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VIA COURIER

May 11, 2016

Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, ON M4P 1E4

**Re: Ontario Energy Board File No. EB-2016-0054
Enbridge Gas Distribution Inc. - Seaton Land Development Pipeline Project
Interrogatory Responses**

In accordance with the Ontario Energy Board's (the "Board") Procedural Order issued for the above noted proceeding, enclosed please find the interrogatory responses of Enbridge.

Please contact the undersigned if you have any questions.

Yours truly,

(Original Signed)

Stephanie Allman
Regulatory Coordinator

cc: Scott Stoll, Legal Counsel, Aird & Berlis LLP

BOARD STAFF INTERROGATORY #1

INTERROGATORY

Ref: Exhibit B, Tab 1, Schedule 1, Paragraphs 3 and 4, Pages 1-2

Preamble:

The Seaton community is planned to be developed over several stages between 2017 and 2023. The proposed pipeline project, subject to this application, will supply gas to the first development stage and will contribute capacity for the future stages of development. Enbridge stated that future development stages will require other subsequent facilities that are not subject to this application.

Questions:

- a) Please indicate the capacity of the proposed pipeline that will contribute to the future development.
- b) Please describe the subsequent facilities not subject to this application that will be needed for future development.
- c) Which approvals will Enbridge seek from the OEB to complete all stages of gas supply to Seaton community between 2017 and 2023? When does Enbridge anticipate to file the applications?

RESPONSE

- a) The proposed pipeline is expected to flow approximately 6,000 m³/hr by 2018. An additional 12,000 m³/h will be served by this pipe by 2023 based on the total forecasted customer additions.
- b) The subsequent facilities not subject to this application consist of intermediate pressure subdivision mains, services and district stations.

In order to serve all stages of development as proposed by the Seaton Landowners in their letter, the year by year staging plan (EB-2016-0054, Exhibit B, Tab 1, Schedule 1, Attachment 1), as well as the year by year customer add breakdown shown in the Projected Growth section of the application (EB-2016-0054, Exhibit B, Tab 1, Schedule 1, Page 4 of 4), the following subsequent facilities will be required:

Witnesses: B. Balkanci
H. Thompson

Subdivision Mains

Year	2017	2018	2019	2020	2021	2022	2023	
Pipe Size and Material	Length (m)							Total (m)
NPS 8 PE	875	750	825	550				3,000
NPS 6 PE	2,825	3,125	1,150	1,250	2,425	1,025		11,800
NPS 4 PE	1,900	1,950	1,850	1,675	950	1,500	500	10,325
NPS 2 PE	9,411	10,626	10,626	10,581	9,411	10,581	5,603	66,838
NPS 1.25 PE	9,411	10,626	10,626	10,581	9,411	10,581	5,603	66,838
NPS 2 SC							200	200

Subdivision Services

Year	2017	2018	2019	2020	2021	2022	2023	
Pipe Size and Material	Number of Services							Total
NPS 0.5 PE	1,501	1,501	1,501	1,501	1,501	1,501	650	9,656
NPS 1 PE	0	250	250	220	0	220	220	1,160
NPS 1.25 PE	7	8	8	9	7	9	9	57

District Stations

Year	2017	2018	2019	2020	2021	2022	2023	Total
Number of Stations	3	2						5

Please note that the costs of the abovementioned facilities have been included in the Economic Feasibility Analysis of the application (EB-2016-0054, Exhibit E) and will be constructed as required in accordance with the build out of the individual subdivision segments of the Seaton Development.

- c) The proposed pipeline is the primary supply main to the Seaton Development and will contribute capacity to support all the future stages of development, which consist of individual subdivision segments. The scope and cost of the individual subdivision segments are not anticipated to meet the requirements for a Leave to Construct application as defined by Section 90 of the OEB Act.

Witnesses: B. Balkanci
H. Thompson

BOARD STAFF INTERROGATORY #2

INTERROGATORY

Ref: Exhibit E, Tab 1, Schedule 1, Page 2, Paragraph 5 and Page 4 "Seaton Economic Feasibility Parameters and Results"

Preamble:

The estimated capital cost of the entire project over the 7 year period is \$30.5 million (not including the proposed pipeline subject to this application). These costs include distribution mains, services, meters and district stations. Enbridge did not seek approval for these costs but included them in the feasibility analysis "for completeness".

The customer revenue horizon in the feasibility analysis is 40 years and capital investment is \$34,564,846 from 2016 to 2023. The resulting Profitability Index (PI) is 1.69.

Questions:

- a) Why was a "stand alone" approach not applied by Enbridge in support of the application? Please provide economic feasibility analysis for the proposed pipeline on a "stand alone" basis.

RESPONSE

The Company has assumed the Board is asking why, in the economic feasibility analysis, Enbridge did not apply the cost to build for the first stage of development (i.e., the cost associated with facilities required to serve only the gas requirements for the 2017 to 2018 period of the Seaton project).

Enbridge has chosen to include the economic feasibility analysis for the comprehensive seven years of development because the pipeline design that is included in this application (i.e., the 3.4km of a combination of NPS 6 extra high pressure pipeline and NPS 8 high pressure pipeline amounting to an upfront capital cost of an estimated \$4,050,672) has been sized to have the capacity to supply natural gas to support all seven years of planned development for Seaton up to the year 2023

Below, please find the economic feasibility analysis based on the planned development of the first stage only (2017 to 2018).

Witnesses: F. Ahmad
G. Arsic
S. Murray

A summary of the inputs is provided on page 3 of this response, while pages 4 to 7 show detailed feasibility parameters and results. The resultant PI of the “stand alone” feasibility analysis is 1.17.

Witnesses: F. Ahmad
G. Arsic
S. Murray

SUMMARY OF INPUTS

Capital Investment

2016

Mains \$4,008,672

Land Rights \$42,000

Total \$4,050,672

2017-2018

Distribution Mains \$4,238,663

Services \$3,858,712

Meters \$1,509,043

District Stations \$738,650

Total Capital \$14,395,739

Annual Volumes (m3)

Rate 1 7,444,960

Rate 6 7,098,415

Total 14,543,375

Customer Additions

Residential 3,002

Commercial 265

Total Customers *3,267

** This includes 2 years of customer
additions starting in 2017 until the end of 2018*

SUMMARY OF RESULTS

Net Present Value (40 years) \$2,327,942

Profitability Index (40 years) 1.17

Witnesses: F. Ahmad
G. Arsic
S. Murray

Seaton
Economic Feasibility - 40 year Horizon
DCF Analysis

Line No.	Col. 1 Description	Col. 2 Year 0	Col. 3 Year 1	Col. 4 Year 2	Col. 5 Year 3	Col. 6 Year 4	Col. 7 Year 5	Col. 8 Year 6	Col. 9 Year 7	Col. 10 Year 8	Col. 11 Year 9	Col. 12 Year 10
	Discount factors to project outset	0.9887	0.9513	0.9009	0.8532	0.8080	0.7652	0.7246	0.6863	0.6499	0.6155	0.5829
	INCREMENTAL CAPITAL INVESTMENT											
1.	Investment in Mains	(4,008,672)	-	-	-	-	-	-	-	-	-	-
2.	Investment in Land Rights	(42,000)										
3.	Investment in Distribution Mains		(2,043,614)	(2,195,049)	-	-	-	-	-	-	-	-
4.	Investment in Services		(1,620,926)	(2,237,786)	-	-	-	-	-	-	-	-
5.	Investment in Meters		(606,386)	(902,657)	-	-	-	-	-	-	-	-
6.	Investment in District Stations		(443,190)	(295,460)	-	-	-	-	-	-	-	-
7.	Contribution In Aid Of Construction				-	-	-	-	-	-	-	-
8.	Net Investment Capital	(4,050,672)	(4,714,116)	(5,630,952)	-	-	-	-	-	-	-	-
9.	Working Capital		2,607	3,459	-	-	-	-	-	-	-	-
10.	Total Investment	(4,050,672)	(4,711,509)	(5,627,492)	-	-	-	-	-	-	-	-
11.	PV Of Total Investment At Project Outset	(13,557,130)										
12.	ACCUMULATED PV OF TOTAL INVESTMENT	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)
	CCA TAX SHIELD											
13.	CCA Tax Shield		69,607	179,214	213,222	200,423	188,393	177,085	166,466	156,465	147,073	138,246
14.	PV Of CCA Tax Shield At Project Outset		66,219	161,458	181,920	161,941	144,156	128,324	114,231	101,686	90,519	80,578
15.	ACCUMULATED PV OF CCA TAX SHIELD		66,219	227,677	409,597	571,538	715,694	844,018	958,250	1,059,936	1,150,455	1,231,033
	INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)											
16.	Gas Distribution Revenue		337,155	1,285,872	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434
17.	Gas Costs		(41,696)	(164,385)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)
18.	O&M Expenses		(51,675)	(176,877)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)
19.	Net Operating Cash (Before Taxes)		243,784	924,610	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652
20.	PV of Net Operating Cash (Before Taxes) At Project Outset		231,918	833,005	1,161,755	1,100,206	1,041,918	986,718	934,442	884,936	838,053	793,654
21.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)		231,918	1,064,924	2,226,679	3,326,885	4,368,803	5,355,521	6,289,963	7,174,900	8,012,953	8,806,606
	TAXES											
22.	Income Tax (Before Interest Tax Shield)		(52,426)	(225,022)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)
23.	Municipal Tax		(45,950)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)
24.	Capital Tax		-	-	-	-	-	-	-	-	-	-
25.	Total Taxes		(98,376)	(300,492)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)
26.	PV of Total Taxes At Project Outset		(93,587)	(270,721)	(355,192)	(336,374)	(318,553)	(301,677)	(285,694)	(270,559)	(256,224)	(242,650)
27.	ACCUMULATED PV OF TOTAL TAXES		(93,587)	(364,309)	(719,501)	(1,055,875)	(1,374,438)	(1,676,105)	(1,961,799)	(2,232,358)	(2,488,582)	(2,731,231)
	ACCUMULATED NPV AND PI											
28.	Net Present Value	(13,557,130)	(13,352,580)	(12,628,838)	(11,640,355)	(10,714,583)	(9,847,082)	(9,033,696)	(8,270,717)	(7,554,652)	(6,882,305)	(6,250,723)
29.	Profitability Index		0.015	0.068	0.141	0.210	0.274	0.334	0.390	0.443	0.492	0.539

Note a) Construction period from August 1 2016 to December 31 2016 considered mid-term discounting.
Discount period equals 0.208 (0.5 * 5/12). August 1 2016 is project outset as time 0.
Note b) Year 1 Revenues start from January 1 2017 to December 31 2017.
Year 2 Revenues start from January 1 2018 to December 31 2018, and so on.

Seaton
Economic Feasibility - 40 year Horizon
DCF Analysis

Line No.	Col. 1 Description	Col. 13 Year 11 0.5520	Col. 14 Year 12 0.5227	Col. 15 Year 13 0.4950	Col. 16 Year 14 0.4688	Col. 17 Year 15 0.4440	Col. 18 Year 16 0.4205	Col. 19 Year 17 0.3982	Col. 20 Year 18 0.3771	Col. 21 Year 19 0.3571	Col. 22 Year 20 0.3382
	Discount factors to project outset										
	INCREMENTAL CAPITAL INVESTMENT										
1.	Investment in Mains	-	-	-	-	-	-	-	-	-	-
2.	Investment in Land Rights	-	-	-	-	-	-	-	-	-	-
3.	Investment in Distribution Mains	-	-	-	-	-	-	-	-	-	-
4.	Investment in Services	-	-	-	-	-	-	-	-	-	-
5.	Investment in Meters	-	-	-	-	-	-	-	-	-	-
6.	Investment in District Stations	-	-	-	-	-	-	-	-	-	-
7.	Contribution In Aid Of Construction	-	-	-	-	-	-	-	-	-	-
8.	Net Investment Capital	-	-	-	-	-	-	-	-	-	-
9.	Working Capital	-	-	-	-	-	-	-	-	-	-
10.	Total Investment	-	-	-	-	-	-	-	-	-	-
11.	PV Of Total Investment At Project Outset	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)
12.	ACCUMULATED PV OF TOTAL INVESTMENT										
	CCA TAX SHIELD										
13.	CCA Tax Shield	129,948	122,148	114,817	107,925	101,448	95,359	89,635	84,255	79,198	74,445
14.	PV Of CCA Tax Shield At Project Outset	71,729	63,852	56,839	50,597	45,041	40,094	35,691	31,771	28,282	25,176
15.	ACCUMULATED PV OF CCA TAX SHIELD	1,302,762	1,366,613	1,423,453	1,474,050	1,519,090	1,559,184	1,594,875	1,628,647	1,654,929	1,680,106
	INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)										
16.	Gas Distribution Revenue	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434
17.	Gas Costs	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)
18.	O&M Expenses	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)
19.	Net Operating Cash (Before Taxes)	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652
20.	PV of Net Operating Cash (Before Taxes) At Project Outset	751,606	711,787	674,077	638,365	604,545	572,516	542,185	513,460	486,257	460,496
21.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	9,558,212	10,269,999	10,944,076	11,582,441	12,186,985	12,759,502	13,301,687	13,815,147	14,301,404	14,761,900
	TAXES										
22.	Income Tax (Before Interest Tax Shield)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)
23.	Municipal Tax	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)
24.	Capital Tax	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)
26.	PV of Total Taxes At Project Outset	(229,784)	(217,620)	(206,091)	(195,172)	(184,832)	(175,040)	(165,766)	(156,984)	(148,667)	(140,791)
27.	ACCUMULATED PV OF TOTAL TAXES	(2,961,026)	(3,176,646)	(3,384,736)	(3,579,908)	(3,764,740)	(3,939,760)	(4,105,546)	(4,262,530)	(4,411,198)	(4,551,988)
	ACCUMULATED NPV AND PI										
28.	Net Present Value	(5,657,182)	(5,099,163)	(4,574,338)	(4,080,548)	(3,615,795)	(3,178,224)	(2,768,115)	(2,377,867)	(2,011,994)	(1,667,113)
29.	Profitability Index	0.583	0.624	0.663	0.699	0.733	0.766	0.796	0.825	0.852	0.877

Note a) Construction period from August 1 2016 to December 31 2016 considered mid-term discounting.
Discount period equals 0.208 (0.5 * 5/12). August 1 2016 is project outset as time 0.
Note b) Year 1 Revenues start from January 1 2017 to December 31 2017.
Year 2 Revenues start from January 1 2018 to December 31 2018, and so on.

Seaton
Economic Feasibility - 40 year Horizon
DCF Analysis

Line No.	Col.1 Description	Col.23 Year 21 0.3203	Col.24 Year 22 0.3033	Col.25 Year 23 0.2872	Col.26 Year 24 0.2720	Col.27 Year 25 0.2576	Col.28 Year 26 0.2440	Col.29 Year 27 0.2310	Col.30 Year 28 0.2188	Col.31 Year 29 0.2072	Col.32 Year 30 0.1962
	Discount factors to project outset										
	INCREMENTAL CAPITAL INVESTMENT										
1.	Investment in Mains										
2.	Investment in Land Rights										
3.	Investment in Distribution Mains										
4.	Investment in Services										
5.	Investment in Meters										
6.	Investment in District Stations										
7.	Contribution In Aid Of Construction										
8.	Net Investment Capital										
9.	Working Capital										
10.	Total Investment										
11.	PV Of Total Investment At Project Outset										
12.	ACCUMULATED PV OF TOTAL INVESTMENT	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)
	CCA TAX SHIELD										
13.	CCA Tax Shield	69,976	65,777	61,829	58,118	54,630	51,351	48,289	45,372	42,649	40,089
14.	PV Of CCA Tax Shield At Project Outset	22,412	19,950	17,759	15,809	14,073	12,527	11,152	9,927	8,837	7,866
15.	ACCUMULATED PV OF CCA TAX SHIELD	1,702,517	1,722,467	1,740,227	1,756,036	1,770,109	1,782,636	1,793,788	1,803,715	1,812,552	1,820,419
	INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)										
16.	Gas Distribution Revenue	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434
17.	Gas Costs	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)
18.	O&M Expenses	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)
19.	Net Operating Cash (Before Taxes)	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652
20.	PV of Net Operating Cash (Before Taxes) At Project Outset	436,069	412,995	391,115	370,394	350,771	332,187	314,588	297,921	282,138	267,190
21.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	15,197,999	15,610,994	16,002,109	16,372,503	16,723,273	17,055,461	17,370,049	17,667,970	17,950,108	18,217,298
	TAXES										
22.	Income Tax (Before Interest Tax Shield)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)
23.	Municipal Tax	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)
24.	Capital Tax	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)
26.	PV of Total Taxes At Project Outset	(133,332)	(126,268)	(119,578)	(113,243)	(107,244)	(101,562)	(96,181)	(91,086)	(86,260)	(81,690)
27.	ACCUMULATED PV OF TOTAL TAXES	(4,685,320)	(4,811,588)	(4,931,167)	(5,044,410)	(5,151,654)	(5,253,216)	(5,349,397)	(5,440,483)	(5,526,743)	(5,608,433)
	ACCUMULATED NPV AND PI										
28.	Net Present Value	(1,341,934)	(1,035,257)	(745,961)	(473,002)	(215,402)	27,751	257,309	474,072	678,786	872,153
29.	Profitability Index	0.901	0.924	0.945	0.965	0.984	1.002	1.019	1.035	1.050	1.064

Note a) Construction period from August 1 2016 to December 31 2016 considered mid-term discounting.
Discount period equals 0.208 (0.5 * 5/12). August 1 2016 is project outset as time 0.
Note b) Year 1 Revenues start from January 1 2017 to December 31 2017.
Year 2 Revenues start from January 1 2018 to December 31 2018, and so on.

Seaton
Economic Feasibility - 40 year Horizon
DCF Analysis

Line No.	Col. 1 Description	Col. 33 Year 31 0.1858	Col. 34 Year 32 0.1760	Col. 35 Year 33 0.1667	Col. 36 Year 34 0.1578	Col. 37 Year 35 0.1495	Col. 38 Year 36 0.1416	Col. 39 Year 37 0.1341	Col. 40 Year 38 0.1269	Col. 41 Year 39 0.1202	Col. 42 Year 40 0.1139
	Discount factors to project outset										
	INCREMENTAL CAPITAL INVESTMENT										
1.	Investment in Mains										-
2.	Investment in Land Rights										-
3.	Investment in Distribution Mains										-
4.	Investment in Services										-
5.	Investment in Meters										-
6.	Investment in District Stations										-
7.	Contribution In Aid Of Construction										-
8.	Net Investment Capital										-
9.	Working Capital										-
10.	Total Investment										-
11.	PV Of Total Investment At Project Outset										-
12.	ACCUMULATED PV OF TOTAL INVESTMENT	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)	(13,557,130)
	CCA TAX SHIELD										
13.	CCA Tax Shield	37,683	35,421	33,295	31,297	29,419	27,653	25,983	24,433	22,967	197,424
14.	PV Of CCA Tax Shield At Project Outset	7,003	6,234	5,549	4,940	4,397	3,914	3,484	3,102	2,761	22,478
15.	ACCUMULATED PV OF CCA TAX SHIELD	1,827,421	1,833,655	1,839,204	1,844,143	1,848,541	1,852,455	1,855,939	1,859,041	1,861,802	1,884,280
	INCREMENTAL OPERATING CASHFLOWS (BEFORE TAXES)										
16.	Gas Distribution Revenue	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434	1,857,434
17.	Gas Costs	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)	(245,378)
18.	O&M Expenses	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)	(250,404)
19.	Net Operating Cash (Before Taxes)	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652	1,361,652
20.	PV of Net Operating Cash (Before Taxes) At Project Outset	253,035	239,629	226,934	214,911	203,525	192,743	182,531	172,861	163,703	155,030
21.	ACCUMULATED PV OF NET OPERATING CASH (BEFORE TAXES)	18,470,333	18,709,962	18,936,895	19,151,806	19,355,331	19,548,074	19,730,605	19,903,466	20,067,169	20,222,199
	TAXES										
22.	Income Tax (Before Interest Tax Shield)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)	(340,838)
23.	Municipal Tax	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)	(75,470)
24.	Capital Tax	-	-	-	-	-	-	-	-	-	-
25.	Total Taxes	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)	(416,308)
26.	PV of Total Taxes At Project Outset	(77,362)	(73,264)	(69,382)	(65,706)	(62,225)	(59,929)	(57,807)	(55,850)	(54,050)	(47,398)
27.	ACCUMULATED PV OF TOTAL TAXES	(5,685,966)	(5,759,059)	(5,828,441)	(5,894,148)	(5,956,373)	(6,015,302)	(6,071,108)	(6,123,958)	(6,174,008)	(6,221,407)
	ACCUMULATED NPV AND PI										
28.	Net Present Value	1,054,828	1,227,427	1,390,528	1,544,672	1,690,369	1,828,097	1,958,306	2,081,419	2,197,833	2,327,942
29.	Profitability Index	1.078	1.091	1.103	1.114	1.125	1.135	1.144	1.154	1.162	1.172

Note a) Construction period from August 1 2016 to December 31 2016 considered mid-term discounting.
Discount period equals 0.208 (0.5 * 5/12). August 1 2016 is project outset as time 0.
Note b) Year 1 Revenues start from January 1 2017 to December 31 2017.
Year 2 Revenues start from January 1 2018 to December 31 2018, and so on.

BOARD STAFF INTERROGATORY #3

INTERROGATORY

Ref: Exhibit A, Tab 2, Schedule 1, page 2; Exhibit F, Tab 1, Schedule 1, Page 1, Paragraph 2 and Exhibit F, Tab 1, Schedule 3, Paragraph 8, Page 2

Preamble:

Enbridge does not foresee the need to acquire any permanent easements for the pipeline because the route is within municipal road allowance. Enbridge applied under section 97 of the OEB Act for an order approving the form of easement agreement that will be offered or has been offered in the evidence. Enbridge filed forms of the Agreement to Grant Easement, Standard Easement Agreement and Working Area Agreement.

Questions:

- a) Please explain the circumstances in which Enbridge anticipates the possibility for the need to acquire an easement agreement for the proposed pipeline.
- b) Have any of the forms of the agreements filed with the evidence been previously approved by the OEB? If so, in which proceedings?

RESPONSE

- a) An easement would be required if the installation of the proposed infrastructure deviated outside of the existing limits of Taunton Road. At the time of application, the intended location of the line was to be within the existing limits of Taunton Road. If Infrastructure is installed within a Public Highway, Enbridge can follow the Permit process set out in the OEB approved Franchise Agreement.

Enbridge would like to inform the OEB that through consultation with the Region of Durham and various stakeholders in the development of the broader Seaton Lands Community development, it was made aware that in select locations the limits of Taunton Road would be increased.

Witnesses: B. Balkanci
S. Budiwarman
C. Meilleur

The increased limits of Taunton Road would be the result of impending land transfers negotiated between Infrastructure Ontario and the Region of Durham.

The Region of Durham has requested Enbridge to install its infrastructure within the future limits of Taunton Road. This results in a minor deviation of the pipeline route from the current regional right of way as specified in Enbridge's application. Enbridge recognizes that it is desirable to locate the pipeline where it will not need to be relocated as a result of future land transfers.

Enbridge has initiated discussions with Infrastructure Ontario ("IO") for a permanent easement in the event that the transfer between IO and the Region does not occur in a timely manner. As Enbridge was not made aware of the impending land transfers Durham Region requests at the time of filing, easements were not indicated in Enbridge's initial application with the Board.

Enbridge is aware that if the land transfer with IO has not sufficiently progressed, the approvals from the Region of Durham may not be forthcoming in time to meet the summer construction window stipulated for certain sections of construction. In such a situation, there is a small possibility that the project could be delayed up to a year. However, to Enbridge's knowledge all parties are working to have the necessary steps completed to permit construction in accordance with the schedule included in the Application.

In the meantime, Enbridge is committed to continue to have dialogue with the Region of Durham, Seaton Landowners (including Infrastructure Ontario), and other stakeholders to ensure that all the appropriate rights and permits are acquired while keeping to the proposed project cost and timeline.

With regards to the aforementioned situation, Enbridge will update the Board accordingly.

b) Yes, EB-2012-0451, EB-2012-0438, and EB-2015-0194

Witnesses: B. Balkanci
S. Budiwarman
C. Meilleur

BOARD STAFF INTERROGATORY #4

INTERROGATORY

Ref: Exhibit C Tab 1, Schedule 3, Paragraph 6, Page 1

Preamble:

The Environmental Report (ER) was submitted for a review by the Ontario Pipeline Coordinating Committee (OPCC) on March 10, 2016.

Question:

Please file an updated summary of comments and concerns received in the OPCC review of the ER, to date, and Enbridge's responses and planned actions to mitigate each of the issues and address each of the concerns.

RESPONSE

Enbridge to date has not received or is aware of any comments or concerns that were raised in the OPCC review of the ER. Should any concerns be identified through the OPCC review of the ER, Enbridge will inform the Board of these concerns and the actions Enbridge will take to address any identified concerns.

Witness: K. Mills

BOARD STAFF INTERROGATORY #5

INTERROGATORY

Ref: Exhibit G, Tab 1, Schedule 1, Pages 1-3

Preamble:

Stantec Consulting Ltd. (Stantec), on behalf of Enbridge, conducted consultations with First Nations and Metis Nations located in a 100 kilometre radius of the Seaton project.

Question:

Please provide an update on Aboriginal consultation undertaken since the application was filed. Identify any concerns raised in the consultation and describe how Enbridge will address the concerns raised by First Nations and Metis affected by the proposed project.

RESPONSE

Since the application was filed Enbridge has responded to the Hiawatha First Nation ("HFN") original request for a copy of the Stage 1 and 2 Archaeological reports upon completion. At the time of this Interrogatory a Stage 2 Archaeological assessment has not been completed. Enbridge responded through email including an attachment of the Stage 1 Archaeological report on March 18, 2016. Please see Attachment 1 for email correspondence to HFN. Enbridge has not received any response regarding the results of the Stage 1 Archaeological assessment from HFN.

Enbridge has also responded to the Mississauga of Scugog Island First Nation ("MSIFN") request for a copy of the Environmental Report ("ER") and Stage 1 and 2 Archaeological Report. A hard copy of the ER, which included a Stage 1 Archaeological Report, was mailed to the MSIFN on March 18, 2016. Please see Attachment 2 for the correspondence transmittal. At the time of this submission Enbridge has not received any comments back from the MSIFN regarding the ER and Stage 1 Archaeological assessment.

Other than the request for documents referenced above, Enbridge has not received any comments or concerns from HFN, MSIFN, First Nations or Metis.

Witness: K. Mills

From: Kelsey Mills
To: ["tcowie@hiawathafn.ca"](mailto:tcowie@hiawathafn.ca)
Cc: [Stephanie Budiwarman](#)
Subject: Proposed Natural Gas Pipeline to Serve the Seaton Land Development Project - Stage 1 Archaeological Assessment
Date: Friday, March 18, 2016 3:44:19 PM
Attachments: [AppE_Arch-Assess-MTCS-CH.pdf](#)

Dear Mr. Tom Cowie

As a follow-up to your phone call with Enbridge on December 21st regarding the Proposed Natural Gas Pipeline to Serve the Seaton Land Development Project. Please find attached the completed Stage 1 Archaeological Reports (*AppE_Arch-Assess-MTCS-CH.pdf*).

A Stage 2 Archaeological Assessment is planned for early Spring and once it is finalized we will forward you the corresponding report.

Should you have any questions or concerns please feel free to contact myself at the phone number provided below, or Stephanie Budiwarman (Planning Project Manager) at email: stephanie.budiwarman@enbridge.com or TEL: 905-927-3128

Thank you very much for your time,

Kelsey Mills

Environmental Specialist

—

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Transmittal

To: Dave Mowatt,
Community Consultation Specialist

From: Kelsey Mills

Company: Mississaugas of Scugog Island First Nation

Address: 22521 Island Rd RR#5,
Port Perry, ON
L9L 1B6

☐ For Your Information
☐ For Your Approval
☐ For Your Review
☒ As Requested

Phone:

Date: March 18, 2016

File: Proposed Natural Gas Pipeline to
Serve the Seaton Land
Development Project

Delivery: Regular Mail

**Reference: Enbridge Gas Distribution Inc. (Enbridge) – Proposed Pipeline to Serve the Seaton
Land Development: Environmental Report**

Attachment:

Copies	Doc Date	Pages	Description
1	March 8, 2016	454	Proposed Natural Gas Pipeline to Serve the Seaton Land Development: Environmental Report

As requested by Mississaugas of Scugog Island First Nation (phone call placed January 5th, 2016 and email dated January 13th, 2016), Enbridge is pleased to provide a copy of the Environment Report for the 'Proposed Natural Gas Pipeline to Serve the Seaton Land Development' (the "Project"). The Stage 1 Archaeological Reports are included in the Environmental Report as Appendix E.

Kelsey Mills Environmental Specialist
ENBRIDGE GAS DISTRIBUTION
TEL: 905-927-3145 | CELL: 416-454-9539
101 Honda Blvd. Markham, Ontario L6C 0M6

BOARD STAFF INTERROGATORY #6

INTERROGATORY

Ref: Exhibit A, Tab 2, Schedule 1, Pages 1-4, Application

Preamble:

Enbridge applied for OEB order for leave to construct facilities-under section 90(1) of the OEB Act.

Question:

Please comment on the attached Board staff proposed draft conditions of approval. Please note that these conditions are draft version subject to additions or changes.

RESPONSE

Enbridge has reviewed the Board staff proposed draft 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.

Witnesses: B. Balkanci
S. Budiwarman
H. Thompson