

# ECONALYSIS CONSULTING SERVICES

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December 8, 2017

VIA E-MAIL

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge St.  
Toronto, ON  
M4P 1E4

Dear Ms. Walli:

**Re: EB-2017-0147 – Enbridge Gas Distribution Inc. - Fenelon Falls Pipeline Project  
Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find enclosed the Notice of Intervention of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

*Mark Garner*

Consultant for VECC

Email copy:

[EGDRegulatoryProceedings@enbridge.com](mailto:EGDRegulatoryProceedings@enbridge.com)

<b>REQUESTOR NAME</b>	<b>VECC</b>
<b>TO:</b>	<b>Enbridge Gas Distribution</b>
<b>DATE:</b>	<b>December 8, 2017</b>
<b>CASE NO:</b>	<b>EB-2017-0147</b>
<b>APPLICATION NAME</b>	<b>Fenelon Falls Pipeline Project</b>

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**VECC-1**

Reference: Exhibit A, Tab 3, Schedule 1

- a) In addition to the building of the Fenelon Falls distribution system Enbridge notes that the project requires a (Sunderland) reinforcement segment. In order to better understand Enbridge's proposal for Community Expansion Project eligibility please clarify and provide the material differences as between the terms "reinforcement pipeline", "main extension pipelines", and "distribution pipelines."

**VECC-2**

Reference: Exhibit CB, Tab 1, Schedule 1, page 4

At the above reference Enbridge has set out a proposal for the criteria that would be used to define a "Community Expansion Project".

- a) Please clarify under the current portfolio project policy of Enbridge what are the criteria for inclusion in the investment portfolio, specifically addressing:
- I. The minimum project P.I.
  - II. Whether the minimum P.I. is calculated before or after contributions
  - III. Whether the project requires an upfront capital contribution (from developer or other entity please specify);
  - IV. Whether the project is eligible or ineligible for the investment portfolio if it requires a main extension or reinforcement – as defined in response to VECC-1).

**VECC-3**

Reference: Exhibit B, Tab 1, schedule 1, page 4

- a) Please explain how eligibility for a Community Expansion Project differs from eligibility to be considered part of the ongoing investment portfolio of projects.
- b) Specifically explain why this project fails to meet Enbridge's current policy for inclusion in the investment portfolio.

VECC - 4

Reference: Exhibit B, Tab 1, schedule 1, pages 3-7

- a) Would a similar project, such as a large subdivision with a main extension, which was eligible for the inclusion in the investment portfolio, require a developer to make an upfront contribution in aid of construction to a P.I. to the level of making the project P.I. 1.0 or 0.8 or to some other different net present value level?

VECC-5

Reference: Exhibit B, Tab 1, Schedule 1, page 6-7 / pg. 17

- a) Enbridge proposes that Community Expansion Projects ("CEP") not requiring a specific leave of the Board be included in its annual rate applications. Please clarify whether this reporting will include past CEP projects.
- b) Is this reporting the same as that explained at page 17 and to be provided at the annual Stakeholder Day?

VECC - 6

Reference: Exhibit B, Tab 1, Schedule 1, page 15

- a) Please provide the expected timing of the Ontario Natural Gas Grant for this project?

VECC - 7

Reference: Exhibit B, Tab 1, Schedule 1, page 14

- a) Enbridge management approval is noted as being outstanding. Please explain what conditions other than acquisition of an Ontario Natural Gas Grant are required for management approval of this project.
- b) Is the full grant amount of \$12.6 million required for management approval to proceed? If a lesser amount is provided would it be Enbridge's intention to abandon the project or to attempt other adjustments, for example increasing the SES surcharge?

#### VECC-8

Reference:

- a) Does Enbridge have any plans/programs to encourage the adoption of natural gas or acquisition of gas appliances in the Community Expansion area? If yes, please explain these initiatives.
- b) How will Enbridge be promoting any ongoing natural gas DSM incentives (e.g. thermostats etc.) in the new expansion region?
- c) Generally, has Enbridge any strategies to encourage early adoption in order to improve the economic value of the expansion?
- d) Please explain any specific incentives targeted at low-income households.

#### VECC- 9

Reference: Exhibit C, Tab 1, Schedule 1, page 4 / Exhibit E, Tab 1, Schedule 1

- a) What is the latest date for start of construction in order for the project to be in service for the winter of 2018?
- b) What is the latest date that Enbridge would need to notify suppliers and contractors to meet this construction start date?

#### VECC-10

Reference: Exhibit F, Tab 1, Schedule 1, page 5

- a) Please explain how the discount rate of 5.41% was derived.
- b) Please explain how the annual volume of 9,438,800 m<sup>3</sup> was derived.
- c) Please explain how the annual OM&A expenses are derived.

#### VECC-11

Reference: Exhibit C, Tab 1, Schedule 1, Attachment 1  
Exhibit D, Tab 1, Schedule 1, Attachment 1  
Exhibit H, Tab 1, Schedule 1, Attachment 2

- a) We are unable to locate in the application any maps which show the location of current Enbridge infrastructure and the proposed (preferred) pipeline routing and station locations. Please provide a detailed map showing the connection point(s) of the current infrastructure (described by NPS) to the CKL (or if this is included in the application a reference).
- b) Please provide a separate detailed map showing the proposed main builds in the City of Kawartha Lakes (or reference).

**End of document**