

May 9, 2023

The Ontario Energy Board grants Enbridge Gas Inc. approval to relocate and construct segments of natural gas pipelines in the City of Toronto

DECISION

Today the Ontario Energy Board (OEB) issued its Decision and Order granting Enbridge Gas Inc.'s (Enbridge) application for leave to relocate and construct small segments 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), which is being completed by Metrolinx in collaboration with the Province of Ontario and the City of Toronto. Metrolinx has requested that Enbridge relocate certain existing natural gas pipeline assets that are incompatible with the Subway Extension. Enbridge also plans to relocate an existing district regulator station and bollard protection system onto a permanent easement.

Enbridge has stated that Metrolinx will pay for the Project.

The Project will be constructed in two phases as tunnelling work for the Subway Extension needs to be completed between the two phases. The first phase is expected to commence in September 2023 and be placed into service in December 2023. The second phase is expected to commence in April 2025 and be placed into service in July 2025.

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

The following stakeholders were granted intervenor status in the proceeding:

- Environmental Defence
- Pollution Probe

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.

Need for the Project *(Section 3.1, pp. 3-4)*

The OEB found that the Project is needed to accommodate the Subway Extension. Certain portions of Enbridge's existing pipelines would be incompatible with the Subway Extension and need to be 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. 4-7)*

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.
- Because Metrolinx will pay all project costs, the Project is within the intent of the IRP Framework decision regarding customer-specific builds where the customer fully pays for incremental infrastructure costs.

Project Cost and Economics *(Section 3.3, pp. 7-9)*

The OEB noted Enbridge's assertion that Metrolinx will pay for the 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.

The OEB's Decision and Order granting approval to construct the Project is contingent on Enbridge notifying the OEB that it has executed the necessary agreements with Metrolinx that provide for the payment by Metrolinx of a CIAC for the full amount of the project costs. This condition is included in the OEB's conditions of approval.

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.

The conditions of approval attached to the OEB's Decision and Order require Enbridge to implement the mitigation measures set out in the Environmental Report and to complete the Environmental Protection Plan prior to the start of construction. The conditions of approval further require Enbridge 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)

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 temporary land use and permanent easement agreements as filed, noting that both have been approved by the OEB in the past for similar projects.

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

Based on the Ministry of Energy's [Letter of Opinion](#) and the rest of the record before the OEB, the OEB was satisfied that the duty to consult had been adequately addressed in this proceeding.

Conditions of Approval (Section 3.7, p. 13)

The OEB accepted OEB staff's proposal, which was also accepted by Enbridge, that the OEB's standard conditions of approval should apply to the Project, with two amendments:

- The addition of Condition 4, which requires Enbridge to notify the OEB that it has executed the agreements that provide for the payment by Metrolinx of the project construction costs.
- Condition 7 has been modified to require Enbridge to confirm that the actual final project costs are fully funded by the CIAC paid to Enbridge by Metrolinx.

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.