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December 13, 2011

VIA COURIER

Ms. Kirsten Walli
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 26th Floor
Toronto, ON M4P 1E4

**Re: Enbridge Gas Distribution Inc. ("Enbridge")
EB-2011-0323 Alliston Pipeline Reinforcement Project ("Alliston")
Interrogatory Responses**

In accordance with the Ontario Energy Board's (the "Board") Procedural Order No. 1, enclosed please find the interrogatory responses of Enbridge filed with the Board for the above noted proceeding.

The submission has been filed through the Board's Regulatory Electronic Submission System (RESS) and paper copies are being sent to the Board via courier.

The responses can also be found on the Enbridge website using the following link:
www.enbridgegas.com/alliston

Please contact me if you have any questions.

Yours truly,

{ORIGINAL SIGNED}

Bonnie Jean Adams
Regulatory Coordinator

cc: Ms. Zora Crnojacki, OPPC Chair
Mr. Neil McKay, Manager Natural Gas Applications, Ontario Energy Board
EB-2011-0323 Alliston Interested Parties (via email only)

BOARD STAFF INTERROGATORY #1

INTERROGATORY

1. Reference: Pre-filed evidence Exhibit A, Tab 3, Schedule 2, Page 2

The evidence states at paragraph 5:

“In addition to the 9 km reinforcement, there are three other phases of construction that need to be completed in order to reliably meet the gas demand in Alliston over the next ten years. These projects are not part of the leave to construct but form part of the overall economic analysis.”

- (a) If the first phase of the project was assessed on a stand-alone basis, i.e. without the three other phases, would the economic analysis support its construction?
- (b) Is it Enbridge’s standard practice in Leave to Construct proceedings before this Board to include, for economic analysis purposes, future phases that are not yet approved?
- (c) Please confirm whether or not it is Enbridge’s intention to apply for LTC Orders for any of the subsequent phases of the Alliston reinforcement project. If not, would the capital be treated as part of the Applicant’s usual capital budgeting process (i.e. that projects not requiring specific Board approval be included as part of a global capital budget)?

RESPONSE

- (a) Limiting the capital spend to the first phase would only be sufficient to meet the forecasted demand through the winter of 2013/2014. To assess the economic feasibility of such a scenario, all customer additions after year two would have to be excluded along with the associated revenues. Excluding these revenues and the associated capital additions (XHP Station, 4.6km of NPS 8 steel main, 3km of NPS 6 steel main, other mains and services) would give a profitability index (‘PI’) of 0.78.

The current Phase I proposal is intended to provide a solution to the short-term pressure problem as well as provide for growth over the 10 year horizon in a manner that is consistent with good planning practices. However, if the intention is to solely address the forecasted pressure concerns and growth in the next two years and ignore other projected growth, then an alternative solution may be considered.

Witness: S. Murray

This approach will be a short-term solution, will not facilitate the further forecasted area growth and would not likely result in a cost effective solution for the ratepayers in the long run.

- (b) It is Enbridge gas Distribution's ("Enbridge") standard practice in Leave-to-Construct ("LTC") proceedings to include all future capital spends for feasibility purposes. See for example, Scarborough Phase II, Board Proceeding EB-2007-0913. Further, this practice is consistent with the requirements of EBO 188, Appendix B, page 4, Section 2.2 provides:

*" For capital costs, the common elements will be as follows:
(a) an estimate of all costs directly associated with the attachment of the forecast customer additions, including costs of distribution mains, services, customer stations, distribution stations, land and land rights..."*

- (c) Enbridge will apply for an LTC Order for any subsequent phase of the Alliston project should the statutory criteria for an LTC be warranted at that time.

BOARD STAFF INTERROGATORY #2

INTERROGATORY

Reference: Pre-filed evidence Exhibit A, Tab 3, Schedule 3, Page 2, Tables 1 & 2

The Tables show the projected year-over-year growth in customers in the region to be serviced by the reinforcement project.

- (a) Please list the existing number of customers in the communities listed.
- (b) Please show the year-over-year percentage growth for the residential and commercial/industrial sectors.

RESPONSE

- (a) The tables below provide the number of customers in the communities for the residential and commercial/industrial sectors.

Alliston System: Residential Customers

| Community | 2010 Actual | 2011 Fcst |
|-----------------------------|-------------|-----------|
| Alliston | 5181 | 5698 |
| Beeton | 1194 | 1194 |
| Cookstown | 436 | 436 |
| Everett | 540 | 698 |
| Tottenham | 1493 | 1493 |
| Total Residential Customers | 8844 | 9519 |

Alliston System Commercial and Industrial Customers

| Community | 2010 Actual | 2011 Fcst |
|---------------------------------------|-------------|-----------|
| Alliston | 438 | 466 |
| Beeton | 71 | 71 |
| Cookstown | 69 | 69 |
| Everett | 16 | 16 |
| Tottenham | 127 | 127 |
| Total Commercial/Industrial Customers | 721 | 749 |

- (b) The tables provided on the following page show the forecasted year-over-year percentages growth for the residential and commercial/industrial sectors.

Witness: E. Naczynski

Alliston System: Residential Customers Forecast

| | Year -1 2010 | Year 0 2011 | Year 1 2012 | Year 2 2013 | Year 3 2014 | Year 4 2015 | Year 5 2016 | Year 6 2017 | Year 7 2018 | Year 8 2019 | Year 9 2020 | Year 10 2021 |
|------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Residential Incremental | | 675 | 561 | 798 | 1072 | 959 | 953 | 755 | 648 | 569 | 440 | 430 |
| Total Residential | 8844 | 9519 | 10080 | 10878 | 11950 | 12909 | 13862 | 14617 | 15265 | 15834 | 16274 | 16704 |
| Year-over-year % growth #customers | | 7.6% | 5.9% | 7.9% | 9.9% | 8.0% | 7.4% | 5.4% | 4.4% | 3.7% | 2.8% | 2.6% |

Alliston System: Commercial/Industrial Customers Forecast

| | Year -1 2010 | Year 0 2011 | Year 1 2012 | Year 2 2013 | Year 3 2014 | Year 4 2015 | Year 5 2016 | Year 6 2017 | Year 7 2018 | Year 8 2019 | Year 9 2020 | Year 10 2021 |
|------------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Commercial/Industrial incremental | | 28 | 18 | 26 | 33 | 33 | 34 | 27 | 20 | 21 | 14 | 13 |
| Total Commercial/Industrial | 721 | 749 | 767 | 793 | 826 | 859 | 893 | 920 | 940 | 961 | 975 | 988 |
| Year-over-year % growth #customers | | 3.9% | 2.4% | 3.4% | 4.2% | 4.0% | 4.0% | 3.0% | 2.2% | 2.2% | 1.5% | 1.3% |

BOARD STAFF INTERROGATORY #3

INTERROGATORY

Reference: Pre-filed evidence Exhibit D, Tab 1, Schedule 2

Please provide the anticipated timeline for obtaining the necessary permits for location and construction of the project.

RESPONSE

The anticipated timeline for obtaining the necessary permits is 6 to 8 weeks for the environmental, municipal and Ministry of Transportation permits and 2 weeks for the TransCanada National Energy Board permit.

Witness: T. Kim

BOARD STAFF INTERROGATORY #4

INTERROGATORY

Reference: Pre-filed evidence Exhibit D, Tab 1, Schedule 3

Regarding the negotiations for any permanent and/or temporary easements, please provide the current status of the negotiations and the anticipated timeline for obtaining the required land rights for the project location and construction.

RESPONSE

It is anticipated that no permanent easements will be required. Negotiation of temporary easements, if required, will begin after the construction drawings are finalized and will be obtained prior to access to the lands.

Witness: C. Reaney

BOARD STAFF INTERROGATORY #5

INTERROGATORY

Reference: Pre-filed evidence

Please list any outstanding or unresolved issues as a result of any of the consultations undertaken with respect to this project and indicate when any such issues are expected to be resolved.

RESPONSE

Enbridge Gas Distribution Inc. is not aware of any outstanding or unresolved issues as a result of any of the consultations undertaken with respect to this project.

Witness: E. Makkinga

BOARD STAFF INTERROGATORY #6

INTERROGATORY

Reference: Pre-filed evidence

Please list the Board File numbers, effective dates, and expiry dates associated with the current Franchise Agreements for each of the Municipalities affected by the reinforcement project.

RESPONSE

The listing of Ontario Energy Board file numbers, effective dates, and expiry date associated with the current Franchise agreements for the Municipalities affected by the Alliston Reinforcement Project are listed below:

| <u>Municipality</u> | <u>Board File #</u> | <u>Effective Date</u> | <u>Expiry Date</u> |
|---------------------|------------------------------|-----------------------|--------------------|
| County of Simcoe | RP-2002-0104 EB-2002-0219 | August 26, 2003 | August 26, 2023 |
| Essa Township | EBA 766 | February 5, 1997 | February 5, 2017 |
| Innisfil Township | EB-2008-0416 | January 28, 2009 | January 28, 2029 |
| New Tecumseh | EBA 824 | January 21, 1998 | January 21, 2013 |

Witness: E. Chin

BOARD STAFF INTERROGATORY #7

INTERROGATORY

Please comment on the following Board Staff Proposed Draft Conditions of Approval, and indicate any areas of these conditions that are objectionable and the reasons for such objection.

EB-2011-0323
Enbridge Gas Distribution Inc.
Leave to Construct Application
Board Staff Proposed Draft
Conditions of Approval

1 General Requirements

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-2011-0323 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, 2012, unless construction has commenced prior to that date.

1.3 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 members of the Ontario Pipeline Coordinating Committee ("OPCC").

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.

1.5 Within 15 months of the final in-service date, Enbridge shall file with the Board Secretary a Post Construction Financial Report. The Report shall indicate the actual capital costs of the project and shall explain all significant variances from the estimates filed in the proceeding.

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.

Witness: E. Chin

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.

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 in-service date, and the final monitoring report shall be filed within fifteen months of the in-service 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.

Witness: E. Chin

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.

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.

RESPONSE

Enbridge Gas Distribution Inc. has reviewed the Conditions of Approval and does not have any concerns or comments. All conditions as set out by the Ontario Energy Board will be adhered to by the Company.