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VIA COURIER, EMAIL, and RESS

September 19, 2018

Ms. Kirsten Walli
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 26th Floor
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc. (“Enbridge”)
Ontario Energy Board (“Board”) File No.: EB-2018-0096
Liberty Village Pipeline Project – Reply Submission**

In accordance with the Board’s Procedural Order No. 1 for the above noted proceeding, enclosed please find Enbridge’s reply submission.

Please contact the undersigned if you have any questions.

Sincerely,

(Original Signed)

Bonnie Jean Adams
Regulatory Coordinator

ONTARIO ENERGY BOARD

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. under section 90 of the Act for an order or
orders granting leave to construct an NPS 6 and NPS 8
natural gas distribution pipeline and ancillary facilities in
North Pickering in the Regional Municipality of Durham.

REPLY SUBMISSIONS OF ENBRIDGE GAS DISTRIBUTION INC.

1. These are the Reply Submissions of the Applicant, Enbridge Gas Distribution Inc. (“Enbridge” or the “Company”).
2. Following publication and serving of the Notice of Application as required by the Ontario Energy Board (the “Board” or the “OEB”), no parties came forward to request intervenor status in the proceeding. Only Board Staff actively participated in the proceeding and has made submissions supporting the Application.
3. During the course of the proceeding, Board Staff submitted interrogatories to Enbridge. Board Staff Interrogatory #7 (Exhibit I.EGDI.STAFF.7) proposed several draft conditions of approval and requested that Enbridge comment on these conditions of approval. Enbridge reviewed the draft conditions of approval and indicated that it had no concerns or comments. As such Enbridge has no objections to such conditions being included in any approval granted by the Board.
4. Specifically, Enbridge has applied to the Board requesting:
 - (i) pursuant to section 90 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c-15, Schedule B, an Order granting leave to construct the Facilities; and
 - (ii) pursuant to section 97 of the *Ontario Energy Board Act, 1998*, S.O. 1998, c-15, Schedule B, an Order approving the form of easement agreements found at Exhibit F, Tab 1, Schedule 3.

5. In leave to construct applications, the Board is required to consider the public interest, and where the public interest is served by the project, the Board is to grant leave to construct. Public interest is determined by the Board using the following considerations:
 - (i) purpose and need for the project;
 - (ii) environmental considerations;
 - (iii) project feasibility;
 - (iv) land matters; and
 - (v) indigenous consultation obligations.

Facilities and Need For Project:

6. Currently, a portion of the gas distribution system that feeds into Liberty Village does not have the gas capacity to support recent load requests. Enbridge has received several requests for gas distribution service from real estate developers seeking to build condominiums and mixed use buildings in Liberty Village. A reinforcement of the natural gas distribution system in Liberty Village is required to support these requests and current and future natural gas demand in the area
7. Enbridge is proposing to construct three segments of natural gas pipeline totaling approximately 1.2 km within the Liberty Village neighborhood of the City of Toronto (Project). The Project will serve to supply gas to current demand and future growth in the area. A map showing the proposed pipeline route can be found in Exhibit B, Tab 1, Schedule 1, Attachment 1.
8. The first segment is approximately 900 m of NPS 8 inch intermediate pressure steel pipe that will serve to reinforce the existing natural gas distribution system. The second segment is approximately 200 m of NPS 6 inch intermediate pressure plastic pipe. The third segment is approximately 85 m of NPS 4 inch intermediate pressure plastic pipe. The latter two segments are main extensions that will provide natural gas service to a number of new condominiums and mixed use towers in Liberty Village. Enbridge has provided the design specifications of the Project to the Technical Standards and Safety Authority (TSSA). The TSSA has not expressed concern with the safety or design of the proposed facilities.
9. The Project will make natural gas available to 7 new condominiums and mixed use towers in Liberty Village. The Project will also ensure that four hundred and eleven existing commercial, industrial and residential customers will have uninterrupted natural gas distribution service.

Environmental Assessment and Pipeline Design:

10. The Environmental Report is found at Exhibit C, Tab 1, Schedule 3 and details the route selection process, the extensive consultation completed and includes an archaeological assessment. At page 7.1 of the Environmental Report, GHD consulting concluded:

Several mitigation measures will be implemented to minimize impacts to the residents and businesses in Liberty Village. Enbridge's Construction and Maintenance Manual, 2018 will be consulted in order to protect environmental features along the route during and post-construction. A detailed Traffic Management Plan will be developed in collaboration with the City of Toronto to reduce impacts on traffic during construction. Considering the highly dense nature of the area and limited access points, the Traffic Management Plan is of particular importance. GHD does not anticipate any permanent or adverse environmental impacts from the construction and operation of the new pipeline based on the assessment of environmental impacts in this report.

11. The design of the Facilities adheres to the requirements of Ontario Regulation 210/01, Oil and Gas Pipeline Systems, under the *Technical Standards and Safety Act, 2000*, S.O. 2000, c. 16 and the CSA Z662 Oil and Gas Pipeline systems Code, current version. The amended Environmental Report was submitted to the Ontario Pipeline Coordination Committee (OPCC) on June 13, 2018. The TSSA has not expressed concern with the safety or design of the proposed facilities. No comments were received from other members of the OPCC.
12. The Ministry of Tourism, Culture, and Sport (MTCS) has reviewed the Project's Stage 1 Archaeological Assessment and issued a clearance letter on April 9, 2018. The Stage 1 Archaeological Assessment determined that the study area does not require a Stage 2 Archaeological Assessment.
13. Enbridge confirms that it will adhere to the recommendations included in the Environmental Report.

Project Feasibility:

14. The overall feasibility of the project has been determined using the methodology specified in "*Ontario Energy Board Guidelines for Assessing and Reporting on Natural Gas System Expansion in Ontario*" and the EBO 188 Report of the Board dated January 30, 1998.

15. The economic analysis is performed by discounting incremental cash flows over a 40-year revenue horizon. The total capital cost of the Project is estimated to be approximately \$3.62 million and its Profitability Index is forecast to be 1.00.
16. Board Staff noted that the contingency of 25% applied to the Project was high given the advanced stage of planning. Board Staff also noted that the past project on Parliament Street was not comparable to Liberty Village because the size of the pipe was smaller and for the other project, Brimley Street, the costs were 25% lower than the estimated costs of the Liberty Project. Enbridge respectfully submits that the 25% contingency is appropriate as the location of the work entails risks and unknowns that are standard and consistent with previous projects in densely populated areas in the City of Toronto. Specifically, the location of the work is similar to the Parliament Street project in that there are a congested mix of utilities in addition to potential soil remediation that are reflected in the contingency. Additionally, it should be noted that the table in the response to Board Staff Interrogatory #6 (Exhibit I. EGDI.STAFF.6) compares Brimley's actual construction cost to the estimated cost of the Liberty Village Project. Brimley's estimated costs were very similar to the Liberty Village Project. The Brimley project was estimated at \$3.3 million (Brimley) and the Liberty Village Project is estimated at \$3.6 million. For the foregoing reasons Enbridge submits that a full prudence review is not necessary.

Land Issues:

17. The OEB Act, section 97, requires the Board to approve the form of easement that will be offered to landowners as follows:

In an application under section 90, 91 or 92 leave to construct shall not be granted until the applicant satisfies the Board that it has offered or will offer each owner of land affected by the approved route or location and agreement in the form approved by the Board.

18. The entire proposed route is located within municipal road allowance. Additionally, while Enbridge does not expect to require the use of private land, it has filed three forms of land use agreements which Enbridge would offer affected landowners should the need arise.
19. Enbridge has filed three forms of land use agreements which Enbridge would offer affected landowners should the need arise. The forms of easement agreement can be found at Exhibit F, Tab 1, Schedule 3.
20. Two of the three, namely the Form of Agreement to Grant Easement and the Form of Easement Agreement, have been previously approved for use by the OEB. The

proposed Form of Working Area Agreement has been updated and the new version has not been reviewed by the OEB prior to this case. Board Staff has reviewed the proposed Form of Working Area Agreement and recommends that it be approved.

21. Enbridge confirms it will obtain all of the necessary approvals and permits for the construction of the Facilities.

Indigenous Consultation

22. Enbridge contacted the Ministry of Energy (MOE) with respect to the Crown's duty to consult on January 29, 2018. Enbridge received a written reply from the MOE on February 7, 2018. The MOE indicated that no duty to consult has been triggered, and it will not be necessary for the MOE to provide a letter of opinion regarding the sufficiency of consultation. In a second letter to Enbridge dated May 8, 2018, the MOE reconfirmed that no duty to consult is triggered.
23. As directed by the OEB, Enbridge served notice to the Métis Nations of Ontario. No intervention requests were received by the Métis Nations of Ontario or any other groups or organizations. Additionally, no groups or organizations have expressed any concern or interest with the proposed facilities. Enbridge confirms it will consult with any Indigenous community should it identify itself as being potentially affected by the Project.

Conclusions:

24. Construction of the Facilities is scheduled to commence no later than October 2018. This start date is necessary to meet the construction timing requirements for certain permits and enable Enbridge to meet the in-service date of February 2019. Enbridge provided a project schedule at Exhibit D, Tab 1, Schedule 3.
25. The developers and Board Staff support granting Enbridge leave to construct. Enbridge is not aware of any outstanding concerns with its Application.
26. Consequently, Enbridge submits that the proposed Facilities are in the public interest and that there are no outstanding issues. Therefore, Enbridge requests the Board grant leave to construct for the Facilities at the earliest opportunity such that Enbridge may maintain the proposed construction schedule to meet the customer's in-service date.

All of which is respectfully submitted the 19th day of September, 2018

(Original Signed)

Guri Pannu
Counsel for Enbridge Gas Distribution Inc.