions to the Report as Appendix A. Union has agreed with the conditions and the MNRF supports Union's application subject to the proposed conditions of approval.

The OEB's recommendation will expire twelve months after the date of the Report to the MNRF.

10. LEAVE TO CONSTRUCT

The Proposed Pipelines are designed to transport the expected flows to and from the Proposed Wells. The Proposed Pipelines are planned to be constructed during the spring and summer of 2018 using the existing access road network.

Union's evidence is that design and pipe specifications are in accordance with Ontario Regulation 210/01 for Oil and Gas Pipeline Systems. While the pipeline facilities in this application are not located in areas that require class 2 pipelines design, there are areas within the Bickford Pool that do meet the class 2 location requirements.³ Union proposes to design all pipelines that are subject to this application to a class 2 standard in anticipation of future growth, and to keep the class location consistent throughout the Bickford Pool.

FINDINGS

Having considered the need for the 2018 Storage Enhancement Project; costs and potential impacts on Union's ratepayers; land related matters; environmental matters; pipeline design specifications; and Indigenous consultations, the OEB finds that the construction of the proposed pipeline is in the public interest. The OEB approves Union's application for leave to construct the Proposed Pipelines to connect the new wells to Union's system. The OEB's Leave to Construct Order is attached to this Decision as Schedule 2. The OEB's approval is subject to the conditions of approval attached as Appendix A to the Leave to Construct Order.

³ Class location requirements for pipeline design are set out in CSA Z662-15: *Oil and Gas Pipeline Systems*

11. OEB'S COSTS OF THIS PROCEEDING

Union shall pay the OEB's costs incidental to this proceeding upon receipt of the OEB's invoice.

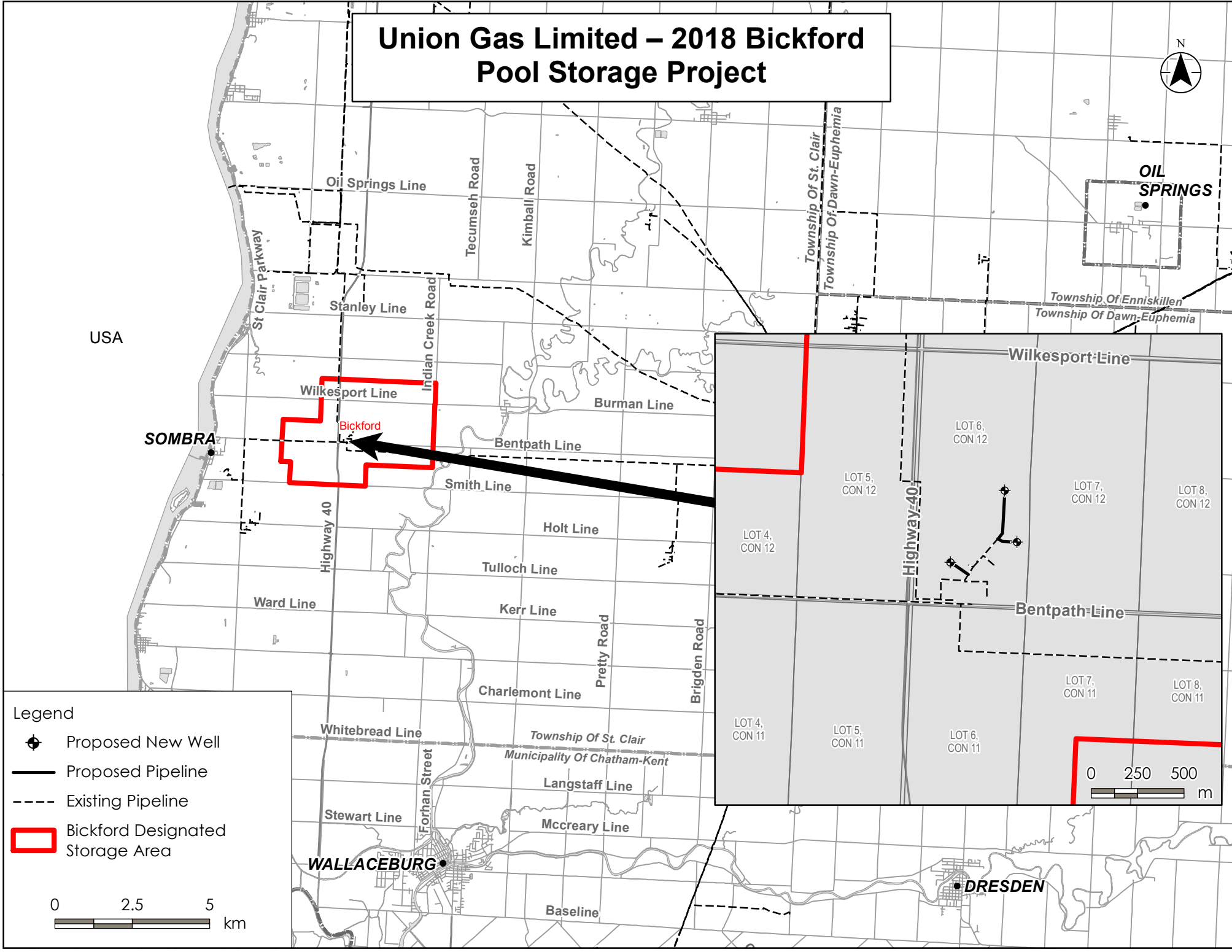
APPENDIX A





EB-2017-0363

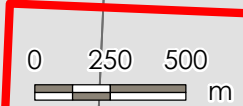
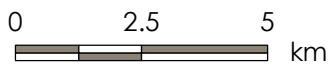
Map of the 2018 Storage Enhancement Project

March 22, 2018

Union Gas Limited – 2018 Bickford Pool Storage Project



- Legend**
-  Proposed New Well
 -  Proposed Pipeline
 -  Existing Pipeline
 -  Bickford Designated Storage Area



SOMBRA

WALLACEBURG

DRESDEN

Oil Springs Line

Stanley Line

Wilkesport Line

Highway 40

Ward Line

Whitebread Line

Stewart Line

Tecumseh Road

Kimball Road

Indian Creek Road

Burman Line

Bentpath Line

Smith Line

Holt Line

Tulloch Line

Kerr Line

Charlemont Line

Township Of St. Clair
Municipality Of Chatham-Kent

Langstaff Line

McCreary Line

Baseline

Township Of St. Clair
Township Of Dawn-Euphemia

Township Of Enniskillen
Township Of Dawn-Euphemia

Wilkesport Line

LOT 6,
CON 12

LOT 7,
CON 12

LOT 8,
CON 12

LOT 5,
CON 12

LOT 4,
CON 12

Highway 40

Bentpath Line

LOT 7,
CON 11

LOT 8,
CON 11

LOT 4,
CON 11

LOT 5,
CON 11

LOT 6,
CON 11

Brigden Road

Forhan Street

USA

SCHEDULE 1

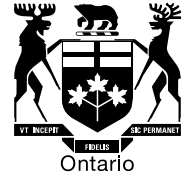
EB-2017-0363

**REPORT OF THE ONTARIO ENERGY BOARD
TO THE MINISTER OF NATURAL RESOURCES AND FORESTRY
APPLICATION BY UNION GAS LIMITED TO DRILL WELLS
IN THE BICKFORD DESIGNATED STORAGE AREA**

March 22, 2018

Ontario Energy
Board

Commission de l'énergie
de l'Ontario



EB-2017-0363

**REPORT OF THE ONTARIO ENERGY BOARD
TO THE MINISTER OF NATURAL RESOURCES AND FORESTRY
APPLICATION BY UNION GAS LIMITED TO DRILL WELLS
IN THE BICKFORD DESIGNATED STORAGE AREA**

Before: Emad Elsayed

Presiding Member

Date: March 22, 2018

1. INTRODUCTION AND SUMMARY

Union Gas Limited (Union) applied to the Ministry of Natural Resources and Forestry (MNRF) under the *Oil, Gas, and Salt Resources Act* (OGSRA) for licences to drill three injection / withdrawal wells in the Bickford pool (Proposed Wells). On December 8, 2017, the MNRF referred the applications to the OEB pursuant to section 40 (1) of the Act.

Pursuant to section 40(1) of the *Ontario Energy Board Act 1998 (Act)*, the OEB issues this Report recommending that the MNRF grant to Union licences to drill the following Proposed Wells in the Bickford Pool:

- UB.36 (new Injection/Withdrawal well)
- UB.37 (new Injection/Withdrawal well)
- UB.38 (new Injection/Withdrawal well)

The OEB's recommendation includes conditions attached as Appendix A to this Report. The conditions relate to the term of the drilling licence, certain construction requirements, monitoring and reporting of any mitigation for construction impacts, and a requirement that Union should conform to the *CSA Z341.1-14 "Storage of Hydrocarbons in Underground Formations"* (CSA Z341) to the satisfaction of the MNRF. The OEB's recommendation will expire twelve months after the date of the Report to the MNRF.

2. PROCESS

The Proposed Wells are part of Union's 2018 Storage Enhancement Project (or 2018 Project), which also includes construction of pipelines from the new wells to connect to Union's pipeline system.

The OEB issued a Notice of Application on January 4, 2018. Union served and published the Notice of Application as the OEB directed.

Enbridge Gas Distribution Inc. and the MNRF were registered intervenors in this proceeding. The OEB proceeded by way of a written hearing. In accordance with Procedural Order No. 1 the interrogatory phase was completed on February 20, 2018. The MNRF and OEB staff filed written submissions on March 8, 2018. The evidentiary record for the proceeding was closed on March 9, 2018 with Union's reply written submission.

3. FACTORS TO CONSIDER

When reviewing and reporting to the MNRF on natural gas storage well drilling licence applications, the OEB considers the following:

- the need for the wells
- the costs of drilling and construction, and its impact on ratepayers
- the legal and regulatory requirements applicable to the wells
- the environmental impacts of the proposal
- landowner matters
- Indigenous consultation
- conditions of approval

The evidence and the OEB's findings related to each of these factors are described below.

3.1 NEED

Drilling and operation of the Proposed Wells will increase deliverability by 55,000 GJ/day. Union stated that all of the incremental deliverability has been contracted on a long term basis by a 980 megawatt merchant natural gas-fired electricity generating plant – TransCanada Energy (TCE)'s Napanee Plant. The TCE - Napanee Plant is under construction and is planned to start commercial operation in 2018.

OEB staff submitted that Union adequately addressed the issue of need. The MNRF's submission did not question the need for the Proposed Wells.

The OEB finds that the Proposed Wells are needed.

3.2 COSTS

Union stated that the incremental deliverability services resulting from the 2018 Project will be sold at market-based prices and therefore the 2018 Project costs will not be recovered from Union's ratepayers.

Since the Natural Gas Electricity Interface Review (NGEIR) Decision⁴, Union has not been required to file cost or economic information for unregulated storage projects such as the 2018 Storage Enhancement Project.

The OEB finds that the costs of the 2018 Project will have no impact on Union's ratepayers as the increased storage deliverability will serve Union's unregulated storage

⁴ EB-2005-0551

business at market-based prices and the 2018 Project costs will be borne by Union's shareholders.

3.3 LEGAL AND REGULATORY REQUIREMENTS

In Ontario, geological, engineering, operational, technical and safety aspects of underground storage operations of drilling, operation and modification works of storage wells are within the authority of the MNRF in accordance with requirements of CSA Z341 and the *Gas and Salt Resources of Ontario, Provincial Operating Standards* (the Provincial Standards).

The MNRF is the provincial authority that oversees the implementation of CSA Z341. The MNRF was an active participant in the proceeding. Union confirmed that it will conduct the drilling to meet the requirements of CSA Z341 to the satisfaction of the MNRF. The MNRF has indicated that it has no concerns with the drilling programs filed with the application.

Union states that the Proposed Wells will be designed, constructed, operated, maintained and abandoned in accordance with the *Occupational Health and Safety Act* and the OGSRA and their respective Regulations.

Union met with the MNRF on October 13, 2017 to discuss the 2018 Storage Enhancement Project and to provide copies of the engineering reports which were prepared for the 2018 Storage Enhancement Project. The reports filed with the MNRF for its review confirm that the Bickford Pool can be operated safely and support the enhancement of the deliverability at the Bickford Pool.

MNRF's submission on March 5, 2018 states that "MNRF is satisfied that the application meets the CSA Z341.1-14", and that "MNRF can support Union's 2018 Bickford Storage Enhancement Project, subject to the Board Staff's proposed conditions of approval".

The OEB notes that Union is an experienced storage developer and operator, technically competent to undertake the planned drilling program and the well completion activities. The OEB finds that Union has the requisite expertise to safely drill the wells and maintain the geological integrity of the Bickford Pool.

Union confirmed that it will comply with the OGSR; O.Reg. 245/97; the Provincial Standards; and CSA Z341.

The OEB recommends, under subsection 40(1) of the Act, that the licences be granted to Union to drill the Proposed Wells in the Bickford Pool, subject to the conditions attached as Appendix A to this Report. Regarding Union's compliance with CSA Z341, condition # 7 stipulates that compliance shall be determined to the satisfaction of the MNRF

3.4 ENVIRONMENTAL IMPACTS

In accordance with the requirements of the OEB “*Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines in Ontario*” (2016) (OEB Environmental Guidelines), Union completed the Environmental Protection Plan (EPP) for all the facilities in the 2018 Project, including the Proposed Wells.

Union has committed to conducting an environmental inspection program to ensure the implementation of all the recommendations in the EPP, any commitments made during the regulatory proceeding, and conditions of approval for the well drilling.

The OEB finds that Union followed the requirements of the OEB Environmental Guidelines. Union shall comply with the conditions of its licences to drill and operate the Proposed Wells (Appendix A). Union shall ensure that impacts of well drilling are mitigated and monitored.

3.5 LANDOWNER MATTERS

Drilling of the Proposed Wells does not require any additional land rights as Union owns the land where the Proposed Wells will be located.

The OEB is satisfied that there are no outstanding land-related concerns arising from the 2018 Storage Enhancement Project.

3.6 INDIGENOUS CONSULTATION

Union conducted Indigenous consultation as directed by the OEB Environmental Guidelines. The Ministry of Energy (MOE) takes the lead in coordinating and delegating the procedural aspects of Indigenous consultation to pipeline proponents. In accordance with the OEB Environmental Guidelines, Union prepared and filed an Indigenous Consultation Report (ICR) in its evidence. The delegation letter from the MOE, which identified Indigenous communities to be consulted, is included in Union’s evidence. According to the ICR, the Indigenous communities did not raise issues or concerns with the 2018 Project.

The ICR is subject to the MOE’s review and a letter with the MOE’s opinion on the adequacy of Indigenous consultation was filed by Union on the record (MOE Letter). The MOE Letter states that the MOE has reviewed the ICR and has found that the procedural aspects of consultation were completed to the satisfaction of the MOE. The MOE Letter also indicates the MOE’s expectation that Union will continue its consultation activities throughout the life of the 2018 Project and will notify the MOE should any additional issues or concerns arise.

The OEB finds that Union has adhered to the intent of the OEB Environmental Guidelines regarding Indigenous consultation. It appears that, as of the date of this Report, Union has adequately addressed the requirement for consultation with Indigenous communities.

4. RECOMMENDATIONS

The OEB recommends approval of the application for the well drilling licences as follows:

In the Bickford Designated Storage Area:

- UB.36 (new Injection/Withdrawal well)
- UB.37 (new Injection/Withdrawal well)
- UB.38 (new Injection/Withdrawal well)

The proposed licence conditions in Appendix A relate to certain construction requirements, monitoring and reporting of any mitigation of construction impacts, and the requirement that Union conform to the CSA Z341 standards to the satisfaction of the MNRF.

These recommendations shall expire twelve months from the date of this Report.

DATED at Toronto, March 22, 2018

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A

To the

EB-2017-0363

**REPORT OF THE ONTARIO ENERGY BOARD
TO THE MINISTER OF NATURAL RESOURCES AND FORESTRY
APPLICATION BY UNION GAS LIMITED TO DRILL WELLS
IN THE BICKFORD DESIGNATED STORAGE AREA**

**Conditions of Approval
Well Drilling Licence**

March 22, 2018

Union Gas Limited
EB-2017-0363
Conditions of Licence - Well Drilling and
Operation

1. Union Gas Limited (Union) shall rely on the evidence filed with the OEB in the EB-2017-0363 proceeding and comply with applicable laws, regulations and codes pertaining to the construction of the Proposed Wells.
2. The authority granted under this licence to Union is not transferable to another party without leave of the OEB. For the purpose of this condition another party is any party except Union Gas Limited.
3. Union shall construct the facilities and restore the land in accordance with its Application and evidence given to the OEB, except as modified by this licence and these Conditions.
4. Union shall ensure that the movement of equipment is carried out in compliance with all procedures filed with the OEB, and as follows:
 - i) Union shall make reasonable efforts to keep the affected landowner as well as adjacent landowners and their respective tenant farmers, or their designated representatives, informed of its plans and construction activities; and
 - ii) the installation of facilities and construction shall be coordinated so as to minimize disruption of agricultural land and agricultural activities.
5. Union shall, subject to the recommendation by an independent tile contractor and subject to the landowners' approval, construct upstream and downstream drainage headers adjacent to the drilling area and access roads that cross existing systematic drainage tiles, prior to the delivery of heavy equipment, so that continual drainage will be maintained.
6. Both during and after construction, Union shall monitor the impacts of construction, and shall file with the OEB one paper copy and 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 Union'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 Union, 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; and
 - v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences, 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 Union's adherence to Condition 1;
 - ii. describe the condition of any rehabilitated land;
 - iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts construction;

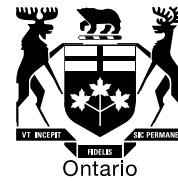
- iv. include the results of analyses and monitoring programs and any recommendations arising therefrom; and
 - v. include a log of all complaints received by Union, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions.
7. For the purposes of these conditions, conformity of Union with CSA Z341 shall be to the satisfaction of the Ministry of Natural Resources and Forestry.

SCHEDULE 2

EB-2017-0363

**Order
Leave to Construct Pipelines**

March 22, 2018



EB-2017-0363

IN THE MATTER OF the *Ontario Energy Board Act*, S.O. 1998, c. 15, Sched. B;

AND IN THE MATTER OF an application by Union Gas Limited for an Order granting leave to construct natural gas pipelines in the in the Township of St. Clair in Lambton County.

BEFORE: Emad Elsayed
Presiding Member

ORDER

LEAVE TO CONSTRUCT NATURAL GAS PIPELINES

Union Gas Limited (Union) applied on December 7, 2017 to the Ontario Energy Board (OEB) for approvals under sections 40(1), and 90(1) of the *Ontario Energy Board Act*, 1998 (OEB Act). Collectively, these approvals would allow Union to increase deliverability of the Bickford natural gas designated storage pool (2018 Storage Enhancement Project or the 2018 Project).

Under section 90(1) of the OEB Act, Union applied for leave to construct approximately 530 metres of nominal size 12-inch pipeline in the Bickford Pool.

In addition, under Section 40(1) of the OEB Act, Union applied for a report from the OEB to the Ministry of Natural Resources and Forestry (MNRF) recommending the issuance of licences to drill wells in the Bickford pool. The pipelines that are the subject of this application are proposed to connect the new wells to Union's integrated storage and transportation system. All these approvals collectively enable Union to increase the storage deliverability of Union's Bickford Pool.

The OEB issued a Notice of Application on January 4, 2018 and Union served and published the notice as directed. The OEB proceeded by way of a written hearing. In accordance with Procedural Order No. 1 issued on January 26, 2018 the interrogatory phase was completed on February 20, 2018. The MNRF and OEB staff filed written submissions on March 5, 2018. The record for the proceeding was closed on March 9, 2018 with Union's written reply submission.

On March 22, 2018 the OEB issued a Decision approving all the applications sought under OEB File No. EB-2017-0363 and recommending that the MNRF issue the licences requested by Union. This leave to construct order is issued in accordance with the OEB's Decision in EB-2017-0363.

THE BOARD ORDERS THAT:

Union Gas Limited is granted leave to construct approximately 530 metres of nominal size 12-inch pipeline in the Bickford Designated Storage Area, all located in the Township of St. Clair in Lambton County, and in the location shown in Schedule 6 of the Union Gas Limited's application, pursuant to subsection 90 (1) of the Act, subject to the Conditions of Approval set forth in Appendix A to this Order.

DATED at Toronto, March 22, 2018

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

APPENDIX A

to the

EB-2017-0363

Order

Pipelines Leave to Construct

Conditions of Approval

March 22, 2018

**Leave to Construct Conditions of Approval
Application under Section 90 of the OEB Act
Union Gas Limited
EB-2017-0363**

1. Union Gas Limited (Union) shall construct the facilities and restore the land in accordance with the Board's Decision and Order in EB-2017-0363 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) Union shall give the OEB notice in writing:
 - i. of the commencement of construction, at least ten days prior to the date construction commences;
 - ii. of the planned in-service date, at least ten 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; and
 - iv. of the in-service date, no later than 10 days after the facilities go into service.
3. Union shall implement all the recommendations of the Environmental Protection Plan filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
4. Union shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Union 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.

-
5. Both during and after construction, Union shall monitor the impacts of construction, and shall file with the OEB one paper copy and 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 Union'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 Union, 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; and
 - v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licences, 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 Union's adherence to Condition 3;
 - ii. describe the condition of any rehabilitated land;

- iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts 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 Union, 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.