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May 2, 2018

Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Attention: Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Ontario Sustainable Energy Association's Interrogatories
Board File No. EB-2017-0319 (Enbridge Gas Distribution Inc.)**

Please find enclosed Ontario Sustainable Energy Association's Interrogatories in the above-noted matter.

Yours truly,

Robert Woon

cc: Janis Wilkinson, OSEA
Marion Fraser, Fraser & Company

Document #: 1360943

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B).

AND IN THE MATTER OF the Applications by Enbridge Gas Distribution Inc. for approval of the cost consequences of the proposed Renewable Natural Gas Enabling Program and Geothermal Energy Service Program

INTERROGATORIES OF ONTARIO SUSTAINABLE ENERGY ASSOCIATION (“OSEA”)

May 2, 2018

Issue 2.3, OSEA Interrogatory 1

Reference: EB-2017-0319, Exhibit B, Tab 1, Schedule 1, Page 27 of 30.

Preamble: “To calculate the Geothermal Energy Service program service fees, Enbridge has built a DCF model using a 10 year customer forecast, estimates of capital, operating costs and taxes, applying the principles set out in EBO 188.

The Company’s 10 year customer forecast is based on several factors including expected demand for geothermal systems (which will be driven in part by a GreenON Fund Geothermal Rebate program), current capacity in the market, and ramp-up capability of the market to meet future demand. The Company expects about 170 customers in Year 1 and over a period of 10 years a total of about 18,000 customers.”

- a) Please explain how Enbridge determined its customer forecasts for geothermal systems. If there are any reports, documents, workplans, or calculations that support these forecasts please file.
- b) Please explain how service rates for the Geothermal Energy Service Program are affected if the customer forecasts change, if at all (i.e., if more than 18,000 customers are interested in installing geothermal systems over the 10 year period, will service fees be lower than currently predicted?)

Issue 2.3, OSEA Interrogatory 2

Reference: EB-2017-0319, Exhibit B, Tab 1, Schedule 1, Appendix 11, Page 3 of 6; EB-2017-0319, Exhibit B, Tab 1, Schedule 1, Page 27 of 30.

Preamble: Enbridge estimates in its “Geothermal Economic Feasibility – 40 year Horizon DCF Analysis” table that it will cost approximately \$2.7 M to install 170 geothermal loops in Year 1. According to that estimate, each geothermal loop will cost on average \$15,880 to install.

Enbridge states that “the estimated capital costs for the installation of the geothermal loops are based on unit costs for drilling and trenching based on market information and the Company’s experience. The estimated capital costs also include construction management, commissioning and quality assurance with contingencies based on geographical and geological construction uncertainties.”

- a) Please explain how Enbridge determined the cost to install geothermal loops. If there are any reports, documents, workplans, or calculations that support Enbridge’s cost estimate please provide.