

**Ontario Energy Board**

**IN THE MATTER OF** the *Ontario Energy Board Act, 1998*,  
S.O. 1998, c. 15, (Schedule B);

**AND IN THE MATTER OF** an application by Enbridge Gas  
Distribution Inc., pursuant to section 36(1) of the *Ontario  
Energy Board Act, 1998*, for an order approving or fixing just  
and reasonable rates and other charges for the sale, distribution,  
transmission and storage of gas as of January 1, 2012.

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**INTERROGATORIES OF  
BUILDING OWNERS AND MANAGERS ASSOCIATION TORONTO  
("BOMA")**

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**November 3, 2011**

**ENBRIDGE GAS DISTRIBUTION INC.  
EB-2011-0277**

**BUILDING OWNERS AND MANAGERS ASSOCIATION TORONTO  
INTERROGATORIES**

1. **Ex B, T2, Sch 6, pp 1-19**

Enbridge states at page 6 that, starting in 2009 and 2010, it "began to create and implement a program to take preventative steps to address cross-bore issues, and reduce the chances of any serious incidents in its franchise area". What did these steps consist of? Please discuss.

2. When did Enbridge begin to take precautionary actions with respect to new construction procedures to avoid cross-bore issues with service lines; when did they commence legacy investigations; when did they begin activities to enhance public, municipal, government and trades awareness of the cross-bore risk?

3. Enbridge states that it encountered and repaired approximately forty-four sewer lateral cross-bores since 2007. What was the approximate cost of the work? Please provide details on how the cost was calculated.

4. Please provide the minutes of the two meetings of TSSA Risk Reduction Group on Pipelines in March and June of 2011, referenced at B, 2, 6, p6, par 22.

5. Summary of Costs: B2, T2, Sch 6, pp. 10-11.

(a) Explain the term "Work Volume" in column 3 and show how the expenditure cost, capital or O&M, was determined in each case where "Work Volume" is used, eg. in items like "Emergency Natural Gas Service Safety Inspection". How was the \$2,377,500 cost arrived at? Explain. Provide the unit cost for each activity.

(b) Explain how each work number volume was estimated for each "expenditure description".

(c) (i) What costs for cross-bore was included in the base revenue requirement under Enbridge's IRM plan? (ii) What activities did these costs support? (iii) What costs were incurred in each of the years 2008, 2009, 2010, and 2011? (iv) What activities did these costs support?

6. Action Plan.
  - (a) What percentage of new pipeline service construction work is done using the trenchless method (by dollar, by distance)?
  - (b) When was the Cross-Bore Safety Association founded? When did Enbridge join the Association? When did it become a "lead"? Please provide materials on the objectives, methods, and meeting agendas of the Association.
  - (c) When was the Ontario Regional Common Ground Alliance founded? Who are the members? When did Enbridge join? When did they adopt Best Practices for cross-bore detection and remediation? Please provide the "best practice" document.
  - (d) Provide a copy of CAN CSA Z662-07 Annex M.8.1. When was the sentence in quotation marks included in the above standard?
  - (e) When did the Minnesota and Virginia significant incidents occur? If information is readily available, when did the other 17 US incidents occur? When did the incident at St. Lawrence Gas occur?
  - (f) For how long has Enbridge been performing approximately 2,000 cross-bore investigations per year?
  - (g) Why does Enbridge have such a high number of cross-bore requests from the Niagara area, relative to other areas of the franchise?
  - (h) Please provide a copy of the natural gas installation code.
  - (i) When did Enbridge begin to take steps to address the risks posed by cross-bores?
7. In EB-2009-0172, at Ex B, Tab 3, Sch 2, p1, Enbridge applied for Z-factor treatment (and a variance account) for its Sewer Lateral Initiative. At the Settlement Conference in that proceeding. Enbridge agreed to withdraw its request for Z-factor and deferral account treatment.
  - (a) Please confirm that the program proposed in this proceeding is substantially the same, that is, is composed of the same activities as the Sewer Lateral Initiative. Please discuss differences, if any.

(b) Please confirm that Enbridge carried out the activities it proposed to carry out, as part of the Sewer Lateral Initiative, in 2010 and 2011. If there were any elements of that proposal not carried out in either 2010 or 2011, please discuss.

8. Ex B, Tab 2, Sch 5, pp 1-8 (Pension Funding Requirement).

(a) Please explain what the "annual employee service cost" is.

(b) Please provide copies of Enbridge's annual cost certificates for 2007, 2008, 2009, and 2010.

(c) Please provide a copy of Enbridge's Statement of Investment Policies and Procedures.

(d) Enbridge states in paragraph 21 that it was precluded from making contributions to the plan in recent years because the plan was in a surplus position (our emphasis). But at paragraph 7, Enbridge states that in the period prior to IR, Enbridge was in surplus, and as a result has not had to make contributions to the plan (our emphasis). Please explain the different answers.

(e) Please provide the after tax return of the assets in the pension plan for each of the years 2007, 2008, 2009, and 2010, as of November 1, 2011.

(f) What contributions, other than "employee service cost related" contributions, are included in the \$17.7 million?

9. Mercer Report.

The Report states, on page 4, that the December 31 plan balance and minimum funding requirement for 2012 were estimated based on economic conditions at August 31, 2011. How would the study's conclusions change if the calculations were done based on economic conditions prevailing on October 31, 2011?