



EB-2007-0745

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(1) of the *Ontario Energy Board Act, 1998*, granting leave to construct a natural gas distribution pipeline and related facilities in the Township of Alfred and Plantagenet and the Township of Champlain in the United Counties of Prescott and Russell.

BEFORE:

Paul Vlahos
Presiding Member

Paul Sommerville
Member

Cathy Spoel
Member

DECISION AND ORDER

Enbridge Gas Distribution Inc. ("Enbridge" or "EDG") has filed an application with the Board, dated April 10, 2008, under section 90(1) of the *Ontario Energy Board Act, 1998*, S.O. 1998, c.15, Schedule B, for orders granting leave to construct approximately 32 km of Nominal Pipe Size ("NPS") 6 and NPS 4 diameter steel and polyethylene pipe main and a pressure regulating station in the Township of Alfred and Plantagenet and the Township of Champlain in United Counties of Prescott and Russell. The pipeline will provide natural gas service to parts of the Township of Alfred and Plantagenet and the Township of Champlain which are currently not served.

For the reasons set out below, the Board finds that the construction of the proposed pipeline is in the public interest and grants Leave to Construct, subject to certain Conditions of Approval, which are attached to this Decision.

The Proposed Pipeline

A map showing the location of the proposed pipeline and ancillary facility is attached as Appendix A. The proposed pipeline will originate at an existing Enbridge pipeline located at the Ivaco Rolling Mill in L'Orignal and proceed predominantly along County Roads 17 and 26 terminating at the junction of these roads near Wendover.

The Proceeding

The Board issued the Notice of Application on April 30, 2008, which was published and served by EGD as directed. There were no intervenors, observers or letters of comment. The Board proceeded by way of a written hearing.

On April 25, 2008, Board Staff, through written interrogatories, requested clarification of certain aspects of the pre-filed evidence and additional information. On June 11, 2008, EGD responded to the interrogatories, which concluded the discovery phase of the proceeding.

This is an application under section 90 of the Act, seeking a Leave to Construct Order. 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 of the project, the environmental impact, the impact on landowners and consultation with Aboriginal Peoples. Each of these factors will be considered in turn.

The Need for the Project

The project will make natural gas available to about 2,700 residences and 190 commercial and industrial establishments and further local planned developments. Surveys indicate substantial interest from potential local customers. The affected municipalities have provided letters of support for the gas pipeline listing the many advantages the new natural gas energy supply brings to the local area and a large

customer in the Township of Champlain. The project is also endorsed by a local educational institution.

The Proposed Pipeline's Design and Routing

According to EGD's evidence, the design and pipe specifications, installation and testing of the proposed pipeline adhere to the requirements of Ontario Regulation 210/01 under the *Technical Standards and Safety Act*, Oil and Gas Pipeline Systems and the CSA Z662-03 Oil and Gas Pipeline Systems code.

Through review of its proposed pipeline reinforcement, EGD examined three alternative routes.

The Board is satisfied that the evidence establishes that the pipeline design and specifications are acceptable and that the proposed project is the best alternative.

Environmental Assessment

EGD retained consultants Jacques Whitford Limited ("Whitford") to undertake an environmental assessment, evaluate alternatives and advise on the selection of a preferred route. The environmental assessment was carried out in accordance with the Board's "Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines and Facilities in Ontario (May 2003)" (the "Board's Environmental Guidelines"). The results of the assessment are documented in the report entitled "Final Report, Environmental Assessment of a Proposed Pipeline to Serve the Communities of Alfred and Plantagenet, Ontario" dated December 19, 2007 (the "Whitford Report"), which was filed in this proceeding.

As part of the environmental assessment process, Whitford undertook consultation with government agencies and the public. A public meeting was held on November 21, 2007, to inform the public of the project and to solicit input. The Whitford Report included details of the public consultation undertaken. No concerns were identified.

In accordance with the Board's Environmental Guidelines, the Whitford Report was reviewed by the Ontario Pipeline Coordination Committee ("OPCC"). Ministry of Environment questions on the presence and effects of nearby active and inactive landfill

sites have been answered to that Ministry's satisfaction. There are no outstanding concerns related to the OPCC review.

Whitford assessed and rated three route alternatives using routing criteria and consideration of proposed mitigation measures. The Report concluded that the preferred route selected is by far the shortest, has the fewest number of water crossings, the lowest impact on heritage features and the smallest number of archeological features. The Report states that the mitigating measures proposed comply with accepted industry practice and EGD's construction manual, and that the net residual environmental effects do not constitute a significant environmental effect.

EGD confirms that all permits and approvals will be secured prior to the construction of the pipeline.

The Board accepts EGD's evidence regarding the environmental assessment of the proposed pipeline, and finds that the proposed mitigation and monitoring activities are acceptable and address the environmental concerns. The draft Conditions of Approval reflect EGD's commitments.

Economics of the Project

The total estimated cost for the pipeline project alone, including pipeline, station, and interest during construction ("IDC") is \$2,634,282. An additional \$5,136,351 of capital over 10 years is estimated to be spent on connections, services and customer attachments. The total capital costs for feasibility purposes are therefore estimated to be \$7,770,633 over 10 years. The economic feasibility of the project was measured in accordance with the Board's approved procedures as established in EBO 188¹. The feasibility analysis for the project was based upon a 40-year customer revenue horizon and has been prepared based on EGD's feasibility guidelines pursuant to the Board's Decision with Reasons in EGD's EB-2006-0034 rate application. This analysis indicated that the proposed facilities have a Net Present Value ("NPV") of \$25,452 and a Profitability Index ("PI") of 1.004. A PI at or above 1.0 indicates that the project is economic for EGD.

¹ [The Consumers Gas Company Ltd, Union Gas Limited and Centra Gas Ontario Inc., Natural Gas System Expansion, Report of the Board, EBO 188, (January 30, 1998)]

The Board accepts EGD's evidence and finds that the project is economically feasible under the proposed feasibility analyses.

Land Issues and Form of Easement

Section 97 of the Act provides that a leave to construct will not be granted until the applicant has satisfied the Board that it has offered or will offer to each owner of land affected by the approved route or location an agreement in a form approved by the Board.

EGD has indicated that the proposed pipeline is to be located entirely within existing road allowances and will be attached to the bridge over the South Nation River at Plantagenet. As such, EGD does not anticipate the need to obtain either temporary or permanent land rights. However, EGD has filed with the Board a form of easement agreement that it will offer to landowners in the event that requirement for easements change.

The Board approves the form of easement which has been filed by EGD.

Aboriginal Consultation Conducted by Enbridge

EGD through the Whitford Report advised that there were no known First Nation reserves or lands that are currently used along the proposed pipeline route for traditional or cultural purposes. The closest identified reserves in Ontario include the Akwassasne (60 km distant) and the Kanesatake (40 km distant). A letter advising of the commencement of the environmental assessment and a copy of the Notice of Commencement and Open House were mailed to the Algonquins of Pikwakanagan (Golden Lake) on November 9, 2007. No response was received. The Algonquins of Golden Lake assert Aboriginal rights and title to the Ottawa River watershed and its natural resources.

On July 10, 2008, the applicant sent a letter to the Board stating that it had spoken with the Ontario Native Affairs Secretariat ("ONAS"). According to the letter, ONAS had confirmed that it was not aware of any Aboriginal claims with regard to the subject lands other than the Algonquins of Pitwakanagan claim mentioned above.

The Board is satisfied that EGD has conducted a proper search and that no Aboriginal groups will be adversely affected by the proposed project.

Orders Granted

For the reasons indicated, the Board finds the pipeline project proposed by EGD in this proceeding is in the public interest and grants an Order for Leave to Construct subject to the Conditions of Approval as set out in Appendix B.

THE BOARD ORDERS THAT:

1. Enbridge Gas Distribution Inc. is granted leave, pursuant to subsection 90 (1) of the Act, to construct approximately 32 kilometres of NPS 6 and NPS 4 main in the Township of Alfred and Plantagenet and the Township of Champlain in the United Counties of Prescott and Russell for the purpose of supplying natural gas to the area, subject to the Conditions of Approval set forth in Appendix B.
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 July 11, 2008

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX A
TO BOARD DECISION AND ORDER
IN THE MATTER OF EB-2007-0745
DATED JULY 11, 2008
MAP OF THE PIPELINE ROUTE



APPENDIX B
TO BOARD DECISION AND ORDER
IN THE MATTER OF EB-2007-0745
DATED JULY 11, 2008
CONDITIONS OF APPROVAL

Conditions of Approval

Leave to Construct

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-2007-0745, 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, 2008, unless construction has commenced prior to then.
- 1.3 Except as modified by this Order, 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.

2 Project and Communications Requirements

- 2.1 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Facilities 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 fulfilment 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 Easement Agreements

- 4.1 Enbridge shall offer the form of agreement approved by the Board to each landowner, as may be required, along the route of the proposed work.

5 Other Approvals and Agreements

- 5.1 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.