

May 21, 2013

BY COURIER (2 COPIES) AND EMAIL

Ms. Kirsten Walli

Board Secretary

Ontario Energy Board

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Dear Ms. Walli:

**Re: Environmental Defence Interrogatories to Enbridge, Second Set
EB-2012-0451 – Enbridge Gas Distribution Inc. (“Enbridge”)
GTA Pipeline Leave to Construct; EB-2012-0433, EB-2013-0074
Union Gas Ltd. (“Union”) – Parkway West and Brantford-Kirkwall
Parkway D Projects**

Pursuant to *Procedural Order No. 2*, enclosed please find a second set of interrogatories from Environmental Defence to Enbridge.

We ask that Gillian Henderson, of Enerlife Consulting Inc., be added to the intervenor contact list for this proceeding under Environmental Defence and that she be copied on materials in this matter by email. Her contact information is as follows:

Gillian Henderson
Principal, Enerlife Consulting Inc.
22 St. Joseph Street
Toronto, Ontario M4Y 1J9
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Fax: (416) 915-1534
gillian.henderson@enerlife.com

Please do not hesitate to contact me if anything further is required.

Yours truly,



Kent Elson

cc: Applicant and Intervenors

EB-2012-0451

Enbridge Gas Distribution Inc. (“Enbridge”) – GTA Pipeline Project

EB-2012-0433, EB-2013-0074

Union Gas Ltd. (“Union”) – Parkway West and Brantford-Kirkwall Parkway D Projects

Environmental Defence Interrogatories for Enbridge – Second Set

Filed: May 21, 2013

The numbering in this document continues from the set of interrogatories filed by Environmental Defence on May 13, 2013.

Issue A.1 “Are the proposed facilities needed? Considerations may include but are not limited to demand, reliability, security of supply, flexibility, constraints, operational risk, cost savings and diversity as well as the Board’s statutory objectives.”

Interrogatory No. A.1-ED-33 Reference: Ex. A, Tab 3, Schedule 1, Page 2

Enbridge’s application describes four purposes of the proposed project and summarizes them as follows:

“4. The GTA Project will:

- a. Meet customer growth requirements over the period from 2015 to 2025 by reinforcing the XHP distribution network;
- b. Reduce operational risks and enhance safety and reliability by:
 - i. Improving diversity and flexibility of the distribution system through additional looping of single feed XHP lines and providing additional supply sources for the major XHP lines in the GTA Project Influence Area; and
 - ii. Providing the ability to lower pressures on key supply lines;
- c. Provide entry point diversity by reducing the dependence upon Parkway Gate Station which currently provides more than 50% of the supply to the GTA Project Influence Area and does not have alternate means of supply; and
- d. Improve supply chain diversity, reduce upstream supply risks and reduce gas supply costs over the period 2015 to 2025.”

- a) Would the project be strictly necessary if it was not needed to meet customer growth requirements? In other words, is it strictly necessary that Enbridge achieve the objectives and benefits of the proposed project other than meeting customer growth requirements (i.e. the objectives listed in b to d above)? Please explain and justify your answer.
- b) If customer growth requirements could be completely met through Demand Side Management alternatives, could any or all of the components of the proposed project be avoided or deferred? Please explain and justify your answer.
- c) Would the project be cost effective if it was not needed to meet customer growth requirements? In other words, would the cost of the project be justified based only on the other benefits of the proposed project (i.e. the objectives listed in b to d above)? Please explain and justify your answer.

Interrogatory No. A.1-ED-34 Reference: Ex. A, Tab 3, Schedule 1, Page 5 & 6

The second purpose for the project is described at pages 5 and 6 of Exhibit A, Tab 3, Schedule 1, and is summarized as follows at page 2:

“4. The GTA Project will: ...

b. Reduce operational risks and enhance safety and reliability by:

i. Improving diversity and flexibility of the distribution system through additional looping of single feed XHP lines and providing additional supply sources for the major XHP lines in the GTA Project Influence Area; and

ii. Providing the ability to lower pressures on key supply lines;”

- a) Please identify and describe all minimum system standards relating to operational risks, safety, and reliability that Enbridge will fail to meet if this project is not built.
- b) If customer growth requirements could be completely met through DSM alternatives, would the project be necessary to meet minimum system standards relating to operational risks, safety, and reliability? Please explain your answer and identify and describe any such minimum system standards.
- c) If customer growth requirements could be completely met through DSM alternatives, could certain portions of the project be avoided or deferred while still meeting minimum system standards relating to operational risks, safety, and reliability? Please explain and justify your answer.

Interrogatory No. A.1-ED-35 Reference: Ex. A, Tab 3, Schedule 1, Page 6-8

The third purpose for the project is described at pages 6 to 8 of Exhibit A, Tab 3, Schedule 1, and is summarized as follows at page 2:

“4. The GTA Project will: ...

c. Provide entry point diversity by reducing the dependence upon Parkway Gate Station which currently provides more than 50% of the supply to the GTA Project Influence Area and does not have alternate means of supply.”

- a) The Parkway Gate Station currently provides approximately 58% of the supply to the GTA. Is this degree of reliance on a single gate station contrary to certain minimum system standards? If yes, please identify and discuss those standards.
- b) Please list all municipalities in (i) Ontario and (ii) Canada with a population of 250,000 and over that receive over 50% of its supply from a single gate station.
- c) If Union Gas builds its proposed loss of critical unit (LCU) compressor and Enbridge builds its proposed connection between the proposed Parkway West Gate Station and Enbridge’s Parkway North pipeline, to what degree would this mitigate the risk of customer losses resulting from an outage at the Parkway Gate Station?

Interrogatory No. A.1-ED-36 Reference: Ex. A, Tab 3, Schedule 1, Page 10-13

The fourth purpose for the project is described at pages 10 to 13 of Exhibit A, Tab 3, Schedule 1, and is summarized as follows at page 2:

“4. The GTA Project will:

d. Improve supply chain diversity, reduce upstream supply risks and reduce gas supply costs over the period 2015 to 2025.”

Enbridge states that gas from the U.S. North East “cannot be moved into the Company’s distribution system at Parkway Gate Station due to capacity constraints” and that the proposed project will improve supply chain diversity by eliminating those constraints.

- a) What alternative methods are there to allow gas from the U.S. North East to be moved into Enbridge’s GTA system (i) at the Parkway Gate Station or (ii) elsewhere?

Issue A.3 “Are the costs of the facilities and rate impacts to customers appropriate?”

Interrogatory No. A.3-ED-37 Reference: Ex. C, Tab 2, Schedule 1

- a) What is the estimated total present value cost of the proposed facilities?

- b) What is the estimated total present value cost of (i) the Bram West Interconnect to Albion portion of Segment A, (ii) the Parkway West Gate Station portion of Segment A, and (iii) Segment B, as those portions of the project are defined in exhibit A, tab 3, schedule 1, page 3?

Interrogatory No. A.3-ED-38 Reference: Ex. A, Tab 2, Sch. 4, Page 1

- a) Please state Enbridge's incremental cost of connecting its system to TransCanada's Bram West Interconnect (to achieve increased diversity of supply) assuming DSM has eliminated demand growth and hence the need for increased pipeline capacity to meet the needs of customers in the GTA Project Influence Area.
- b) Assuming DSM has eliminated demand growth and hence the need for increased pipeline capacity to meet the needs of customers in the GTA Project Influence Area, could Enbridge achieve increased diversity of supply by connecting its system to TransCanada's Bram West Interconnect? If further steps would be necessary to achieve increased diversity of supply, please state what those steps are and their incremental cost.

Issue A.4 "What are the alternatives to the proposed facilities? Are any alternatives to the proposed facilities preferable to the proposed facilities?"

Interrogatory No. A.4-ED-39 Reference: Ex. A, Tab 3, Schedule 1

- a) Please provide a table indicating the following estimates for each year from 2014 to 2025 for the GTA Project Influence Area:
- i. The estimated reduction in peak hourly consumption (GJ/hour) resulting from industrial DSM as assumed in Enbridge's growth forecast at Exhibit A, Tab 3, Schedule 4;
 - ii. The estimated reduction in peak hourly consumption (GJ/hour) resulting from the implementation of all industrial DSM programs with a TRC benefit-cost ratio of 1 or greater; and
 - iii. The estimated yearly resource acquisition industrial DSM budget needed to implement all industrial DSM programs with a TRC benefit-cost ratio of 1 or greater.

Please show your analysis and state all assumptions.

- b) If targeted DSM necessary to defer or avoid the GTA Project must be located in a certain sub-area inside the overall GTA Project Influence Area (as discussed in Environmental Defence's interrogatory no. A.4-ED-24), please also provide the above-described table based on that targeted DSM sub-area.

Interrogatory No. A.4-ED-40 Reference: Ex. E, Tab 1, Schedule 1

Please provide Enbridge's best estimates of the economic benefits in each year from 2013 to 2025 inclusive of DSM measures that would be sufficient to avoid the need for increased pipeline capacity to meet the forecast rising demand for natural gas in the GTA Project Influence Area. For each year please fully break out the economic benefits according to major avoided cost categories, e.g., capital costs, gas commodity costs, upstream demand and fuel charges, operations and maintenance costs etc. Please also break out for each year the avoided peak hour, peak day and annual avoided gas volumes in TJ.

Please provide the avoided cost estimates in nominal and constant real dollars.

Please fully describe the facilities that will no longer be needed if DSM avoids the need for new pipeline capacity to meet the forecast rising demand for natural gas in the GTA Project Influence Area.

Interrogatory No. A.4-ED-41 Reference: Ex. A, Tab 3, Schedule 7, Page 1-3

- a) How many customer representatives (i.e. energy solutions consultants) are employed by Enbridge on its commercial resource acquisition DSM programs?
- b) Please state the number of commercial customers that Enbridge's customer representatives spoke with annually from 2008 to 2012 (inclusive). If possible, please also provide a breakdown by contact method, such as workshops, face-to-face contact, phone calls, etc.
- c) Please state the number of commercial customer projects that are identified each year from 2008 to 2012 (inclusive). Of those projects, how many were implemented?
- d) For each year from 2008 to 2012 (inclusive), please state the average reduction in peak hourly gas consumption per commercial DSM customer representative per year?
- e) Please describe the means by which Enbridge contacts customers with respect to its commercial resource acquisition DSM programs. Please provide a breakdown the proportion of customers that are contacted by the various methods.

Interrogatory No. A.4-ED-42 Reference: Ex. A, Tab 3, Schedule 7, Page 1-3

- a) Please state the current total number of Enbridge's commercial customers. Please also provide a breakdown of those customers by type (such as schools, hotels, office buildings, etc.). Please provide all breakdowns of commercial customers by type that are available.
- b) Please provide a breakdown of Enbridge's commercial customers by volume of use (i.e. what percentage of the total commercial gas volume would be consumed by the top 10%,

25%, 50%, 75% largest customers). Please indicate the boundaries of each percentile used by volume.

Interrogatory No. A.4-ED-43 Reference: Ex. A, Tab 3, Schedule 7, Page 1-3

- a) On average, how long does it currently take Enbridge to complete a commercial customer project (i.e. to begin to achieve savings) from (i) the date of first customer contact and (ii) the date of project application? Please explain.