

July 7, 2022

OEB grants Enbridge Gas Inc. leave to construct natural gas pipelines in Toronto

DECISION

Today the Ontario Energy Board (OEB) issued its Decision and Order granting Enbridge Gas Inc.'s (Enbridge) application for leave to construct two natural gas pipelines (Project) in Toronto. The Project consists of:

- a **temporary** 190 metre, 20-inch diameter bypass pipeline (Temporary Bypass); and
- a **permanent** 160 metre, 20-inch diameter pipeline (Permanent Pipeline).

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 requirements, and Indigenous consultation. The leave to construct is subject to the OEB's standard conditions of approval, attached as Schedule B to the Decision and Order.

ABOUT THE PROJECT

This application is related to an earlier request filed by Enbridge in October 2020 (2020 Application) that Enbridge withdrew so that it could reassess alternatives to the project.¹

The Project will allow Enbridge to replace an existing 155 metre 20-inch diameter pipeline on and near the Keating Railway Bridge (Existing Pipeline) which conflicts with the construction of Waterfront Toronto's Port Lands Flood Protection and Enabling Infrastructure Project (Flood Protection Project).

Enbridge will construct the Temporary Bypass on Lake Shore Bridge, which will maintain current service levels to the downtown Toronto area while the Permanent Pipeline is constructed and put into service.

The Permanent Pipeline will be constructed within a newly designed utility corridor that will be located on the Keating Railway Bridge after the bridge has been upgraded and elongated as part of the Flood Protection Project.

The Project is estimated to cost \$23.5 million, with Waterfront Toronto contributing \$5 million to the Project making the net cost to Enbridge \$18.5 million. Waterfront Toronto will also be responsible for the costs it incurs related to consulting and construction services to design and construct the new utility corridor on the Keating Railway Bridge, the estimated value of which is approximately \$3 million. Waterfront Toronto is also contributing the cost for the removal and disposal of the Existing Pipeline.

¹ Enbridge's original Waterfront Relocation application, [EB-2020-0198](#)

CONSIDERATIONS

When determining whether a 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

In its [Decision](#) approving the withdrawal of the 2020 Application, the OEB stated that, if Enbridge were to file a new application, the OEB would have certain expectations, including:

- Enbridge would assess all feasible alternatives with a focus on protecting the interests of ratepayers with respect to prices and the reliability and quality of gas service.
- Ratepayers would not be asked to pay any amount that exceeds the benefits being delivered to them.

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 4.1, pp. 8-10*)

The OEB found that Enbridge has demonstrated the need for the Project and agreed with Enbridge that a section of the Existing Pipeline located on and near the Keating Railway Bridge must be relocated for the following reasons:

- It conflicts with the Flood Protection Project.
- The Existing Pipeline is a critical source of safe and reliable natural gas supply to the downtown Toronto area serving approximately 15,000 customers.
- While it is possible that the future demand for natural gas may reduce in this area in several decades, there will be no such immediate reduction and the current demand must be met.

Based on the above, the OEB found that Enbridge has no choice but to explore alternatives for relocating the Existing Pipeline.

Project Alternatives (*Section 4.2, pp. 10-12*)

The OEB found that Enbridge had examined project alternatives and that the Project is a reasonable solution that avoids the conflict with the Flood Protection Project while protecting the interests of the ratepayers. The OEB also found that an Integrated Resource Planning² (IRP) assessment was not required in this case given that the Project is a like-for-like replacement with no growth component and has a tight timeline. Still, the OEB

² The aim of IRP is to ensure that applicants have evaluated and compared both supply-side and demand-side options, including an interplay of options, and identified the best solution to meet a system need. In 2021, the OEB approved an IRP Framework for Enbridge ([EB-2020-0091](#)).



encouraged Enbridge to provide more comprehensive studies with respect to future load on proposed pipelines in future leave to construct applications.

Project Cost and Economics (Section 4.3, pp. 12-18)

The OEB found that the proposed Project, at an estimated cost of \$23.5 million (\$18.5 million from Enbridge and \$5 million from Waterfront Toronto) is reasonable. The OEB noted that the project as contemplated in the 2020 Application had an estimated cost of \$70.5 million, and that the significant cost reduction came about as a result of an agreement reached between Enbridge and Waterfront Toronto to use the Temporary Bypass while the Permanent Pipeline is constructed within the new utility corridor to be located on the revamped (elongated) Keating Railway Bridge.

Although the OEB has no authority to impose any portion of the Project costs on Waterfront Toronto, the OEB found that Waterfront Toronto's contribution of \$5 million plus the cost of the removal and disposal of the Existing Pipeline as well as the design and construction of the new utility corridor to be an optimal solution to minimizing the impact on Enbridge's ratepayers.

In respect of one of the expectations that the OEB set when it allowed Enbridge to withdraw its 2020 Application, the OEB found that Enbridge's ratepayers are not being asked to pay any amount that exceeds the benefits being delivered to them. The OEB found that the negotiated cost sharing between Enbridge and Waterfront Toronto, which provides for continued safe and reliable natural gas supply to downtown Toronto, meets this expectation.

Environmental Impacts (Section 4.4, pp. 19-20)

The OEB found that Enbridge's updated Environmental Report meets the requirement of the [OEB's Environmental Guidelines](#). The updated Environmental Report concludes that, with the implementation of specific mitigating measures, the environmental impacts resulting from construction of the Project are not anticipated to be significant. These mitigating / contingency measures include potential soil or groundwater contamination that may be encountered during construction.

Route Map and Form of Landowner Agreements (Section 4.5, pp. 20-21)

The OEB approved the forms of working area agreement and easement agreement filed by Enbridge for the use of temporary work areas to facilitate construction.

Indigenous Consultation (Section 4.6, p. 21)

The Ministry of Energy determined that the Project does not trigger the duty to consult. Still, the OEB encourages Enbridge to continue engaging and providing Project updates to the Mississaugas of the Credit First Nation, as it has been doing.

Conditions of Approval (Section 4.7, p. 21)

The OEB found that its standard conditions of approval are sufficient in this case and that no modifications or additions are required.

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 decisions and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for the decision; those may be found in the Decision and Order issued today, which is the official OEB document.

