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BOARD STAFF INTERROGATORY #1

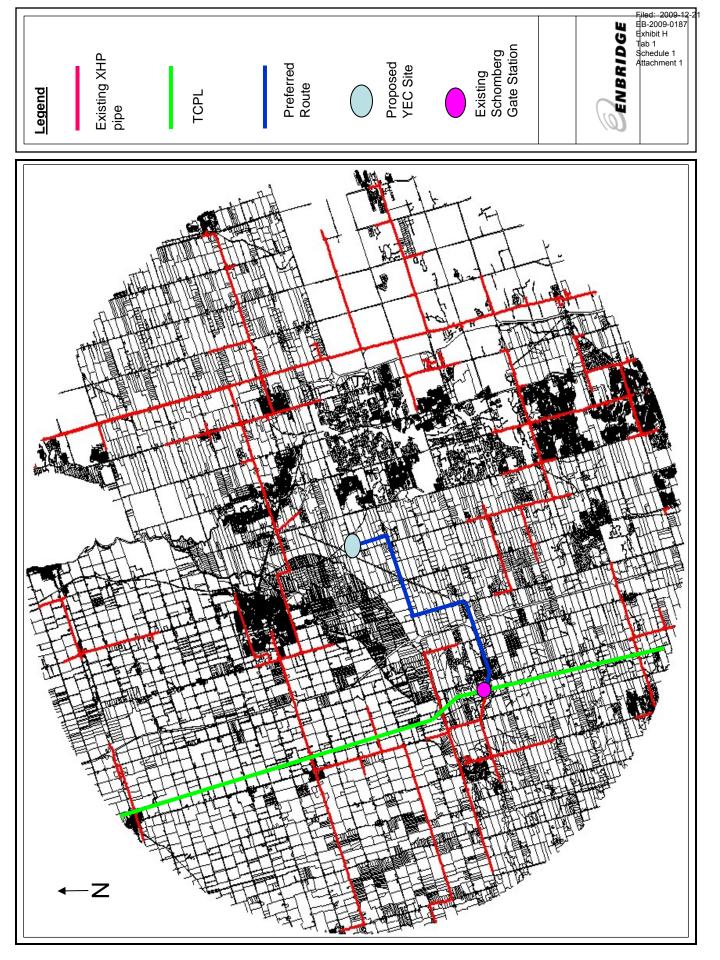
INTERROGATORY

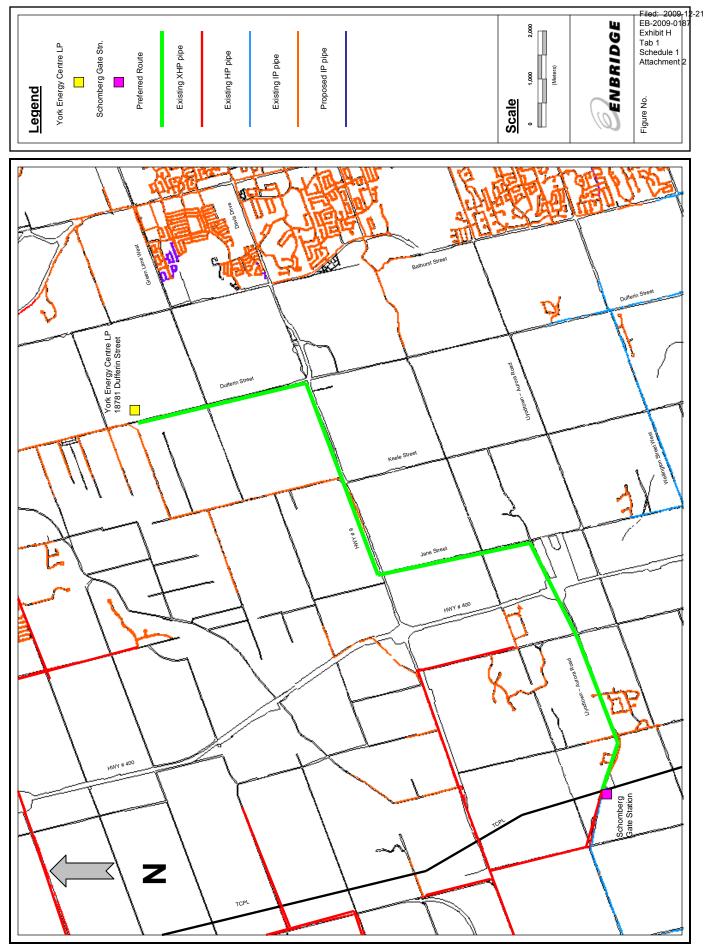
Ref: Exhibit A, Tab 3, Schedule 1, Paragraph 2, page

- a. Please provide a map showing all Enbridge's and TransCanada's high pressure pipelines within a radius of 20 km of the plant site.
- b. Will the proposed 16. 7 km NPS 16 pipeline be exclusively dedicated to serving the York Energy Centre LP plant? Are there any plans for the future where another customer will be served through the subject pipeline? Is there sufficient capacity to serve additional customers off the proposed line? If so, please provide details.
- c. Is gas service generally available to customers in the vicinity of the proposed pipeline?

RESPONSE

- a. Enbridge Gas Distribution Inc. ("Enbridge") interprets the term "high pressure" to refer to any pipelines in the vicinity of the York Energy Centre that operate in excess of 1200 kPa (175 psi). The requested map is presented in Attachment 1.
- b. At this time, the pipeline is intended to provide a dedicated supply to York Energy Centre.
- Gas is generally available in the vicinity of the proposed pipeline. Enbridge's distribution system in the vicinity of the proposed pipeline is illustrated in Attachment 2.





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BOARD STAFF INTERROGATORY #2

<u>INTERROGATORY</u>

Ref: Exhibit C, Tab 2, Schedule 2 paragraphs 1 and 2, page 1

According to the construction schedule proposed by Enbridge construction would start in May 2010 and pipeline commissioning is planned for April 2011. This allows 11 months for the pipeline construction.

- a. Please explain why construction can not be completed in the summer months.
- b. Please compare this timing with construction timing of similar recent pipeline construction project and comment on how is the pipeline construction schedule coordinated with the construction schedule for the plant.

RESPONSE

- a. Based on previous experience, it is reasonable to expect that construction will take approximately 11 months (also see response to b).
- b. Construction timing is contingent on factors such as pipe size, wall thickness, pipe grade, ground conditions, time of year, weather, number of road and creek crossings, etc. A summary of three recent projects is presented in Table 1 on the following page. The information in this table suggests that the average weekly installation rate for NPS 16 is approximately 382 meters per week. The information in this table was used to estimate the construction timing for the York Energy Centre Pipeline Project. The project is expected to take approximately 11 months.

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Table 1 – Summary of Recent Large Diameter Pipeline Projects

Project	Length	NPS	Duration	Progress
	(m)		(weeks)	(m / week)
Portlands Energy Centre South	3,000	20	23	122
Scarborough Reinforcement	6,500	16	20	316
Georgian Bay Reinforcement	20,000	12	26	709
Average	9,833	16	23	382

The Gas Distribution Agreement provides a Date of First Deliveries of April 15th, 2011. It is expected that construction will take approximately 11 months. Therefore, it is difficult to avoid winter construction.

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BOARD STAFF INTERROGATORY #3

<u>INTERROGATORY</u>

Ref: Exhibit A, Tab 3, Schedule 6, "Gas Delivery Agreement", Appendix B, "Financial Assurances and Insurance" and Exhibit 1 "Terms of Letter of Credit"

Appendix B, Exhibit 1 of the GDA provides a form of the irrevocable Letter of Credit to be posted and maintained and for the benefit of Enbridge by the York Energy Centre LP. Prior to construction the amounts and dates for drawing the funds are the estimates only and are to be adjusted based on the actual costs. The GDA set the amount of \$26,820,000 to be available in the posted Letter of Credit cumulatively by April 15, 2012 starting on August 28, 2009. The GDA also sets the methodology to calculate "unrecovered investments" over time to be the methodology given in the EBO 188.

Please confirm that the GDA fully and adequately ensures that all risks associated with the transportation service to the York Energy Centre LP, to the Enbridge's ratepayers at any point of time from August 28, 2009 (the date the GDA was signed) to September 30, 2031 (the termination date the GDA). Please summarize all of the financial assurances in place to ensure ratepayers are held harmless in the event that the York Energy Centre LP ceases to operate at any point before the termination date of the GDA.

RESPONSE

The Gas Delivery Agreement ("GDA") fully and adequately mitigates the risks associated with the delivery service to the York Energy Centre. At all times from the beginning to the termination of the contract, there will be financial assurances greater than or equal to the Unrecovered Investment. (Please see Exhibit A, Tab 3, Schedule 6, page 48 of 55 for the methodology).

In the event that the York Energy Centre LP ceases to operate at any point before the termination date of the GDA, Enbridge Gas Distribution Inc's ("Enbridge") rights are outlined in the GDA Parts 15.2, 16.2, 16.3, and 16.4. (Exhibit A, Tab 3, Schedule 6, pages 27, 28, 29 of 55.)

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Financial assurances in the form of an irrevocable letter of credit as follows:

Date	Cumulative Amount of Letter of Credit	
On signing the GDA	\$350,000	
September 1, 2009	\$1,000,000	
March 1, 2010	\$11,200,000	
September 1, 2010	\$14,200,000	
October 1, 2010	\$17,200,000	
November 1, 2010	\$20,200,000	
December 1, 2010	\$23,200,000	
February 1, 2011	\$26,820,000	

These dates and amounts are estimates only. The actual required timing and amounts will be: (i) based on (A) the respective dates on which the Company commits to the relevant costs, and (B) the relevant costs; or (ii) as directed by the OEB.

From April 16 2012 to September 30 2031, the financial assurances required are the greater of Unrecovered Investment or twenty-four months of Demand charges. (Please refer to Exhibit A, Tab 3, Schedule 6, page 48 of 55).

In addition to the financial assurances for Enbridge's investment, York Energy Centre is also required to provide Contribution In Aid of Construction to ensure that the project is feasible. The invoicing schedule for the Contributions In Aid of Construction in the form of payments per the GDA is as follows:

Date	Amount	Cumulative Amount of Contribution In Aid of Construction
March 1, 2010	\$2,500,000	\$2,500,000
May 1, 2010	\$2,500,000	\$5,000,000
June 1, 2010	\$2,500,000	\$7,500,000
July 1, 2010	\$2,500,000	\$10,000,000
August 1, 2010	\$2,300,000	\$12,300,000

The above dates and amounts are estimates only. The actual required timing and amounts will be: (i) based on: (A) the respective dates upon which the Company commits to the relevant costs, and (B) the relevant costs; or (ii) as directed by the OEB.

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BOARD STAFF INTERROGATORY #4

INTERROGATORY

Ref: Exhibit A, Tab 3, Schedule 2, Paragraph 7, page 2

Should the pipeline approval be granted by the Board, and in the event that York Energy Centre LP ceases operation before the Gas Delivery Agreement termination date, Board Staff is proposing certain conditions for protection of Enbridge's ratepayers.

Please comment if the conditions below would be acceptable to Enbridge:

- Enbridge shall not, without prior approval of the Board, consent to any alteration or amendment to the Gas Delivery Agreement dated and executed on August 28, 2009, where such alteration or amendment has or may have any material impact on Enbridge's ratepayers.
- Enbridge shall file with the Board, a copy of York Energy Centre LP's irrevocable bank letter of credit to Enbridge for an amount not less than cost estimate of the applied-for facilities; this filing shall take place not later than 14 days after the start of construction.

RESPONSE

The first condition is acceptable to Enbridge Gas Distribution Inc. ("Enbridge"). With respect to the second condition, Enbridge believes that the current schedules of Contribution In Aid of Construction payments and financial assurance provision adequately protect Enbridge and its other ratepayers.

Under the terms of the Gas Delivery Agreement ("GDA") between Enbridge and York Energy Centre LP, Enbridge and its ratepayers are protected by a combination of financial assurance (in the form of an irrevocable letter of credit) and Contribution In Aid of Construction (in the form of payments). The GDA requires that York Energy Centre provide them in increasing cumulative values through the construction period of the project as costs are forecasted to be incurred. (Please refer to Board Staff Interrogatory

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#3 found at Exhibit H, Tab 1, Schedule 3). With these schedules and appropriate changes as indicated in the footnote of the schedules, payments and assurances are provided before monies are spent or liabilities occurred. This arrangement adequately protects Enbridge and its other ratepayers.

Enbridge would suggest that in place of the second condition the following:

5.3 Enbridge shall file with the Board, copies of changes to the York Energy Centre LP's irrevocable bank letter of credit and Contribution in Aid of Construction payments. This filing shall take place not later than 14 days after receipt of change or payment and shall be in place until the end of construction.

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BOARD STAFF INTERROGATORY #5

<u>INTERROGATORY</u>

Ref: Exhibit D, Tab 1, Schedule 2, pages 1 and 22

Referring to the table entitled "Permits Required" please add information on the anticipated timing on acquiring these permits and add any other permits and approvals that were not included in the pre-filed evidence.

RESPONSE

A further review of the permits required has identified that approvals of Ministry of Natural Resources and Canadian Coast Guard are not required. This is due to the fact that none of the proposed water crossings are "chartered" water crossings and as such do not fall under the criteria of these agencies.

With some exception, the anticipated timeline to acquire permits is in the 4 to 6 week range. The Township of King permit to install within Dufferin Street will take 8 to 10 weeks. A minor variance application to the Township of King which is required to modify the Schomberg Gate station is expected to take 4 to 6 months. A permit from the Ministry of Transportation will take 6 to 8 weeks.

Witness: W. Tkach

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BOARD STAFF INTERROGATORY #6

<u>INTERROGATORY</u>

Ref: Exhibit B, Tab 2, Schedule 2, p 5-17

Please explain the rationale for selection of the proposed route. Please elaborate on considerations of potential route impacts on environmentally sensitive areas in the Oak Ridges Moraine, Greenbelt Plan Natural Heritage System and Greenbelt Countryside areas.

RESPONSE

For information regarding the selection of the preferred route in the context of the Oak Ridges Moraine Conservation Plan ("ORMCP") and Greenbelt Act refer to Sections 3.3.5.2 and 6.3.2 of the Environmental Report found at Exhibit B, Tab 2, Schedule 2. The rationale for the selection of the preferred route is documented in Section 5 of the Environmental Report found at Exhibit B, Tab 2, Schedule 2.

According to Section 41 of Ontario Regulation 140/02 the installation of a natural gas pipeline within the ORMCP is a permitted land use when the appropriate criteria have been met. The need for the Pipeline is provided at Exhibit A, Tab 3, Schedule 2. In addition, with respect to the Pipeline route, passage of the pipeline through Natural Core Areas is kept to a minimum, and is restricted to previously disturbed road allowances and therefore minimizes impacts to adjacent land uses. The preferred route also passes through Protected Countryside within the Greenbelt Area. Enbridge Gas Distribution Inc. ("Enbridge") plans to utilize horizontal directional drilling (HDD) techniques to install the pipeline beneath any watercourses, associated Fill Regulated Areas and adjacent to two Areas of Natural and Scientific Interest (ANSI). In addition, both geotechnical and hydrological assessments have been conducted at each of the nine proposed watercourse crossings to develop site specific plans for pipeline installation and protective measures (i.e. sediment control measures).

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According to the Greenbelt Act, the preferred route passes through Protected Countryside, Natural Heritage System, the Oak Ridges Moraine and the Holland Marsh. According to the Greenbelt Plan, infrastructure approved under the Ontario Energy Board is permitted within the Protected Countryside if one the objectives identified in Section 4.2.1 (General Infrastructure Policies) of the Greenbelt Plan is met. In particular, the Pipeline satisfies 4.2.1(1)(b) as it will serve the York Energy Centre LP. The requirements of section 4.2.1.(2) are satisfied through the detailed route selection and mitigation steps adopted by Enbridge (see Exhibit B, Tab 2, Schedule 2 and Section 5 of the Environmental Report found at Exhibit B, Tab 2, Schedule 2).

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BOARD STAFF INTERROGATORY #7

INTERROGATORY

Ref: Exhibit G, Tab 1, Schedule 1

In the evidence filed on November 16, 2009, Enbridge provided a summary of the comments it received regarding the proposed project and the Environmental Review Report as well as Enbridge's response to these comments. Please discuss and provide copies of any additional comment received since November 16, 2009. Provide any update of further communication and follow-ups on the comments received since July 2009.

RESPONSE

Please see updated evidence found at Exhibit G, Tab 1, Schedule 1, pages 5 to 6 and the corresponding Attachments 23 to 31. The updated evidence provides the correspondence received regarding the proposed project and the Environmental Report received from November 6, 2009 until December 11, 2009.

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BOARD STAFF INTERROGATORY #8

<u>INTERROGATORY</u>

Ref: Exhibit F, Tab 1 Schedule 1

Please provide a status update on consultations and any follow-ups with Aboriginal groups described in the pre-filed evidence.

<u>RESPONSE</u>

For information regarding consultation and any follow-ups with Aboriginal groups please refer to Section 4.2.5 and Appendix A1 of the Environmental Report found in Exhibit B, Tab 2, Schedule 2.

Enbridge Gas Distribution Inc. ("Enbridge") circulated a website link for the Ontario Energy Board (the "Board") Application and Evidence (September 2, 2009) and the Notice of Application (September 23, 2009) to the following Aboriginal groups:

- Department of Indian and Northern Affairs
- Ministry of Aboriginal Affairs
- Alderville First Nation (FN)
- Beausoleil FN
- Chippewas of Georgina Island
- Chippewas of Mnjikaning (Rama) FN
- Curve Lake FN
- Hiawatha FN
- Mississaugas of Scugog Island FN
- Mississaugas of the New Credit FN
- Association of Iroquois and Allied Indians
- Metis Nation of Ontario

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Enbridge received a letter from the Chippewas of RAMA First Nation on November 12, 2009 which is found in Exhibit G, Tab 1, Schedule 1, Attachment 27. The letter was in response to the Notice of Application issued by the Board which was forwarded to all Interested Parties and Agencies by Enbridge on September 24, 2009. A copy of the interested parties list can be found at Exhibit A, Tab 2, Schedule 2.

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BOARD STAFF INTERROGATORY #9

<u>INTERROGATORY</u>

Ref: Exhibit G, Tab 1, Schedule 1, Attachment 17

Enbridge has been in contact with York Region's "Corridor Approvals and Records, Roads, Transportation and Works Department" from the beginning of this project (early 2009). Enbridge stated it would be submitting all drawings through the standard review process for the appropriate approvals.

Please explain the process and the requirements that Enbridge is following to obtain necessary approval from York Region's "Corridor Approvals and Records, Roads, Transportation and Works Department" for locating the pipeline in the road allowance? What are the milestones and the anticipated timeline for obtaining the approval prior to construction?

RESPONSE

As a part of the Franchise Agreement, construction approvals are required. These approvals involve the review of the Engineer/Road Superintendent prior to the commencement of work on the gas system. Enbridge Gas Distribution Inc. ("Enbridge") must file with the Engineer/Road Superintendent a Plan, satisfactory to the Engineer/Road Superintendent, drawn to scale and of sufficient detail considering the complexity of the specific locations involved, showing the road allowances in which Enbridge proposes to lay its gas system and the particular parts it proposes to occupy.

Prior to commencement of work on the gas system, the Engineer/Road Superintendent must approve the location of the work as shown on the Plan filed by Enbridge, the timing of the work and any terms and conditions relating to the installation of the work.

Meetings with the Engineer/Road Superintendent have been scheduled in order to review the pipeline alignment on York Region road allowances for their approval. Enbridge anticipates submitting the Plan to York Region in Q1 of 2010. It is expected to take 4 to 6 weeks for approval.

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BOARD STAFF INTERROGATORY #10

<u>INTERROGATORY</u>

Ref: Exhibit D, Tab 1, Schedule 1, Paragraph 1,page 1

According to the evidence permanent easements will not be required. It is stated that temporary easements may be required in the areas along the route where the road allowance is not large enough to accommodate construction. In the event that the temporary easements are needed, please describe the form of easements, the term and the time-line to obtain the temporary easement rights.

RESPONSE

The form of the temporary easement is referred to as a "Working Area Agreement", which is filed as Exhibit D, Tab 1, Schedule 3, page 13 of 13, Attachment. The term of the temporary working rights shall be for the duration of construction or such period of time as mutually agreed upon. The anticipated timeline to complete these agreements is in the 6 to 8 week range.

Witness: W. Tkach

Filed: 2009-12-21 EB-2009-0187 Exhibit H Tab 1 Schedule 11 Page 1 of 3

BOARD STAFF INTERROGATORY #11

INTERROGATORY

Please review and provide any concerns and/or comments on the draft conditions of approval (if leave is granted) as set out below:

DRAFT Conditions of Approval Leave to Construct

- 1 General Requirement
- 1.1 Enbridge Gas Distribution Inc. ("Enbridge") shall construct the facilities and restore the land in accordance with its application and the evidence filed in EB-2009-0187 except as modified by this Order and these Conditions of Approval.
- 1.2 Unless otherwise ordered by the Board, authorization for Leave to Construct shall terminate December 31, 2010, unless construction has commenced prior to that date.
- 1.3 Except as modified by this Order, Enbridge shall implement all the recommendations of the Environmental Report filed in the pre-filed evidence, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee ("OPCC") review.
- 1.4 Enbridge shall advise the Board's designated representative of any proposed material change in construction or restoration procedures and, except in an emergency, Enbridge shall not make such change without prior approval of the Board or its designated representative. In the event of an emergency, the Board shall be informed immediately after the fact.
- 2 Project and Communications Requirements
- 2.1 The Board's designated representative for the purpose of these Conditions of Approval shall be the Manager, Natural Gas Applications.
- 2.2 Enbridge shall designate a person as project engineer and shall provide the name of the individual to the Board's designated representative. The project engineer will be responsible for the fulfillment of the Conditions of Approval on the construction site. Enbridge shall provide a copy of the Order and Conditions of Approval to the project engineer, within seven days of the Board's Order being issued.

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- 2.3 Enbridge shall give the Board's designated representative and the Chair of the OPCC ten days written notice in advance of the commencement of the construction.
- 2.4 Enbridge shall furnish the Board's designated representative with all reasonable assistance for ascertaining whether the work is being or has been performed in accordance with the Board's Order.
- 2.5 Enbridge shall file with the Board's designated representative notice of the date on which the installed pipelines were tested, within one month after the final test date.
- 2.6 Enbridge shall furnish the Board's designated representative with five copies of written confirmation of the completion of construction. A copy of the confirmation shall be provided to the Chair of the OPCC.
- 3 Monitoring and Reporting Requirements
- 3.1 Both during and after construction, Enbridge shall monitor the impacts of construction, and shall file four copies of both an interim and a final monitoring report with the Board. The interim monitoring report shall be filed within six months of the inservice date, and the final monitoring report shall be filed within fifteen months of the inservice date. Enbridge shall attach a log of all complaints that have been received to the interim and final monitoring reports. The log shall record the times of all complaints received, the substance of each complaint, the actions taken in response, and the reasons underlying such actions.
- 3.2 The interim monitoring report shall confirm Enbridge's adherence to Condition 1.1 and shall include a description of the impacts noted during construction and the actions taken or to be taken to prevent or mitigate the long-term effects of the impacts of construction. This report shall describe any outstanding concerns identified during construction.
- 3.3 The final monitoring report shall describe the condition of any rehabilitated land and the effectiveness of any mitigation measures undertaken. The results of the monitoring programs and analysis shall be included and recommendations made as appropriate. Any deficiency in compliance with any of the Conditions of Approval shall be explained.
- 4 Easement Agreements
- 4.1 Enbridge shall offer the form of agreement approved by the Board to each landowner, as may be required, along the route of the proposed work.

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5 Other Approvals and Agreements

5.1 Enbridge shall obtain all other approvals, permits, licences, and certificates required to construct, operate and maintain the proposed project, shall provide a list thereof, and shall provide copies of all such written approvals, permits, licences, and certificates upon the Board's request.

- 5.2 Enbridge shall not, without prior approval of the Board, consent to any alteration or amendment to the Gas Delivery Agreement dated and executed on August 28, 2009 where such alteration or amendment has or may have any material impact on Enbridge's ratepayers.
- 5.3 Enbridge shall file with the Board, a copy of York Energy Centre LP's irrevocable bank letter of credit to Enbridge for an amount not less than cost estimate of the applied-for facilities; this filing shall take place not later than 14 days after the start of construction.

RESPONSE

Enbridge Gas Distribution Inc. ("Enbridge") has no concerns or comments with the draft conditions with the exception of the following proposed change to draft condition 5.3:

5.3 Enbridge shall file with the Board, copies of changes to the York Energy Centre LP's irrevocable bank letter of credit and Contribution in Aid of Construction payments. This filing shall take place not later than 14 days after receipt of change or payment and shall be in place until the end of construction.