



**EB-2012-0013**

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

**AND IN THE MATTER OF** an Application by Enbridge  
Gas Distribution Inc. for an Order pursuant to Section 90  
of the *Ontario Energy Board Act, 1998*, granting leave to  
construct natural gas pipelines in the Angus, Ontario area.

**BEFORE:** Paul Sommerville  
Presiding Member

Paula Conboy  
Member

### **DECISION AND ORDER**

**June 21, 2012**

Enbridge Gas Distribution Inc. (“Enbridge”) has filed an application with the Ontario Energy Board on February 16, 2012 under section 90 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B (the “Act”) for an order granting leave to construct approximately 10.1 kilometres of 152 millimeter diameter (Nominal Pipe Size 6 inch) Extra High Pressure (“XHP”) steel pipeline (the “Proposed Pipeline”) to reinforce the existing natural gas delivery system in the Angus, Ontario area. The Board has assigned the application file number EB-2012-0013.

For the reasons set out below, the Board finds the construction of the Proposed Pipeline to be in the public interest and grants leave to construct on the terms and conditions (the “Conditions of Approval”) set out in this Decision and Order. The Board’s Conditions of Approval are attached as Appendix “A”.

## The Proposed Pipeline

The Proposed Pipeline route begins at Enbridge's Thornton Gate Station located at 4118 Innisfil Beach Road in the Town of Innisfil and proceeds west along the south side of the road allowance of Innisfil Beach Road for approximately 650 metres to Barrie Street. The Proposed Pipeline then crosses Barrie Street at the Innisfil Beach Road intersection and continues southwest along the Trans Canada Trail for 530 m to County Road 21. It then follows County Road 21 westwards for 8.9 kilometres to terminate east of the intersection of Murphy Road (also called County Road 21) and Denney Drive in Baxter.

In addition to the Proposed Pipeline, a 7.7 km section of existing NPS 6 XHP steel pipeline is intended to be pressure elevated and a new pressure regulating station will be constructed south of the Village of Angus on County Road 10. Enbridge plans to start construction in July 2012 for completion and in-service date in November 2012.

A map showing the location of the Proposed Pipeline is attached as Appendix "B".

## The Proceeding

The Board issued a Notice of Application ("Notice") dated March 13, 2012. Enbridge served and published the Notice as directed by the Board. There are no intervenors or observers in this proceeding. In accordance with the procedural schedule, Board staff filed interrogatories on May 9, 2012. Enbridge filed interrogatory responses on May 16, 2012.

Board staff filed a written submission on May 23, 2012. Board staff's submissions supported Enbridge's application. Enbridge filed its Reply on May 29, 2012.

## The Public Interest Test

This is an application under section 90 of the Act seeking an order for leave to construct a natural gas pipeline. Section 96 of the Act provides that the Board shall make an Order granting leave if the Board finds that "the construction, expansion or reinforcement of the proposed work is in the public interest". When determining whether a project is in the public interest, the Board typically examines the need for the

project, the economics, the impact on the ratepayers, the environmental impact, the impact on land owners, and pipeline design technical requirements.

The following issues define the scope of the proceeding:

- Is there a need for the proposed pipeline?
- Are there any undue negative rate implications for Enbridge's rate payers caused by the construction and operation of the proposed pipeline?
- What are the environmental impacts associated with construction of the proposed pipeline and are they acceptable?
- Are there any outstanding landowner matters for the proposed pipeline routing and construction?
- Is the pipeline designed in accordance with the current technical and safety requirements?

Each of these issues is addressed below.

### **The Need for the Pipeline**

The need for the Proposed Pipeline is driven by expected new customer growth in the Angus service region served by the Angus system. The system supplies gas to a number of district stations throughout various communities including the Essa Township including Canadian Forces Base Borden and the Towns of Angus, Ypres, and Baxter.

Angus and the surrounding communities are experiencing continuing economic and population growth. Enbridge forecasted maximum peak hour load to grow from 13,110 m<sup>3</sup>/hr in the winter of 2012/2013 to 23,340 m<sup>3</sup>/hr in the winter of 2022/2023.

The Proposed Pipeline is planned to address the growth in demand.

The Board finds that Enbridge has adequately addressed the need for the Pipeline.

## Project Economics and Impact on Ratepayers

The estimated capital cost of the project is \$ 4.1 million. The overall feasibility of the project has been determined using the methodology defined in the “*Ontario Energy Board Guidelines for Assessing and Reporting on Natural System Expansion in Ontario*” set by the Ontario Energy Board’s EBO 188 “*Report to the Board*” dated January 30, 1998 (“EBO 188”). The proposed project passes the feasibility tests set in EBO 188. On a stand-alone basis the Profitability Index (“PI”) of the project is 0.83. Pursuant to the EBO 188, no capital contributions were required from the customers if the PI is greater than 0.8. Furthermore, the proposed project is feasible as part of Enbridge’s Investment Portfolio and Rolling Project Portfolio which both have PIs are greater than 1.0.

The Board finds that Enbridge’s evidence on the cost estimates is acceptable. The Board finds that this approach is acceptable in the circumstances of this application. Furthermore, the Board finds that the Proposed Pipeline will not introduce any undue negative rate implications for Enbridge’s ratepayers.

As the actual costs will not be available until the Proposed Pipeline is completed, the Board will require a report from Enbridge on the actual costs of the Proposed Pipeline approved in this Decision and Order. Accordingly, the Board has included in Appendix “A” to this Decision and Order, the following as a Condition of Approval:

- 1.5 Within 15 months of the final in-service date, Enbridge shall file with the Board Secretary a Post Construction Financial Report. The Report shall indicate the actual capital costs of the project and an explanation for any significant variances from the estimates filed in this proceeding.

## Environmental Assessment

Pipeline route selection and environmental assessment were completed in accordance with the *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario, 6<sup>th</sup> edition, 2011* (“OEB Environmental Guidelines”). The results of routing and environmental assessment are presented in an Environmental Report entitled *Pipeline to Reinforce the Natural Gas Distribution Network in the Vicinity of Angus, December 2, 2011* (“ER”). The ER was completed by Stantec Consulting Inc. (“Stantec”) and was submitted as part of the pre-filed evidence.

Enbridge stated that the Proposed Pipeline will be constructed in accordance with Enbridge’s Contract Specifications, Enbridge’s Construction and Maintenance Manual, and the recommendations in the ER. With implementation of mitigation measures identified by Stantec in the ER, Enbridge expects no significant environmental impacts resulting from construction and routing of the Proposed Pipeline. Enbridge completed an Environmental and Cumulative Effects Assessment which included an Archaeological Assessment (both Stage 1 and Stage 2) and an environmental implementation plan for the project. No outstanding environmental or construction issues were identified.

The evidence indicates that there was extensive public consultation, including consultation with aboriginal groups. The consultation was consistent with the OEB Environmental Guidelines. Enbridge’s evidence stated that there are no outstanding or unresolved issues relating to any of the consultations.

The Board finds that Enbridge has proposed an appropriate mitigation and restoration program to construct the Proposed Pipeline. To ensure mitigation of impacts, and restoration of land and water resources, the Board has imposed monitoring and reporting requirements in the Conditions of Approval attached as Appendix “A” to this Decision and Order.

The Board is aware that other approvals will be required for construction. The Board finds that Enbridge’s compliance with the Conditions of Approval will ensure that the requirements of other permits and approvals are fully addressed. The Board finds that the environmental plans proposed by Enbridge are acceptable

## Land Issues

The Proposed Pipeline will be installed on lands owned by the Corporation of the Township of Essa. Enbridge will acquire a permanent easement from the Township of Essa at crossing of Trans Canada Trail. Enbridge filed with the Board forms of the Agreement to Grant Easement, the Easement Agreement and the Working Area Agreement that Enbridge will offer to the directly affected landowners. Enbridge stated that it would obtain the required permanent easement from the Township of Essa and temporary easements from landowners adjoining municipal road allowances prior to access to the lands.

Section 97 of the Act requires that the Board approve the form of easement agreement that would be offered to the landowners. The Board approves the proposed forms of agreement included in the evidence, should any easements become necessary.

## Pipeline Design - Technical and Safety Requirements

Enbridge provided evidence that the Proposed Pipeline is designed in accordance with the requirements of Ontario Regulation 210/01, Oil and Gas Pipeline Systems, under the *Technical Standards and Safety Act, 2008* and the CSA Z662-03 Oil and Gas Pipeline Systems Code.

The Board finds that the Proposed Pipeline meets the construction and operational requirements for safe operation. The Technical Standards and Safety Authority, as the agency overseeing the operation of the pipelines in Ontario, has the authority to implement all the applicable standards.

For the reasons set out above, the Board finds that the Proposed Pipeline is in the public interest and grants Enbridge the leave to construct subject to the conditions set out in Appendix "A".

## THE BOARD ORDERS THAT:

1. Enbridge Gas Distribution Inc. is granted leave, pursuant to subsection 90 (1) of the Act, to construct approximately 10.1 kilometres of 152 millimeter diameter (Nominal Pipe Size 6 inch) Extra High Pressure steel pipeline and

facilities located in the Angus, Ontario area, subject to the Conditions of Approval set forth in Appendix "A".

2. Enbridge Gas Distribution Inc. shall pay the Board's costs incidental to this proceeding upon receipt of the Board's invoice.

**DATED** at Toronto, June 21, 2012

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**Appendix A**

**Conditions of Approval**



## **EB-2012-0013**

### **Enbridge Gas Distribution Inc. Leave to Construct Application**

#### **Conditions of Approval**

#### **1 General Requirements**

- 1.1 Enbridge Gas Distribution Inc. ("Enbridge") shall construct the facilities and restore the land in accordance with its application and the evidence filed in EB-2012-0013 except as modified by this Order and these Conditions of Approval.
- 1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct shall terminate December 31, 2012, unless construction has commenced prior to that date.
- 1.3 Enbridge shall implement all the recommendations of the Environmental Report filed in the pre-filed evidence, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee ("OPCC") review.
- 1.4 Enbridge shall advise the Board's designated representative of any proposed material change in construction or restoration procedures and, except in an emergency, Enbridge shall not make such change without prior approval of the Board or its designated representative. In the event of an emergency, the Board shall be informed immediately after the fact.
- 1.5 Within 15 months of the final in-service date, Enbridge shall file with the Board Secretary a Post Construction Financial Report. The Report shall indicate the actual capital costs of the project and shall explain all significant variances from the estimates filed in the proceeding.

#### **2 Project and Communications Requirements**

- 2.1 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Natural Gas Applications.
- 2.2 Enbridge shall designate a person as project engineer and shall provide the name of the individual to the Board's designated representative. The project engineer will be responsible for the fulfillment of the Conditions of Approval on the construction site. Enbridge shall provide a copy of the Order and Conditions

of Approval to the project engineer, within seven days of the Board's Order being issued.

- 2.3 Enbridge shall give the Board's designated representative and the Chair of the OPCC ten days written notice in advance of the commencement of the construction.
- 2.4 Enbridge shall furnish the Board's designated representative with all reasonable assistance for ascertaining whether the work is being or has been performed in accordance with the Board's Order.
- 2.5 Enbridge shall file with the Board's designated representative notice of the date on which the installed pipelines were tested, within one month after the final test date.
- 2.6 Enbridge shall furnish the Board's designated representative with five copies of written confirmation of the completion of construction. A copy of the confirmation shall be provided to the Chair of the OPCC.

### **3 Monitoring and Reporting Requirements**

- 3.1 Both during and after construction, Enbridge shall monitor the impacts of construction, and shall file four copies of both an interim and a final monitoring report with the Board. The interim monitoring report shall be filed within six months of the in-service date, and the final monitoring report shall be filed within fifteen months of the in-service date. Enbridge shall attach a log of all complaints that have been received to the interim and final monitoring reports. The log shall record the times of all complaints received, the substance of each complaint, the actions taken in response, and the reasons underlying such actions.
- 3.2 The interim monitoring report shall confirm Enbridge's adherence to Condition 1.1 and shall include a description of the impacts noted during construction and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction. This report shall describe any outstanding concerns identified during construction.
- 3.3 The final monitoring report shall describe the condition of any rehabilitated land and the effectiveness of any mitigation measures undertaken. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with any of the Conditions of Approval shall be explained.

#### **4 Other Approvals and Agreements**

4.1 Enbridge shall obtain all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project, shall provide a list thereof, and shall provide copies of all such written approvals, permits, licences, and certificates upon the Board's request.

Appendix B

Map of the Project Location

# Angus System Reinforcement



**Legend**

- Proposed Route
- Alliston Reinforcement
- Existing XHP Gas Main
- Existing IP Gas Main
- District Station
- Gate Station



*Thornton Detail*

