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August 2, 2013

BY EMAIL & COURIER

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge St, Suite 2701
Toronto ON M4P 1E4

Dear Ms. Walli:

Board File No. EB-2012-0451/EB-2012-0433/EB-2013-0074

Enbridge Gas Distribution Inc. & Union Gas Limited

Leave to Construct Natural Gas Pipelines and Regulation Facilities Expansion

Energy Probe – Interrogatories to Enbridge Gas Distribution on Evidence Update

Pursuant to Procedural Order No. 7, issued July 29, 2013, please find attached the Interrogatories of Energy Probe Research Foundation (Energy Probe) to Enbridge Gas Distribution in respect of their Evidence Update filed July 22, 2013.

Should you require additional information, please do not hesitate to contact me.

Yours truly,

David S. MacIntosh
Case Manager

cc: Norm Rykman, Enbridge Gas Distribution (By email)
Fred Cass, Aird & Berlis LLP (By email)
Scott Stoll, Aird & Berlis LLP (By email)
Mark Kitchen, Union Gas (By email)
Crawford Smith, Torys LLP (By email)
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EB-2012-0451
EB-2012-0433
EB-2013-0074

IN THE MATTER OF an application by Enbridge Gas Distribution Inc. for: an order or orders granting leave to construct a natural gas pipeline and ancillary facilities in the Town of Milton, City of Markham, Town of Richmond Hill, City of Brampton, City of Toronto, City of Vaughan and the Region of Halton, the Region of Peel and the Region of York; and an order or orders approving the methodology to establish a rate for transportation services for TransCanada Pipelines Limited;

AND IN THE MATTER OF an application by Union Gas Limited for: an Order or Orders for pre-approval of recovery of the cost consequences of all facilities associated with the development of the proposed Parkway West site; an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities in the Town of Milton; an Order or Orders for pre-approval of recovery of the cost consequences of all facilities associated with the development of the proposed Brantford-Kirkwall/Parkway D Compressor Station project; an Order or Orders for pre-approval of the cost consequences of two long term short haul transportation contracts; and an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities in the City of Cambridge and City of Hamilton.

**ENBRIDGE UPDATED EVIDENCE
INTERROGATORIES OF
ENERGY PROBE RESEARCH FOUNDATION
("ENERGY PROBE")**

August 2, 2013

**EB-2012-0451
EB-2012-0433
EB-2013-0074**

Enbridge Gas Distribution and Union Gas Limited

**ENBRIDGE UPDATED EVIDENCE
ENERGY PROBE RESEARCH FOUNDATION
INTERROGATORIES**

Issue A1 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.

A1-Energy Probe 88

**Ref: EB-2012-0451 Exhibit A, Tab2 Schedule 1, Page 3 &
Exhibit A, Tab 3 Schedule 9 Attachment 2 Figure 2 &
EB-2012-0433 and EB-2013-0 074 Parts 1-5; Section 1 Page 6 para. 11 (list of
the facilities)**

**Preamble: Clarification of use and costs of land and site development and the
proposed allocation of these site costs to the three projects for Economic Evaluation
purposes:**

- a) Please update the detailed site plan and costs of the PW site for the following:**
 - LCU located on Part 2**
 - Parkway D Compressor also located on Part 2**
 - Enbridge Gate station/Measurement on Part 1**
- b) Please break out overall costs between land purchase and site development.**
- c) Please provide the terms and costs of the lease of the new EGD gate/regulator station.**
- d) Discuss the impact of these changes to the costs for PW and the economic evaluations of the projects.**
- e) Please reconcile to earlier prefiled evidence.**

Issue A2 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?

A2-Energy Probe 89

**Ref: Exhibit A, Tab 3, Schedule 5 &
Updated Exhibit E, Tab1, S1 Attachment**

Please provide the (updated) analysis that leads to the gas cost savings described in Exhibit A, Tab 3, Schedule 5, and calculated in Updated Exhibit E, Tab1, Schedule 1, Attachment.

A2-Energy Probe 90

**Ref: EB-2012-0451 Exhibit A, Tab 3 Schedule 9 page 14 and Attachment 3 &
Updated Exhibit E, Tab1, Schedule 1, Attachment.**

- a) Please explain the transportation savings cited in the references.**
- b) Please provide the assumptions underlying the range of savings.**
- c) Please provide a schedule that shows the capacity on Segment A related to the range of transportation savings.**

A2-Energy Probe 91

**Ref: EB-2012-0451 Exhibit A, Tab 3, Schedule 9 Attachment 3 &
Updated Exhibit E, Tab 1, Schedule 1 plus Attachment and TCR JT2.13**

- a) Provide all input assumptions and calculations underlying the 10 year Incremental Operating Cash Flows before Taxes (lines 16-23 of Schedule).**
- b) Show specifically the changes related to the reduction in the TCPL toll from Parkway to Bram West.**
- c) Reconcile to Attachment Page 1.**

- d) Please provide a populated live Excel Spreadsheet for Profitability Analysis corresponding to the Attachment Pages 2-5 and including Tabs and linkages for all input assumptions/calculations corresponding to E Tab1 Schedule 1 pages 8 and 9 and Attachment page 1.
- e) Please provide a sample of sensitivity analyses similar to those provided in JT2.13 covering Capital, commodity price change, Annual volumes and Transportation service charges assumptions. Chose realistic appropriate ranges for analyses.

Issue A3 Are the costs of the facilities and rate impacts to customers appropriate?

A3-Energy Probe 92

Ref: EB-2012-0451 Exhibit A, Tab 3 Schedule 9 pages 15-16

- a) Please confirm the bill impacts are for the new base case and confirm assumptions related to annual revenue requirement(s)
- b) Please provide the average residential bill impacts for Segment A for each of
 - i. 36 " EGD sole use pipeline
 - ii. 36" EGD plus 400 Gj/d other shippers
 - iii. 42" EGD plus 800 Gj/d other shippers
 - iv. 42" EGD plus 1200 Gj/d other shippers

Issue A4 What are the alternatives to the proposed facilities? Are any alternatives to the proposed facilities preferable to the proposed facilities?

A4-Energy Probe 93

Ref: EB-2012-0451 Exhibit C, Tab 2, Schedule 1, page 1, Table 1 (filed15/04/2013) & Updated Exhibit C, Tab 2, Schedule 1, Table 2

- a) Please provide a consolidated/comparison copy of Table 2 based on the data in each referenced filing.
- b) Please provide line-by- line explanations of material Cost changes.
- c) Please discuss the basis of the Contingency amount(s) in context of the Board's Guidelines and previous practice.

- d) **Indicate what will happen to any Capital Cost over/under amounts?**
- e) **Is a capital cost variance account being considered given the materiality of the costs? Please discuss.**

Issue A5 Is the proposed timing of the various components of the projects appropriate?

A5-Energy Probe 94

Ref: EB-2012-0451 General

What will the additional costs now that approval will not be by July 31 2013?

- **Land option**
- **Equipment**
- **Contractor costs**

A5-Energy Probe 95

Ref: EB-2013-0074 Schedule 12, Page 11

Preamble: Due to long lead times for some of the significant components of the proposed compressor, Union is required to place orders for these significant components in the fall of 2013.

- a) **Please provide a list of the significant components.**
- b) **What is the potential impact on the project(s) due to the regulatory schedule now that approval is delayed and orders are not placed in the fall of 2013?**

SPECIFIC ISSUES FOR EACH APPLICATION

B. Union Gas Limited - Parkway West (EB-2012-0433)

No Questions

C. Union Gas Limited - Brantford-Kirkwall / Parkway D (EB-2013-0074)

No Questions

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

Issue D1 Do the facilities address the OEB Environmental Guidelines for Hydrocarbon Pipelines as applicable?

D1-Energy Probe 96

Ref: EB-2012-0451. Exhibit B, Tab 2 Schedule 1, Attachment 6, Page 7

Please provide the soil compatibility classification for the 1.5 km extension.

D1-Energy Probe 97

Ref: EB-2012-0451. Exhibit B, Tab 2 Schedule 1, Attachment 6, Environmental Report Amendment #2, Page 6

Preamble: The Environmental Report Amendment #2 indicates the 1.5 km extension does not cross the identified watercourse; however, temporary activities to accommodate construction are likely to occur in close proximity to it.

Please identify potential effects during construction and any proposed mitigation measures.

D1-Energy Probe 98

Ref: EB-2012-0451. Exhibit B, Tab 2 Schedule 1, Attachment 6, Page 9, Section 3.3.7 Archaeological Assessment

Preamble: The Environmental Report Amendment #2 indicates a Stage 1 archaeological assessment will be completed to determine potential for archaeological resources in the Study Area identified for the 1.5 km extension.

- a) Please provide the expected completion date of the Stage 1 Archaeological Assessment for the Study Area for 1.5 km extension.
- b) Will a Stage 2 Archaeological Assessment be required for the Study Area? If yes, please provide the expected completion date.

D1-Energy Probe 99

Ref: EB-2012-0451. Exhibit B, Tab 2 Schedule 1, Attachment 6, Page 12

Preamble: The Environmental Report Amendment #2 indicates EGDI will continue to meet with relevant agencies and stakeholders during the planning and detailed design phases to address any concerns.

Please outline EGDI's plan to provide its consultation notes as part of the public record in this proceeding.

D1-Energy Probe 100

Ref: EB-2012-0451. Exhibit B, Tab 2 Schedule 1, Attachment 6

Please provide a breakdown of EGDI's environmental costs.

Issue D5 Should approval of Enbridge's proposed rate methodology for the service to be provided to TransCanada be granted?

D5-Energy Probe 101

**Ref: EB-2012-0451 Exhibit A, Tab 9 page 2/3 &
Exhibit E, Tab1, Schedule 2, Pages 1-4**

Preamble: EGD assumes TCPL will take 500Gj/d and others will take 368 Gj/d on Segment A NPS 42".

- a) Confirm the expected capacity requirements and incremental capital cost (compared to NPS 36) of Segment A.**
- b) Confirm that shippers on Segment A will not require service until the Albion-Maple link (or alternative) is in service.**
- c) What happens to the costs of increasing to NPS 42" until this occurs?**
- d) What FBAs is EGD seeking from shippers? Do these include delays in service etc.? Please list main features.**
 - i. Parkway-Albion**
 - ii. Albion to Maple**

- e) Please provide a consolidated Table that shows the attributes of the Updated various options for Segment A, add comments/notes as required.

Options	NPS 36" EGD Sole Use	NPS 36" EGD + Shippers	NPS 42" EGD Sole Use*	NPS 42" EGD + Shippers	Comments
Total Capacity Gj/D	800,000	1,600,000	800,000	2,000,000	
EGD Capacity Gj/D	800,000	800,000	800,000	800,000	
EGD Capital Cost \$m					
Other costs e.g. (connection to Parkway) \$m (if not included above)					
Annual Operating Cost					
Alternative Toll(s) Payable to TCPL Pkwy-Bram W \$/yr.					
Shipper Capacity Gj/D	0	800,000	0	1,200,000	
EGD annual Cost/Revenue (Rate 332 toll)					
*Assumes no Shippers					

D5-Energy Probe 102

**Ref: EB-2012-0451 Exhibit A, Tab 2 Schedule 1 page 4 &
Update #6 Exhibit E, Tab1, Schedule 2, Attachment**

**Preamble: EGD is proposing to seek approval of Rate 332 in EB-2013-0459.
Nonetheless preliminary economics and tolls are necessary for the open season and
economic feasibility analyses.**

- a) Confirm calculation shown in reference is for NPS 42" full shared distribution/transportation use option. Provide an equivalent revised/updated calculation of the revenue requirement for
 - i. the standalone option (EGD sole use); and,**
 - ii. a delay in service for shippers from Albion to Maple affecting Segment A.****
- b) Please provide a Revenue Requirement for the other 36" and 42" shared use options.(see above)**
- c) For each of the revenue requirement calculations provide the annual revenue from Rate 332 service and the transportation margin to EGD.**
- d) Please provide details of the basis of 60% of Costs allocated to Rate 332.**
- e) Please provide further details of the rate design for Rate 332.**