

**ENBRIDGE GAS DISTRIBUTION INC.
SCUGOG ISLAND LEAVE TO CONSTRUCT
EB-2017-0261**

OEB STAFF INTERROGATORIES

Interrogatory # 1

Ref: Exhibit A, Tab 2, Schedule 1, page 2

Preamble:

Scugog Island is entirely within the Township of Scugog, in the Regional Municipality of Durham. Enbridge states that it has entered into a Municipal Franchise Agreement with the Township of Scugog and that it holds a Certificate of Public Convenience and Necessity granted by the Board in respect of the Township of Scugog.

Questions:

- a) Please provide a copy of Enbridge's Municipal Franchise Agreement with the Township of Scugog.
- b) Please provide a copy of Enbridge's Certificate of Public Convenience and Necessity for the Township of Scugog.

Interrogatory # 2

Ref: Exhibit B, Tab 1, Schedule 1, page 3, paragraphs 7 and 8

Preamble:

An Incremental Tax Equivalent (ITE) was agreed upon between Enbridge and the Town of Scugog as well as the Mississauga of Scugog Island First Nation (MSIFN). The ITE is a mechanism by which the Town of Scugog and the MSIFN will contribute to the Project by foregoing municipal taxes and a levy (respectively) for the period of 10 years.

Enbridge stated that one of the components of the proposal to provide service to the community of Scugog Island is grant funding from the Government of Ontario's Natural Gas Grant program (Grant). Enbridge stated that it will be applying for a Grant of approximately \$6.3 million.

Questions:

- a) Please explain the effect of ending of the 10 year municipal tax ITE on the

Scugog Island Project economics.

- b) Please explain the effect of ending of the 10 year levy ITE on the Scugog Island Project economics.
- c) Please provide a description of the expected process and timelines for the Grant application.
- d) What is Enbridge's anticipated action in the event that the Grant is not received?

Interrogatory # 3

Ref: Exhibit C, Tab 1, Schedule 1, Attachment 1

Preamble:

The map Enbridge included in its application depicts the proposed pipeline route. The map does not provide details of the existing Enbridge pipeline system in the Township (e.g., in Port Perry).

Questions:

- a) Please provide a pipeline system map that depicts the regional system as context for the proposed project.
- b) Referring to the pipeline system map provided in response to question a), please identify any alternatives to the proposed project (including but not limited to the Alternative Route (AR) and associated system reinforcement), particularly with respect to the supply points and related potential connection routes to supply Scugog Island. Please describe any alternative routes/supply points and provide reasons why any alternatives were rejected.

Interrogatory # 4

Ref: Exhibit C, Tab 1, Schedule 1, pages 3-8, "Market Research"; pages 8-9

Preamble:

Enbridge based its market projections on residential and commercial customers surveys to determine customer interest in natural gas distribution service. Enbridge retained Lura Consulting to determine the level of interest in the community of Scugog Island to receive natural gas service. As a result of market projections and surveys of the potential customers, Enbridge determined projected customer additions by year from 2020 to 2029 for the Scugog Island project, as presented in Table 1 on page 8 of Exhibit C, Tab 1, Schedule 1.

Question:

Please include in the customer attachment forecast, presented in Table 2, estimated percent of market share of the community of Scugog Island and volumes, by customer type.

Interrogatory # 5

Ref: Exhibit D, Tab 1, Schedule 1, page 1

Preamble:

The Alternative Route (AR) requires a nine kilometer long system reinforcement project. It is not clear if the entire incremental capacity resulting from this reinforcement would be used to serve Scugog Island.

Questions:

- a) What is the incremental capacity that would be added to the system with the construction of the system reinforcement?
- b) How much of the incremental capacity would be used to serve Scugog Island?
- c) How would Enbridge use any incremental capacity added by the system reinforcement that is in excess of the capacity needed for Scugog Island?
- d) Regarding the construction cost of the system reinforcement, would the entire cost be recovered from Scugog Island customers? Please explain.

Interrogatory # 6

Ref: Exhibit D, Tab 1 Schedule 3, page 1, paragraph 1

Preamble:

Dillon Consulting was retained to prepare the Environmental Report which was submitted to the Ontario Pipeline Coordinating Committee (OPCC) for review on October 3, 2017.

Question:

Please file an update of the comments (in tabular format) that Enbridge received as part of the OPCC review and in any public consultation. Include the dates of communication, the issues and concerns identified by the parties, as well as

Enbridge's responses and actions to address these issues and concerns.

Interrogatory # 7

Ref: Exhibit D, Tab 1 Schedule 4, page 1, paragraph 4

Preamble:

A revised Stage 1 Archaeological Assessment was submitted to the Ministry of Tourism, Culture and Sport (MTCS) on October 6, 2017. As of the date Enbridge filed its application (December 15, 2017), the MTCS had yet to review the revised report and provide acceptance.

Questions:

- a) What is the status of MTCS' review of the revised Stage 1 Archaeological Assessment?
- b) When does Enbridge anticipate a response from the MTCS?

Interrogatory # 8

Ref: Exhibit G, Tab 1, Schedules 1-4

Preamble:

Enbridge may require temporary land rights to complete the Scugog Island project. According to section 97 of the *Ontario Energy Board Act, 1998* (OEB Act), "In an application under section 90, 91 or 92, leave to construct shall not be granted until the applicant satisfies the Board that it has offered or will offer to each owner of land affected by the approved route or location an agreement in a form approved by the Board." Enbridge will therefore require the OEB's approval of the form of easement agreement that it has offered or will offer to the affected landowners.

Questions:

- a) What is the current status and prospect of communication and negotiations with landowners of properties where temporary land use rights are needed?
- b) Has the form of Working Area Agreement Enbridge has offered or will offer to all directly affected landowners been previously approved by the OEB, and if so, in which proceeding?
- c) If the answer to b) is no, what is the most recent proceeding that Enbridge obtained approval from the OEB of its Working Area Agreement? What are the

differences between that agreement and the agreement filed in Exhibit G, Tab 1, Schedule 3?

Interrogatory # 9

Ref: Exhibit G, Tab 1, Schedule 1, Pages 1-2

- a) What is the status of acquiring the crossing permits and other approvals Enbridge needs to complete the construction of the Project?
- b) Are any other permits or agreements required and outstanding?

Interrogatory # 10

Ref: Exhibit H, Schedule 1, pages 1-16 and attachments

Preamble:

Enbridge filed an Indigenous Consultation Report (ICR) as part of its evidence. The evidence does not include an ICR review letter by the Ministry of Energy or a letter of comment from the Ministry advising whether, in its opinion, the consultation and any accommodation has been adequate. Enbridge stated that the ICR reflects the Indigenous consultation activities up to December 1, 2017.

Questions:

- a) Please provide an update on Indigenous consultation activities since December 1, 2017. Identify any concerns and issues raised in the consultation process and steps that Enbridge is committed to undertake to address any concerns or issues.
- b) Please update the evidence with any documentation between the Ministry and Enbridge after June 28, 2017 regarding the Ministry's review of the ICR.
- c) Please provide any updates to the ICR in response to any comments received from the Ministry.

Interrogatory # 11

Ref: Exhibit A, Tab 2, Schedule 1, page 3, paragraph 16

Enbridge applied for leave to construct facilities under section 90(1) of the OEB Act. If Enbridge does not agree to any of the draft conditions of approval noted below, please identify the specific conditions that Enbridge disagrees with and explain why.

April 4, 2018

For conditions in respect of which Enbridge would like to recommend minor changes, please provide the proposed changes.

Draft
Leave to Construct Conditions of Approval
Application under Section 90 of the OEB
Act Enbridge Gas Distribution Inc.
EB-2017-0261

1. Enbridge Gas Distribution Inc. (Enbridge) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2017-0261 and these Conditions of Approval.
2. (a) Authorization for leave to construct shall terminate 12 months after the decision is issued, unless construction has commenced prior to that date.

(b) Enbridge shall give the OEB notice in writing:
 - i. of the commencement of construction, at least ten days prior to the date construction commences;
 - ii. of the planned in-service date, at least ten days prior to the date the facilities go into service;
 - iii. of the date on which construction was completed, no later than 10 days following the completion of construction; and
 - iv. of the in-service date, no later than 10 days after the facilities go into service.
3. Enbridge shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
4. Enbridge shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Enbridge shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.
5. Enbridge shall file, in the proceeding where the actual capital costs of the project are proposed to be included in rate base, a Post Construction Financial Report, which shall indicate the actual capital costs of the project and shall provide an

explanation for any significant variances from the cost estimates filed in this proceeding.

6. Both during and after construction, Enbridge shall monitor the impacts of construction, and shall file with the OEB one paper copy and one electronic (searchable PDF) version of each of the following reports:

a) A post construction report, within three months of the in-service date, which shall:

- i. provide a certification, by a senior executive of the company, of Enbridge' adherence to Condition 1;
- ii. describe any impacts and outstanding concerns identified during construction;
- iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction;
- iv. include a log of all complaints received by Enbridge, including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions; and
- v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licenses, and certificates required to construct, operate and maintain the proposed project.

b) A final monitoring report, no later than fifteen months after the in-service date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:

- i. provide a certification, by a senior executive of the company, of Enbridge' adherence to Condition 3;
- ii. describe the condition of any rehabilitated land;
- iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction;
- iv. include the results of analyses and monitoring programs and any recommendations arising therefrom; and

- v. include a log of all complaints received by Enbridge, including the date/time the complaint was received; a description of the complaint; any actions taken to address the complaint; and the rationale for taking such actions.