

**INTERROGATORIES FOR ENBRIDGE GAS DISTRIBUTION
FROM THE CONSUMERS COUNCIL OF CANADA
EB-2012-0451 – GTA Project**

A.RELATED ISSUES

- 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.**

A.1-CCC-1 Reference: A/T3/S1/ pg.4

- a) Please revise Table 2 to show the historic growth, by year, for 2004 through 2013 and same for the forecast growth for 2014 through 2025.
- b) Please provide a breakdown Table 2 to show historic growth (by year as above) for residential, apartment, condominium/multi dweller units; Commercial and Industrial.
- c) Please provide the average annual gas consumption for single unit residential and multi-unit dwelling for each of 2004 through 2012.
- d) Please comment on how the growth in the Toronto condominium market has impacted Enbridge's gas forecast. Specifically discuss how the average use is impacted by the rise in multi-unit dwellings.

A.1-CCC-2 Reference: A/T3/S1/ pg.4; s3/pg.24

- a) Please provide the current contingency plan for disruption at the Parkway Station. Specifically: (i) provide the referenced "Enbridge Load Shed Report"; (ii) provide a table comparable to Figure 5 which shows the projected composition of gas volumes at alternate stations in the event of Parkway closure; (ii) describe any arrangements with large volume consumers including PEC for emergency (force majeure) interruptions.
- b) When was the last time Enbridge experienced reduced service due to disruptions at Parkway?

A.1-CCC-3 Reference: A/T3/S1/pg.9

- a) Please provide a chart (table) which shows the main characteristics and critical risk element differences as between Short Term Firm Transport (STFT), Interruptible (IT) and Firm Transport (FT).

A.1-CCC-4 Reference A/T3/S1/pg.10

- a) Please provide Enbridge's understanding of the current status of TCPL's Parkway Project. Please indicate what if any impact the status of this project has or will have on Enbridge's proposal including project timelines.

2. Do the proposed facilities meet the Board's economic tests as outlined in the Filing Guidelines on the Economic Tests for Transmission Pipeline Applications, dated February 21, 2013 and E.B.O. 188 as applicable?

Pre-amble: The Board's Filing Guidelines on the Economic Tests for Transmission Pipeline Applications encourage the use of DCF sensitivity analysis.

A.2-CCC-5 Reference A/T3/S5/Attachment

- a) Please confirm that the following is the complete list of changes that were made to the original projections in the May 15th filing:
 - i) The revised assumption that Enbridge would contract for long haul FT capacity on the Mainline - rather than STFT – and that this long haul FT and peaking supplies are displaced with short haul FT capacity;
 - ii) The revised assumption that DP customers will take an additional assignment and/or contract for more long haul FT capacity on the Mainline;
 - iii) Updated Toll assumption;
 - iv) Updated Fuel Ratio assumption; and,
 - v) Updated Commodity Price assumption.

Toll Adjustments

A.2-CCC-6 Reference A/T3/S5/Attachment

- a) In the updated evidence (May 15th) Enbridge made a number of adjustments to the assumption of transportation savings. Using Table A1 please provide the specific reason for each change in Demand Tolls. Specifically, please explain why the Peaking Tolls have changed even though the footnotes (source) in the respective filings appear to have remained the same.

Customer Additions – Volumes

A.2-CCC-7 Reference A/T3/S5/pg.3

- a) Please clarify whether apartment data includes or excludes condominiums or whether condominiums are included in the residential category

- b) Please provide a table which shows condominiums separate from either the residential or apartment categories.

A.2-CCC-8 Reference: E/T1/S1/pg. 8 – Summary of Inputs

- a) Please confirm that the average annual volume per customer is held constant over the analysis time horizon (40 years).
- b) If in fact average customer use is constant over the DCF analysis please explain why no adjustment is made for potential efficiencies gains over time (e.g. improved housing stock, appliance improvements and industrial process efficiencies).

A.2-CCC-9 Reference: E/S1/T1

- a) Please provide the rate classes which are included in the classifications or Residential, Commercial, Apartment, Industrial in the Summary of Inputs
- b) Please provide Enbridge's 5 year average weather normalized residential (Rate 1) and commercial class (Rate Class 6) for the years 1997-2002 as compared to the average for 2007-2012.

Commodity Price Assumptions

A.2-CCC-10 Reference: A/T3/S5/Attachment

- a) In the updated filing (May 15) Enbridge has changed the Fuel Ratio Assumptions, using the most recent 12 months. Similarly changes were made to the commodity price assumptions in the updated evidence. Please provide a sensitivity analysis using Table A4 and showing the updated Fuel Ratio and Commodity prices under the original STFP and DP transportation assumptions provided in the original filing.

Sensitivity Analysis

A.2-CCC-11 Reference: E/T1/S1

- a) Please explain the rationale for a 40 year project life.
- b) Please re-run the cost benefit analysis using a 25 year project life.

A.2-CCC-12 Reference: E/T1/S1/pg.2

- a) Please provide the following sensitivity analysis in the form of the DCF result summary shown on pages 2-5 and using the following assumptions:
- i) 10% increase capital and maintenance costs (E/T1/S1/pg.9);
 - ii) 10% reduction in Commodity Prices Assumptions (Table A3);
 - iii) 10% reduction in forecast Transportation Savings;
 - iv) A reduction of 0.5% in average annual customer (all classes) consumption in each year for the first 25 years of the project;
 - v) Removal of the Transportation Service Charge revenue after year 15 (i.e. to match the initial TCPL contract period);
 - vi) April 15 filing (original) transportation assumptions with respect to DP and STFP.
- b) Please provide another analysis using assumption changes in i) through iv), but removing adjustment (v) and using the transportation assumptions in the updated (May 15) filing.

3. Are the costs of the facilities and rate impacts to customers appropriate?

A.3-CCC-13 Reference: A/T3

- a) Please calculate the full year commodity and delivery rate impact for rate classes 1 and 6 for the incremental capital and operating costs of the project and assuming no offsetting benefits other than revenues from TCPL for the shared pipeline.

A.3-CCC-14 Reference: E/T1/S1/pg.9; C/T2/S1/pg.1

- a) Please reconcile the Summary of Inputs table at E/T1/S1/pg.9 with Table 1 – Summary of Total Estimated Project Cost at C/T2/S2/pg.1.

A.3-CCC-15 Reference: E/T1/S2/pg.2

- a) What design differences were required in order to accommodate the sharing of pipe along segment A and that were in addition to upsizing of the pipe from NPS 36 to 42. Specifically address what additions or modifications are required to Albion Road Station and Bram West interconnect to accommodate this sharing arrangement? Please provide a table showing all the incremental costs with descriptions

A.3-CCC-16 Reference: E/T1/S2/pg.2

- a) Are the 60% of capital costs associated with TCPL sharing of Segment A of the project recouped within the 15 years of the initial contract period?

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

A.4-CCC-17 Reference: A/T3/S3/pg.11; A/T3/S7/p.13

- a) The proposed project does not appear to mitigate the risk arising from the fact that more than 50% of volumes destined for the Toronto core come from one XHP line (Don Valley NPS 30/ station B). Please explain what other options were considered to address this risk.
- b) Specifically, please explain what issues other than urban construction problems (as discussed in the evidence) were considered in rejecting the looping or reinforcement of Enbridge's south eastern Lakeshore NPS 20 pipeline.
- c) Please provide the cost-benefit analysis that was undertaken for full or partial replacement of the NPS 20 Lakeshore line.

A.4-CCC-18 Reference: A/T3/S7/pg. 14

- a) Please provide the cost-benefit analysis that was undertaken in the consideration of the pipeline through Lake Ontario to Station B.

A.4-CCC-19 Reference: A/T3/S5

- a) Please explain more fully the reasons that Enbridge is concerned about the reliability of peaking supplies due to the referenced failure in 2011 (i.e. what was this failure and why is it important to this application).

A.4-CCC-20 Reference: A/T3/S5, pgs. 6-8, pg. 11 – Peak Demand

- a) Please revise Figures 2 through 4 to show the trend line from the period 2004 through 2012.
- b) Please comment on which is likely to be more representative of future trends and why – the longer trend 1999-2012 or the shorter trend 2004-2012.

- c) Please revise Table 2 to show the last two years of actual data (2011 and 2012 if available).

A.4-CCC-21 Reference: A/T3/S7/pg.2-3

- a) Enbridge provide anecdotal evidence that conservation programs may increase peak demands. Please provide the analysis which shows that DSM programs have contributed to a higher peak demand.

A.4-CCC-22 Reference: A/T3/S5/pg.12

- a) There is a discussion in the evidence about potential changes in the availability of STFT service, but no similar discussion about the potential (or lack thereof) for similar products for gas flowing into Ontario from Niagara. Please explain what products or services Enbridge is expecting to be provided for gas flows from Niagara and provide the basis for these assumptions.

A.4-CCC-23 Reference: A/T3/S7/pg.3

- a) Please provide the financial cost-benefit analysis which shows that adding compression was a less favourable alternative to the proposed project.

5. Is the proposed timing of the various components of the projects appropriate?

A.5-CCC-24 Reference: A/T3/S8

- a) Please explain what, if any, construction is forecast to begin in December 2013.
- b) Has Enbridge ordered any of the pipe associated with this project? If not, please provide the lead times required from order to delivery.
- c) Please describe what other critical materials must be ordered and with what lead time.

D. Enbridge Gas Distribution Inc. - GTA Project (EB-2012-0451)

1. Do the facilities address the OEB Environmental Guidelines for Hydrocarbon Pipelines as applicable?

No Questions

- 2. Are there any outstanding landowner matters for the proposed facilities' routing and construction? For greater clarity, landowners include parties from whom permits, crossing agreements and other approvals are required.**

No Questions

- 3. Are the proposed facilities designed in accordance with current technical and safety requirements?**

D.5-CCC-25 Reference: A/T3/S8

- a) Has the project being reviewed by the TSSA? If so please provide any report or comment provided the agency.
- b) What regulatory requirements does the TSSA require Enbridge to undertake prior to construction? Please provide a list and the estimated time table for completion.

- 4. Has there been adequate consultation with any affected First Nations or Metis communities?**

No Questions

- 5. Should approval of Enbridge's proposed rate methodology for the service to be provided to TransCanada be granted?**

D.5-CCC-26 Reference: E/T1/S2/pgs. 3-4

- a) Section 36(2) of the *OEB Act* contemplates the Board making order "*approving or fixing just and reasonable rates*" 36(3) states "*In approving or fixing just and reasonable rates, the Board may adopt any method or technique...*" (emphasis added). In this application is Enbridge seeking an order which describes the methodology, but does not prescribe a rate?
- b) If yes, please explain under which specific provision of the *OEB Act* this order will be made. Also provide Enbridge's view as to whether such an order would bind the Board in subsequent proceedings and irrespective of the actual rate that this methodology may produce at some future date?
- c) Please provide the specific rate methodology text Enbridge proposes the Board approve.

6. If the Board approves the proposed facilities, what conditions, if any, are appropriate?

D.6-CCC-27 Reference: E/T1/S2/pgs. 3-4

- a) Please provide the list of conditions last approved in an Enbridge facilities applications. Please provide a list of conditions that Enbridge believes are unique to this project. Specifically comment on the date the order should terminate if construction has not begun.
- b) Please comment on the following proposed condition:
 - i) *Within 4 months of the final in-service date, Enbridge shall file with the Board Secretary and parties to the Proceeding EB-2012-0451 a Post Construction Financial Report.*

End of Document