

ONTARIO ENERGY BOARD

The application by Enbridge Gas Inc. for leave to construct a natural gas pipeline and associated facilities in the Municipality of Chatham-Kent and the Towns of Lakeshore and Tecumseh (“the Windsor Pipeline Replacement Project”)

Energy Probe

Interrogatories to Enbridge Gas Inc.

October 20, 2019

EP-1

Reference: Exhibit A, Tab 2, Schedule 1

Question:

- a) Does Enbridge plan to file an application for OEB approval of an ICM rate rider for this project?
- b) If the answer is yes, would Enbridge proceed with this project if it does not obtain OEB approval for an ICM rate rider?

EP-2

Reference: Exhibit B, Tab 1, Schedule 1, page 4

Question:

- a) Please explain the incentives that Enbridge has in place to ensure that capital projects are completed on time and on budget.
- b) Are there any incentives for the project manager of this project to complete the project ahead of schedule or under budget? If the answer is yes, please describe the incentives. If the answer is no, please explain why not.

EP-3

Reference: Exhibit C, Tab 4, Schedule 1, page 1

Question:

Please provide supporting information for the following cost estimates including back-up calculations and sources of data.

- a) Mainline Materials \$4,164,000
- b) Stations Materials \$1,572,000
- c) Services Materials \$133,000
- d) Mainline Construction and Labour \$62,521,000
- e) Stations Construction and Labour \$9,031,000
- f) Services Construction and Labour \$2,515,000
- g) Mainline Contingencies \$9,975,000
- h) Stations Contingencies \$1,591,000
- i) Services Contingencies \$397,000
- j) Mainline Interest During Construction \$725,000
- k) Stations Interest During Construction \$120,000
- l) Services Interest During Construction \$0
- m) Mainline Indirect Overhead \$11,729,000
- n) Stations Indirect Overhead \$1,866,000
- o) Services Indirect Overhead \$466,000

EP-4

Reference: Exhibit C, Tab 4, Schedule 1, page 1

Question:

Please file the policy for the release of contingency funds. If no such policy exists please explain the practice for the release of contingency funds.

EP-5

Reference: Exhibit C, Tab 4, Schedule 1, page 1

Question:

The cost estimate does not include the following items: engineering, land, and regulatory costs. Are they included in other categories of costs? If they are, please explain where and provide estimates. If they are not, please explain why not.

EP-6

Reference: Exhibit C, Tab 4, Schedule 1, page 1

- a) What costs are included in Indirect Overhead?
- b) Why is there no Direct Overhead?

EP-7

Reference: Exhibit C, Tab 5, Schedule 1

Question:

- a) When will the project be completed and in service?
- b) When will the final close-out of project costs to rate base take place?
- c) When will Enbridge file its post-construction financial report and will the report provide explanations of variances between actual and estimated costs as proposed by OEB Staff?
- d) Will the post-construction financial report be filed on the public record under the EB-2019-0172 docket?

Respectfully submitted,

Tom Ladanyi
Consultant to Energy Probe