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February 26, 2013

VIA COURIER, EMAIL, RESS

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-2012-0438 - Innes Road Pipeline Replacement Project
Interrogatory Responses**

Further to the Ontario Energy Board's ("Board") Procedural Order No. 1, dated February 1, 2013, attached please find Enbridge's interrogatory responses to Board Staff. (Exhibit F, Tab 1, Schedules 1 to 7).

For your convenience an updated Exhibit List has also been provided (Exhibit A, Tab 1, Schedule 1).

This submission is being filed through the RESS and the required paper copies are being sent to the Board.

For further information about the project, please visit the Enbridge website at:
www.enbridgegas.com/innesroad.

Yours truly,

(ORIGINAL SIGNED)

Shari Lynn Spratt
Supervisor Regulatory Proceedings

cc: Ms. Zora Crnojacki, OPPC Chair
Mr. Neil McKay, Manager Natural Gas Applications, Ontario Energy Board

BOARD STAFF INTERROGATORY # 1

INTERROGATORY

REF: Exhibit A, Tab 3, Schedule 2, Page 5 of 8

Enbridge notes that by increasing the size of the Innes Road pipeline to NPS 12, a significant bottleneck would be eliminated from Ottawa's gas network thus improving the system's reliability by reducing its vulnerability to upsets caused by winter operating conditions or emergency repairs.

- a) Please discuss the bottleneck Enbridge has observed and provide a table that details the number of outages that have occurred because of the current Innes Road NPS 8 pipeline. Within the table, please include on an annual basis for the past 5 years: the number outages, the average length of an outage, and the average number of customers affected by an outage.

RESPONSE

As shown on Figure A-4 of Exhibit A, Tab 3, Schedule 2, the current Innes Road NPS 8 pipeline serves as a critical connection point between two of the major mains in the Ottawa gas system. The connection ensures the ability to bias the pipeline systems during upset conditions or colder weather. However, the NPS 8 line's ability to perform these functions is hindered by the fact that it is an NPS 8 section sandwiched between two, larger NPS 12 mains, creating a constraint or "bottleneck" under these circumstances.

There have been no customer losses directly attributed to this limitation, but removing this constraint will improve the reliability for customers that are connected to this and its downstream pipelines. For example, in the event of an outage of the NPS 12 line exiting Ottawa Gate Station on a -10° C day, having an NPS 12 instead of an NPS 8 at Innes Road would permit Enbridge to avoid potentially 32,000 customer outages.

BOARD STAFF INTERROGATORY #2

INTERROGATORY

REF: Dillon Consulting Report, Page 105

Enbridge notes that the City of Ottawa has planned improvements along Innes Road between Highway 417 and Blair Road.

- a) Please provide any updates on the discussions Enbridge has had with the City of Ottawa. Please discuss if any changes to the proposed schedule have been determined necessary at this time.

RESPONSE

A meeting was held with the City of Ottawa and Enbridge on December 11th, 2012 to assess road improvements planned along Innes Road from Highway 417 to Blair Road.

Review of the City's preliminary drawings indicates the impact along this corridor will be less than anticipated; the scope of improvement along Innes Road will be predominantly surface work and intersection improvements.

The City's construction schedule would be contingent on completing future widening in advance of the Light Rail Transitway project, ensuring improvements are in place by 2015. The City noted that Enbridge's work along Innes Road would not have direct impact on their road widening if completed through 2013. In the unlikely event of an overlap in construction schedules, a joint solution would be reached to coordinate work forces to mitigate conflicts.

Enbridge is committed to provide final design drawings with a project schedule to the City for advance comment prior to circulating for Municipal consent.

At this time, it has been determined that it is not necessary to change the proposed schedule of Enbridge's Innes Road project to accommodate the City's road improvements schedule.

BOARD STAFF INTERROGATORY #3

INTERROGATORY

REF: Appendix A, Stage 1 Archaeological Assessment, Page 22

There are a number of recommendations that arose from the Stage 1 archaeological assessment of the Innes Road Pipeline Replacement Project.

- a) Please confirm that Enbridge will comply with the recommendations set out in Section 5.0 of the archaeological assessment. Please discuss how and when Enbridge plans on responding, or how it has responded, to the recommendations.

RESPONSE

In order to comply with the recommendations outlined in Section 5.0 of the Stage 1 Archaeological Assessment Enbridge plans to work with their environmental consultant, Dillon Consulting Limited (Dillon). Enbridge has instructed Dillon to retain D.R. Poulton and Associates to complete the Stage 2 Archaeological Assessment when the ground conditions within the study area become favorable (i.e., absence of frost). Enbridge will also apply for a Letter of Satisfaction from the Ministry of Tourism, Culture and Sport for both the Stage 1 and 2 Archaeological Assessments prior to initiating pipeline construction. Copies of both of these letters will be forwarded to Dillon.

Enbridge will also work with Dillon to prepare and deliver site specific environmental orientation training for the onsite field staff and contractors regarding the management and notification associated to identification of cultural and human remains.

BOARD STAFF INTERROGATORY # 4

INTERROGATORY

4. REF: Exhibit C, Tab 2, Schedule 2, Page 1 of 1

Enbridge has provided a proposed construction schedule.

- a) Please confirm that the proposed construction schedule is still applicable. If any changes to the schedule are known at this time, please discuss all changes and any implications.

RESPONSE

The proposed construction schedule is still applicable.

BOARD STAFF INTERROGATORY # 5

INTERROGATORY

5. REF: Exhibit D, Tab 1, Schedule 1
REF: Exhibit D, Tab 1, Schedule 3

Enbridge notes that it does not foresee having to acquire any permanent easements as the preferred route follows the public road allowance. Enbridge further notes that temporary working areas will be required and they will be identified with the assistance of a contractor. Finally, any agreements with adjoining landowners for temporary working rights will be negotiated where required.

- a) Please provide a status update regarding any permits, agreements to grant easements, easements, and working area agreements that are required for this project.
- b) Please discuss if land owners have been engaged in negotiations and provide an update on the status of those negotiations.

RESPONSE

Temporary working areas will be negotiated and permits submitted once construction drawings are finalized in March.

Discussions with the National Capital Commission are ongoing in regard to their requirements for the granting of a temporary working area on their lands.

BOARD STAFF INTERROGATORY #6

INTERROGATORY

Economic Feasibility

Board staff notes that Enbridge did not file an analysis of the economic feasibility of the proposed project. Please provide an explanation for not filing such evidence. If the proposed project will serve additional customers in the future please provide the following:

- a) An overall economic feasibility study, with a methodology that adheres to the Board's recommendations in the E.B.O. 188 report dated January 30, 1998.
- b) Confirmation that the economic feasibility is pursuant to the parameters outlined in the Board's Decision with Reasons in Enbridge's EB-2012-0054 Quarterly Rate Adjustment Mechanism application.
- c) The proposed project's upfront capital cost.
- d) Annual volumes.
- e) Net present value.
- f) Stand alone Discounted Cash Flow analysis.
- g) Profitability Index for the proposed project.

RESPONSE

The primary purpose of this project is to comply with the requirements of the Technical Standards and Safety Authority integrity management standards. For reasons stated in Exhibit A, Tab 3, Schedule 2, pages 1 to 3, Enbridge proposes to replace rather than retrofit the NPS 8 on Innes Road for in-line inspection. Instead of replacing like-for-like, upsizing the pipe from NPS 8 to NPS 12 provides the opportunity to eliminate a bottleneck, thereby improving the system's reliability by reducing its vulnerability to upsets caused by winter operating conditions or emergency repairs.

As this project is primarily driven by integrity and reliability reasons rather than servicing additional growth, an economic feasibility analysis per E.B.O. 188 was not provided. Enbridge provided a comparison of the costs and risks of three potential solutions (retrofit/relocate/ILI; replace with NPS 8; replace with NPS 12) and determined, in its view, that the NPS 12 replacement as proposed was the prudent course of action. Enbridge believes that the cost comparison, rather than E.B.O. 188, provided a more appropriate

method to guide the decision for this project as E.B.O. 188 was primarily intended to deal with facilities expansion based on customer growth.

BOARD STAFF INTERROGATORY #7

INTERROGATORY

REF: Board staff Proposed Draft Conditions of Approval

- a) Please comment on the Board staff Proposed Draft Conditions of Approval on the following page. Please indicate any areas of these conditions that are objectionable and the reasons for such objection(s).

Board Staff Proposed Draft
Conditions of Approval

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-2012-0438 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 February 1, 2014, 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.

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.

RESPONSE

Enbridge Gas Distribution Inc. ("Enbridge") 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 Enbridge.

EXHIBIT LIST

A – GENERAL

<u>EXHIBIT</u>	<u>TAB</u>	<u>SCHEDULE</u>	<u>DESCRIPTION</u>
A	1	1	Exhibit List
	2	1	Application
		2	OPCC Distribution List
		3	List of Interested Parties
	3	1	History & Existing Operation
		2	Purpose, Need, Proposed Facilities and Timing

B – ROUTING AND ENVIRONMENTAL

B	1	1	Preferred & Alternative Routes
	2	1	Environmental Implementation Plan
		2	<i>Innes Road Pipeline Replacement Project – Environmental Report – Dillon Consulting</i>

C – FACILITIES AND PROJECT COSTS

C	1	1	Design Specifications – NPS 12
		2	Hydrostatic Test Procedures
	2	1	Total Estimated Project Costs
		2	Proposed Construction Schedule

D – LAND ISSUES

<u>EXHIBIT</u>	<u>TAB</u>	<u>SCHEDULE</u>	<u>DESCRIPTION</u>
D	1	1	Land Requirements
		2	Permits and Agreements Required
		3	Negotiations to Date
		4	Affidavit Search of Title

E - OTHER MATTERS

E	1	1	Aboriginal Consultation
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F – INTERROGATORY RESPONSES

F	1	1 to 7	Interrogatory Responses to Board Staff	/u
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