

## **The OEB grants Enbridge Gas Inc. approval to relocate and construct natural gas pipelines in Toronto (Lawrence Avenue East Station Relocation Project)**

### **DECISION**

On April 18, 2024, the Ontario Energy Board (OEB) issued its [Decision and Order](#) granting Enbridge Gas Inc.'s (Enbridge) application for leave to relocate and construct approximately 345 metres of natural gas pipeline (the Project) in the city of Toronto.

The OEB found that the Project is in the public interest based on an examination of the project need, alternatives, cost and economics, environmental impacts, land use agreements and Indigenous consultation.

### **ABOUT THE PROJECT**

The Project is needed to accommodate the construction of the Scarborough Subway Extension Transit Project (Subway Extension project), which is being completed by Metrolinx in collaboration with the Province of Ontario and the City of Toronto. Metrolinx has requested that Enbridge temporarily relocate certain existing natural gas pipeline assets that are incompatible with the Subway Extension project. Metrolinx expects to complete the Subway Extension project in 2030 and has requested that Enbridge permanently relocate those natural gas pipeline assets back onto the municipal right-of-way at that time. The OEB's Decision and Order only addresses Enbridge's request for approval of the temporary relocation, as the details and scope of work for the permanent relocation are not known at this time.

Enbridge has stated that Metrolinx will pay for the Project.

The Project construction will begin in August 2024 and the proposed pipelines are expected to be placed into service in September 2024.

### **CONSIDERATIONS**

When determining whether a gas pipeline project is in the public interest, the OEB typically examines the following factors that comprise the OEB's standard [Leave to Construct Issues List](#):

1. Need for the Project
2. Project Alternatives
3. Project Cost and Economics
4. Environmental Impacts
5. Route Map and Form of Landowner Agreements
6. Indigenous Consultation
7. Conditions of Approval

## **INTERVENORS IN THE PROCEEDING**

Pollution Probe was granted intervenor status in the proceeding.

## **OEB FINDINGS**

A summary of the OEB's key findings as they relate to its determination that the Project is in the public interest follows below.

### **Project Need** (*Section 3.1, pp. 3-5*)

The OEB found that the Project is needed to accommodate the construction of the Subway Extension project. Certain portions of Enbridge's existing pipelines would be incompatible with the Subway Extension project and need to be temporarily relocated. The Project is intended to resolve these issues while maintaining natural gas services to Enbridge's existing customers and does not entail the creation of any incremental natural gas capacity.

### **Project Alternatives** (*Section 3.2, pp. 5-8*)

The OEB found that the Project is the best alternative to meet the stated need. Enbridge evaluated several alternatives based on a number of factors such as cost, schedule, system safety and reliability, and environmental and socio-economic impacts.

The OEB also found that the Project is excluded from [Integrated Resource Planning \(IRP\) Framework](#) considerations for the following reasons:

- The Project addresses a system need that must be met in under three years.
- Metrolinx will pay all project costs,

### **Project Cost and Economics** (*Section 3.3, pp. 8-10*)

The OEB noted Enbridge's assertion that Metrolinx will pay for the total Project costs through a Contribution in Aid of Construction (CIAC) and that the Metrolinx contractor will assume full cost responsibility even if the actual costs exceed the estimated total Project costs, with no impact on ratepayers.

The OEB's Decision and Order granting leave to construct the Project is conditional on Enbridge Gas filing a Post Construction Financial Report providing, among other things, confirmation that the actual final Project costs are fully funded by the CIAC payment from Metrolinx.

### **Environmental Impacts** (*Section 3.4, pp. 9-11*)

The OEB found that Enbridge has completed its Environmental Report in accordance with the OEB's [Environmental Guidelines](#). No significant environmental or cumulative effects are anticipated from construction of the proposed Project.

Enbridge must implement the mitigation measures set out in the Environmental Report prior to the start of construction. Further, Enbridge is required to obtain all necessary approvals, permits, licences, and certificates needed to construct, operate and maintain the Project. These conditions are standard in OEB decisions granting approval to construct pipelines.

### **Route Map and Form of Landowner Agreements** (*Section 3.5, pp. 11-12*)

The Project will be located primarily in the public road allowance with limited permanent easements and potential temporary working areas required to facilitate construction.

Enbridge also applied for approval of the forms of agreements that it has offered or will offer to landowners affected by the routing or location of the proposed pipeline.

The OEB approved the forms of permanent easement and temporary working area agreements as filed.

### **Indigenous Consultation** (Section 3.6, pp. 12-13)

Based on the Ministry of Energy's Letter of Opinion<sup>1</sup> and the rest of the record before the OEB, the OEB is satisfied that the duty to consult had been adequately addressed in this proceeding.

### **Conditions of Approval** (Section 3.7, pp. 13-14)

The OEB accepted OEB staff's proposal, which was also agreed to by Enbridge, that the OEB's standard conditions of approval should apply to the Project, with minor modifications.

The Decision and Order is subject to the modified conditions of approval attached to the Decision as Schedule B.

## **About the OEB**

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the collective advancement of the people of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development.

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*Ce document est aussi disponible en français.*

*This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Order issued today, which is the official OEB document.*

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<sup>1</sup> [EB-2023-0260, Exhibit H, Tab 1, Schedule 1, Attachment 3](#)