

BY E-MAIL

April 24, 2019

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
BoardSec@oeb.ca

Dear Ms. Walli:

**Re: EPCOR Natural Gas Limited Partnership (EPCOR)
Southern Bruce Project
OEB Staff Interrogatories to Applicant
OEB File No. EB-2018-0263**

In accordance with Procedural Order No. 1, please find attached the OEB staff interrogatories for the above proceeding. This document has been sent to EPCOR and all intervenors.

EPCOR is reminded that its responses to interrogatories are due by May 1, 2019.

Yours truly,

Original signed by

Azalyn Manzano
Advisor

**EPCOR NATURAL GAS LIMITED PARTNERSHIP
APPLICATION FOR LEAVE TO CONSTRUCT FACILITIES IN SOUTH BRUCE
EB-2018-0263**

OEB STAFF INTERROGATORIES

Interrogatory 1

Ref.: Exhibit A, Tab 2, Schedule 1, page 2
Exhibit A, Tab 5, Schedule 1, page 3

Preamble

Based on its Common Infrastructure Plan (CIP) as filed in a competitive process in the South Bruce Expansion Applications, EPCOR Natural Gas Limited Partnership (EPCOR) was selected as the successful proponent to file for leave to construct (LTC) gas facilities in the Southern Bruce Municipalities.¹

EPCOR has applied to the OEB for an Order granting LTC approximately 75 km of NPS 6 and 8-inch steel pipeline, 45 km of NPS 6-inch polyethylene pipeline and 178 km of NPS 2 and 4-inch polyethylene pipeline as well as six pressure regulating stations (Project) in the Municipality of Arran-Elderslie, the Municipality of Kincardine and the Township of Huron-Kinloss (Southern Bruce Municipalities). The 178 km of NPS 2 and 4-inch polyethylene pipeline is for distribution within the Southern Bruce Municipalities.

Questions

- a) Please provide a chart that compares the CIP parameters as determined through the Staff Progress Report² and the Decision on Preliminary Issues and Procedural Order No. 8³ from the competitive process, with those same parameters that now underpin this application. For example, compare the number of communities to be served as determined through the CIP parameters with the number of communities to be served in this application, the construction schedule filed in the CIP with the construction schedule included in this application, etc. Please explain any differences and provide a reference for where in the application the relevant parameter can be found.

¹ EB-2016-0137/0138/0139

² Filed on July 20, 2017 in EB-2016-0137/0138/0139

³ EB-2016-0137/0138/0139

- b) Please confirm that EPCOR is seeking leave to construct the 178 km of NPS 2 and 4-inch polyethylene pipeline for distribution within the Southern Bruce Municipalities.

Interrogatory 2

Ref.: Exhibit A, Tab 2, Schedule 1, page 4

Preamble

EPCOR will enter into franchise agreements with the County of Bruce, the County of Grey, the Municipality of Arran-Elderslie, the Municipality of Brockton, the Municipality of Kincardine, the Municipality of West Grey, the Township of Chatsworth and the Township of Huron-Kinloss. All proposed franchise agreements are based on the Board's Model Franchise Agreement.

Question

Has (or will) EPCOR entered into any other agreements with the Southern Bruce Municipalities? If so, please describe the nature of the agreements.

Interrogatory 3

Ref.: Exhibit A, Tab 3, Schedule 1, Page 6
Exhibit A, Tab 3, Schedule 2, Page 1
EB-2016-0137|-0138|-0139 EPCOR CIP Application, Schedule B, Pages 2 to 9

Preamble

Following the comparative evaluation, outlined in the Environmental Report, the preliminary preferred route was confirmed as the Preferred Route as shown in Tab 3, Schedule 2.

Questions

- a) Please confirm that the Preferred Route as shown in Tab 3, Schedule 2 is identical to that proposed in the CIP. If it is not, please identify and explain the reasons for any differences.

- b) Please confirm that EPCOR's distribution pipeline routes remain identical to the routes proposed in the CIP.

Interrogatory 4

Ref.: Exhibit A, Tab 3, Schedule 1, pages 6 and 7
Exhibit A, Tab 10, Schedule 3, pages 1-5

Preamble

EPCOR provided a list of entities with whom land easements and necessary agreements will be coordinated and negotiated. However, the list does not identify with which entities land easements may be required.

EPCOR identified 17 properties that could be directly affected by construction of the pipeline and associated facilities.

Questions

- c) In tabular form, please identify with which of the entities listed in Exhibit A, Tab 3, Schedule 1 land easements may be required, the nature of the easement (permanent or temporary), and the status of negotiations.
- d) Has the number of potentially affected properties changed from 17 since EPCOR filed the Application? If so, please provide an updated list of properties in redacted (for the record) and non-redacted forms. For each property, please identify whether the land is to be purchased, or a temporary or permanent easement is required.
- e) Please provide an update on the status of land use negotiations with potentially affected property owners.
- f) Please provide a table that lists all permits and approvals that are required to complete the construction of the project, including a description of the purpose or need for each permit and the status of each permit/approval application. Please also provide dates for when EPCOR expects to receive any outstanding permits/approvals required, and what impact any delays in receiving these might have on the schedule.

Interrogatory 5

Ref.: Exhibit A, Tab 3, Schedule 1, page 7

Preamble

EPCOR notes that natural gas service is expected to be available to the Bruce Energy Centre and the communities of Chelsey and Paisley for the 2019-2020 heating season contingent on Enbridge Gas completing the custody transfer station in November 2019.

Questions

- a) To the best of EPCOR's knowledge, what is the status of Enbridge Gas' custody transfer station work?
- b) To the best of EPCOR's knowledge, how will the Bruce Energy Centre and the communities of Chelsey and Paisley be impacted if the custody transfer station is not operational by November 2019?
- c) EPCOR expects the decision by the end of May 2019 to be able to begin construction in June 2019. Please discuss the impact of receiving the OEB's decision later than May 2019. When is the last day that EPCOR can receive the OEB's decision before construction is pushed to the following year?

Interrogatory 6

Ref.: Exhibit A, Tab 5, Schedule 1, page 2
Exhibit A, Tab 10, Schedule 1, page 1
Exhibit A, Tab 10, Schedule 2

Preamble

At the time the application was filed, the locations of the pressure regulating stations that will serve the distribution systems in each of the Southern Bruce Municipalities were approximate, and EPCOR said the locations will be finalized during detailed design.

EPCOR states that the majority of the Preferred Route will be within existing road allowances, and that if any sections are outside road allowances, EPCOR will

obtain an easement from private landowners or the appropriate authorities. EPCOR has also filed for approval of the form of the draft agreements that will be offered to affected landowners where the need for an easement arises.

Questions

- a) Which, if any, of the station locations have been finalized? If there are any locations yet to be finalized, when does EPCOR expect to have them finalized?
- b) Do any of the finalized locations require land purchases or permanent easements? If so, which ones, and when does EPCOR expect to reach agreement?
- c) If any land purchases or easements are required for the Project, please describe the status of the negotiations and when EPCOR expects negotiations to be completed, and discuss any potential impact on the Project cost and schedule.
- d) Please provide a summary of any comments/concerns that have been brought up by any affected landowners regarding the Project to date.
- e) Please confirm that the forms of agreement filed by EPCOR are substantially similar to forms of agreement previously approved by the OEB and discuss any differences.

Interrogatory 7

Ref.: Exhibit A, Tab 3, Schedule 1, pages 2 and 4
Exhibit A, Tab 7, Schedule 1, pages 1-7
EB-2016-0137 / 0138 / 0139, Common Infrastructure Proposal, page 6

Preamble

Ontario's Access to Natural Gas Act, 2018 will provide up to \$22 million to the Project.⁴ For the purposes of calculating the three key CIP criteria, the OEB instructed EPCOR and Enbridge Gas to exclude any potential government funding, upstream reinforcement and capital contributions from customers.⁵

⁴ <https://www.ontario.ca/laws/regulation/190024>

⁵ EB-2016-0137/0138/0139 - Procedural Order No. 8, August 22, 2017, pages 9-10

EPCOR included in its CIP the three key CIP criteria reported in Table 1 below. EPCOR must demonstrate that its leave to construct application and rates application⁶ are consistent with its CIP proposal.⁷

Table 1: EPCOR's Key CIP Criteria and Revenue Requirement

Metric	Value
Cumulative 10-Year Revenue Requirement per Unit of Volume	\$0.2209/m ³
Customer Years	42,569 Customer Years
Cumulative 10-Year Throughput Volume	342,186,741m ³
Cumulative 10-Year Revenue Requirement	\$75,583,261

EPCOR estimates the total capital cost of the Project to be \$87,089,000, which is one component of the cumulative revenue requirement included in its CIP.

EPCOR has identified 20 potential industrial/agricultural customers in the Southern Bruce Municipalities. Contractual discussions with industrial customers are expected to conclude prior to construction start.

At one point, EPCOR had proposed that the co-construction of a water pipeline and fibre optics network during the construction of the natural gas lines in the South Bruce Municipalities could result in synergies.

EPCOR has filed a concurrent rate application (EB-2018-0264) for its South Bruce Rate Zone.

Questions

- How does the \$22 million in government funding affect the cumulative 10-year revenue requirement calculated by EPCOR for its CIP?
- How will the \$22 million in government funding affect the rates that EPCOR intends to charge its customers?
- Please provide an update on contract discussions with the industrial customers.

⁶ EB-2018-0336

⁷ EB-2016-0137/0138/0139 - Decision and Order, April 12, 2018, page 11

- d) Please perform a DCF analysis and report a NPV for the Project based on the proposed rates and forecast customer attachments.
- e) Will some or all industrial customers be required to pay a capital contribution towards the Project?
- f) How do any capital contributions from industrial customers affect the revenue requirement calculated by EPCOR for its CIP?
- g) How do any capital contributions from industrial customers affect the rates that EPCOR intends to charge its other customers?
- h) Does EPCOR intend to install water pipeline and fibre optics network during the construction of the natural gas lines in the South Bruce Municipalities? If so, how do any capital efficiencies affect the revenue requirement calculated by EPCOR for its CIP?
- i) If EPCOR intends to install water pipeline and fibre optics during the construction of the natural gas lines, how do any capital efficiencies associated with water pipeline and fibre optics network affect the rates that EPCOR intends to charge its other customers?
- j) If EPCOR intends to install water pipeline and fibre optics during the construction of the natural gas lines, how will EPCOR ensure appropriate allocation of capital costs between water pipeline, fibre optic and natural gas works?

Interrogatory 8

Ref.: Exhibit A, Tab 5, Schedule 1, page 2
Exhibit A, Tab 6, Schedule 1, page 7
Exhibit A, Tab 7, Schedule 1, pages 1-7

Preamble

EPCOR estimates the capital cost of construction and materials to be approximately \$72,660,000 or about 83% of the \$87,089,000 total capital cost of the Project.

EPCOR will design and install a Supervisory Control and Data Acquisition (SCADA) system to continuously monitor and the distribution system and ensure reliability.

EPCOR included a 4.7% contingency in the capital cost of the Project.

EPCOR will solicit the services of a reputable construction company, AECON Utilities, to complete the construction and installation of the mainline.

Questions

OEB staff understands that these questions may be more related to the setting of rates, but to allow for a comprehensive record and allow staff to confirm that the CIP is indeed reflected in the LTC application:

- a) Please confirm whether the \$87,089,000 includes capital costs associated with the distribution systems in each of the South Bruce Municipalities (e.g., mains, service lines, meter sets).
- b) Please confirm that the \$87 million described in the CIP is the same amount that underpins the revenue requirement in the CIP. Please show all calculations supporting that the numbers are unchanged (e.g. show how the revenue requirement for each year for the next ten years adds up to the 10-year revenue requirement in the CIP).
- c) Did EPCOR complete a request for proposal or similar process in order to select AECON Utilities as its pipeline constructor? If not, please explain the process by which AECON Utilities was selected.
- d) Briefly explain any strategies EPCOR will employ to reduce the capital costs of materials.
- e) Are the capital costs of the SCADA system included in the capital costs of the Project? If not, please explain how EPCOR intends to recover the capital costs of the SCADA system?
- f) OEB staff observes that other gas utilities in Ontario typically include a contingency in their capital costs of 10% or more.⁸ Please briefly explain how

⁸ E.g., 10% in Union Gas Limited's 2015 Community Expansion, EB-2015-0179 and 10% in Enbridge Gas Distribution Inc.'s Fenelon Falls Community Expansion, EB-2017-0147.

EPCOR is able to use a contingency that is lower than that of other gas utilities in Ontario.

- g) Based on the experience of EPCOR's parent company and affiliates, please compare and contrast the total estimated capital cost per meter of the Project to at least three comparable projects completed within the last ten years for benchmarking purposes.

Interrogatory 9

Ref.: Exhibit A, Tab 7, Schedule 1, Table 2, page 6
Exhibit A, Tab 3, Schedule 4

Preamble

EPCOR provides the customer forecast from its CIP in Table 2 (below).

EPCOR also provided the survey results from its July 2017 survey on the likelihood of residential customers in the area converting to natural gas. The survey concluded that 58% of the residents "Definitely Would Convert" or "Would Likely Convert". EPCOR used a 60% target as the overall 10-year capture rate for residential customers.

Table 2 - CIP Customer Forecast

Customer Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Cumulative
Existing Residential	861	2,297	3,237	3,742	4,176	4,349	4,349	4,349	4,349	4,349	36,058
New Residential	46	103	159	215	271	328	384	424	462	469	2,861
<i>Sub Total</i>	907	2,400	3,396	3,957	4,447	4,677	4,733	4,773	4,811	4,818	38,919
Small Commercial	55	144	215	288	343	359	359	359	359	359	2,840
Medium Commercial	10	27	43	59	67	69	69	69	69	69	551
Large Commercial	3	7	13	16	17	19	19	19	19	19	151
<i>Sub Total</i>	68	178	271	363	427	447	447	447	447	447	3,542
Small Agricultural	0	0	0	1	2	2	2	2	2	2	13
Industrial and Large Agricultural	4	5	9	11	11	11	11	11	11	11	95
<i>Sub Total</i>	4	5	9	12	13	13	13	13	13	13	108
Grand Total	979	2,583	3,676	4,332	4,887	5,137	5,193	5,233	5,271	5,278	42,569

Questions

- a) Please confirm that the customer addition forecast that underpins the economics of the Project has not changed since that proposed in the CIP and reported in Table 3 above. If it is not, please identify and explain the reasons for any differences.
- b) Please explain why EPCOR used a 60% capture rate instead of 58%.
- c) What will EPCOR do if its customer connection forecast fails to materialize?
- d) How would EPCOR's ratepayers be affected after the rate stability period if the actual customer connections are materially less than forecast?
- e) Please confirm that the cost ratios provided to survey participants reflected the total delivered cost of the various fuel types compared to the total delivered cost of EPCOR providing natural gas.

Interrogatory 10

Ref.: Exhibit A, Tab 7, Schedule 1, Table 3, page 7
EB-2016-0137|-0138|-0139 EPCOR CIP Application, Schedule D, page 3
"Table D – Volumes"

Preamble

EPCOR provides a volumetric forecast in Table 3.

Table 3 - CIP Throughput Volumes (m ³)											
Customer Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Cumulative
Existing Residential	925,145	3,393,271	5,946,283	7,498,936	8,507,891	9,160,113	9,346,001	9,346,001	9,346,001	9,346,001	72,815,642
New Residential	47,518	153,917	270,646	386,342	502,038	618,767	735,496	834,664	915,238	961,723	5,426,349
<i>Sub Total</i>	972,663	3,547,188	6,216,929	7,885,278	9,009,929	9,778,880	10,081,497	10,180,665	10,261,239	10,307,724	78,241,991
Small Commercial	129,058	466,954	847,394	1,180,290	1,480,642	1,647,243	1,684,787	1,684,787	1,684,787	1,684,787	12,485,727
Medium Commercial	134,665	498,261	942,655	1,373,583	1,696,779	1,831,444	1,858,377	1,858,377	1,858,377	1,858,377	13,910,895
Large Commercial	113,528	378,425	756,850	1,097,433	1,248,803	1,362,330	1,438,015	1,438,015	1,438,015	1,438,015	10,709,428
<i>Sub Total</i>	377,250	1,343,639	2,541,899	3,651,305	4,426,223	4,841,017	4,981,179	4,981,179	4,981,179	4,981,179	37,106,049
Small Agricultural	0	0	0	2,360	7,080	9,440	9,440	9,440	9,440	9,440	56,640
Industrial and Large Agricultural	4,063,779	23,760,251	24,187,482	24,798,991	24,985,073	24,985,073	25,028,741	25,002,523	24,985,073	24,985,073	226,782,062
<i>Sub Total</i>	4,063,779	23,760,251	24,187,482	24,801,351	24,992,153	24,994,513	25,038,181	25,011,963	24,994,513	24,994,513	226,838,702
Grand Total	5,413,691	28,651,078	32,946,310	36,337,933	38,428,305	39,614,410	40,100,857	40,173,807	40,236,931	40,283,416	342,186,741

EPCOR provided the following volumetric forecast in its CIP Application:

Table D3 - Volumes

Customer Type	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total Available Market
Existing Residential (m ³)	925,145	3,393,271	5,946,283	7,496,936	8,507,891	9,160,113	9,346,001	9,346,001	9,346,001	9,346,001	15,580,250
New Residential (m ³)	47,518	153,917	270,646	386,342	502,038	618,767	735,496	834,664	915,238	961,723	1,613,546
<i>Sub Total</i>	972,663	3,547,188	6,216,929	7,885,278	9,009,929	9,778,880	10,081,497	10,180,665	10,261,239	10,307,724	17,193,796
Small Commercial (m ³)	129,058	466,954	842,394	1,180,290	1,480,642	1,647,243	1,684,787	1,684,787	1,684,787	1,684,787	2,599,077
Medium Commercial (m ³)	134,665	498,261	942,655	1,373,583	1,696,779	1,831,444	1,858,377	1,858,377	1,858,377	1,858,377	2,869,550
Large Commercial (m ³)	113,528	378,425	756,850	1,097,433	1,248,803	1,362,330	1,438,015	1,438,015	1,438,015	1,438,015	2,091,631
<i>Sub Total</i>	377,250	1,343,639	2,541,899	3,651,305	4,426,223	4,841,017	4,981,179	4,981,179	4,981,179	4,981,179	7,560,257
Small Agricultural (m ³)	-	-	-	2,360	7,080	9,440	9,440	9,440	9,440	9,440	33,040
Industrial and Large Agricultural (m ³)	5,626,889	33,095,244	33,548,693	34,177,652	34,363,734	34,363,734	34,363,734	34,363,734	34,363,734	34,363,734	34,942,066
<i>Sub Total</i>	5,626,889	33,095,244	33,548,693	34,180,012	34,370,814	34,373,174	34,373,174	34,373,174	34,373,174	34,373,174	34,975,106
Grand Total	6,976,802	37,986,071	42,307,521	45,716,594	47,806,966	48,993,071	49,435,850	49,535,018	49,615,592	49,662,077	59,729,159

Questions

Please explain why the volumetric forecast for Industrial and Large Agricultural customers in the LTC application is different from that of the CIP. Please discuss the impact this difference has on the three key CIP criteria.

Interrogatory 11

Ref.: Exhibit A, Tab 7, Schedule 1, page 3

Preamble

The OEB's Partial Decision on the Issues List in the CIP Proceeding stated that during the rate stability period the proponent's revenue related to its controllable costs will be capped at its proposed level; the rate stability period may include an allowance for consideration of externally driven, unforeseen events as well as annual financial allowance updates typically allowed by the OEB.⁹

Questions

- To date, has EPCOR identified any externally driven, unforeseen events associated with its leave to construct application for which it may seek to pass through costs to its consumers within the rate stability period? If so, please list and briefly describe the events and for each include an estimate of costs, if possible.

⁹ EB-2016-0137/0138/0139: Partial Decision on the Issues List and PO No.6, June 27, 2017; pg. 4

- b) If events were identified in part a), please describe the potential monthly residential bill impact that could arise from the total cost of all events.

Interrogatory 12

Ref.: Exhibit A, Tab 7, Schedule 1, page 5

Preamble

EPCOR intends to share certain staff between its Aylmer and South Bruce operations facilities, the costs will be determined on a fully allocated basis, consistent with the OEB's requirements in Procedural Order 8 of the CIP process.

Question

Please provide a list of the job titles of Aylmer staff who may provide services to the South Bruce operations. For each job title, please include a brief description of the services that may be provided.

Interrogatory 13

Ref.: Exhibit A, Tab 8, Schedule 1, page 1

Preamble

EPCOR will enter into an Interconnect Operating agreement with Enbridge Gas; such interconnection point will be known as Dornoch. Enbridge Gas will be the sole upstream supplier to EPCOR. EPCOR and Enbridge Gas will enter into a firm upstream Transportation Agreement approved by the OEB. The agreements between EPCOR and Enbridge Gas will ensure the 10-year capacity needs of EPCOR's Southern Bruce system and is consistent with the 10-year capacity projection in the CIP.

Questions

- a) Will EPCOR be required to pay Enbridge Gas a capital contribution toward any facilities Enbridge Gas will need to construct in order to supply gas to EPCOR? If so, what is the amount of the capital contribution?

- b) Does EPCOR foresee any expansion opportunities beyond year 10 at this point? If so, does EPCOR foresee any issues obtaining additional gas supply from Enbridge Gas (or other sources) to facilitate that expansion?

Interrogatory 14

Ref: Exhibit A, Tab 11

Preamble

The Ministry of Energy, Northern Development and Mines (MENDM)¹⁰ has delegated to EPCOR the procedural aspects of the Crown's duty to consult for this project.

Question

Please provide an update on communications with MENDM regarding the sufficiency of EPCOR's activities with respect to the duty to consult. When does EPCOR expect to receive and file on the OEB's record a letter from the MENDM regarding the sufficiency of its Indigenous consultation?

Interrogatory 15

Ref.: Environmental Report, Appendix E - Archeological Assessment, Figure 5 – "Results Overview – Stage 1 Property Inspection Results"

Preamble

Figure 5 contains "draft" in the title block.

Question

Please confirm whether this is in fact the final version of Figure 5. If not, please file the final version of Figure 5 with a written description of the differences between the draft and final versions.

Interrogatory 16

Ref.: Environmental Report, Appendix A, Figure A-2¹¹

¹⁰ Formerly the Ministry of Energy (MOE)

¹¹ <https://www.epcor.com/products-services/infrastructure/Pages/southern-bruce-infrastructure.aspx>

Preamble

Figure A-2 appears to show that the distribution systems within the Southern Bruce Municipalities was included within the study area of the Environmental Report.

Question

Please confirm that the distribution systems within the Southern Bruce Municipalities was included within the study area of the Environmental Report.

Interrogatory 17

Ref.: Exhibit A, Tab 9, Schedule 1, page 1
Exhibit A, Tab 9, Schedule 4, pages 2-3

Preamble

EPCOR provided a copy of the Environmental Report to each member of the Ontario Pipeline Coordinating Committee (OPCC) on July 18, 2018. EPCOR received comments from and sent replies to each the Ministry of the Environment, Conservation and Parks (MECP), Ministry of Natural Resources and Forestry (MNRF) and the Technical Standards and Safety Authority (TSSA).

Questions

- a) Has confirmation been received from the MECP that EPCOR's responses regarding landfills are acceptable? Are there any outstanding issues regarding the MECP and landfills?
- b) Has confirmation been received from the MNRF that EPCOR's responses regarding species at risk, aquatic life, etc., are acceptable? Are there any outstanding issues regarding the MNRF and species at risk, aquatic life, etc.?
- c) Has confirmation been received from the TSSA that EPCOR's responses regarding the technical specifications of the pipeline are acceptable? Are there any outstanding issues regarding the TSSA and the technical specifications of the pipeline?

- d) Please file an update on the comments (in tabular format) that EPCOR has received as part of the OPCC review since the time the Application was filed. Include the dates of communication, the issues and concerns identified by the parties, as well as EPCOR's responses and actions to address these issues and concerns.

Interrogatory 18

Ref.: Exhibit A, Tab 9, Schedule 1, page 2

Preamble

EPCOR will develop an Environmental Protection Plan (EPP) which will include the mitigation measures identified in the Environmental Report including future revisions. The EPP will provide site specific mitigation programs to be implemented during the construction of the Project.

Question

Please provide an update on the EPP including the date by which it is anticipated to be fully completed. If a draft or the final plan is now available, please file the draft into evidence.

Interrogatory 19

Ref.: Exhibit A, Tab 9, Schedule 1, page 4

Preamble

EPCOR's public engagement process was initiated in October 2015. Consultation and correspondence to date can be found in the Environmental Report. Correspondence, meetings and input from interested and affected parties after the date the application was filed will continue to be tracked and considered as consultation is ongoing.

Question

Please provide an update on correspondence, meetings and input associated with the ongoing public engagement process.

Interrogatory 20

Ref.: Exhibit A, Tab 10, Schedule 1, pages 2

Preamble

The Stage 1 Archaeological Assessment determined that portions of the study area meet the criteria for archaeological potential and require further Stage 2 Archaeological Assessment. It is anticipated that the Stage 2 Archaeological Assessment will be limited to only the areas subject to potential construction disturbance, and the specific areas where a Stage 2 Archaeological Assessment is required will be determined once detailed engineering is completed. It is the intent of EPCOR to stay within the previously disturbed road allowance.

Question

Please provide an update on the Stage 2 Archaeological Assessment including any preliminary findings and the date by which it is anticipated to be fully completed.

Interrogatory 21

Ref.: Exhibit A, Tab 1, Schedule 2, pages 2 to 6
Exhibit A, Tab 6, Schedule 1, page 1

Preamble

EPCOR applied for an order pursuant to section 90 of the OEB Act granting it leave to construct natural gas pipeline facilities in the Southern Bruce Municipalities. The OEB Act permits the OEB, when making an order, to “impose such conditions as it considers proper.”¹²

Question

- a) OEB staff has prepared the following draft Conditions of Approval. If EPCOR 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. For conditions in respect of which EPCOR would like to recommend changes, please provide the proposed changes and an explanation of the changes.

¹² OEB Act, s. 23

- b) The application requests a decision from the OEB by May 2019 and anticipates that the project will be completed by November 2021 or approximately 2.5 years later. In addition to the following draft Conditions of Approval, is EPCOR opposed to a condition that requires it to file a project update report with the OEB if the Project is not complete within three years of the date leave of the OEB is granted for the Project? The update report would be required to identify the lengths and locations of pipelines (including stations) constructed to date as well as those pipelines (including stations) that have yet to be constructed. The report would be required to provide a schedule for the completion of the outstanding works including the in-service dates of these works. The report would be required to provide an update on Project actual costs to date versus budget and include a revised total Project cost, if applicable. The OEB would use the report to conduct a review of the status of the Project and its LTC approval.

**EPCOR NATURAL GAS LIMITED PARTNERSHIP
APPLICATION FOR LEAVE TO CONSTRUCT FACILITIES IN SOUTH BRUCE
EB-2018-0263**

DRAFT CONDITIONS OF APPROVAL

1. EPCOR Natural Gas Limited Partnership (EPCOR) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2019-0263 and these Conditions of Approval.
2. a) Authorization for leave to construct shall terminate 18 months after the decision is issued, unless construction has commenced prior to that date.

b) EPCOR 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. EPCOR 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. EPCOR shall advise the OEB of any proposed material change in the project, including but not limited to changes in: OEB-approved construction or restoration procedures, the proposed route, construction schedule and cost, the necessary environmental assessment approvals, and all other approvals, permits, licences, certificates and rights required to construct the proposed facilities. Except in an emergency, EPCOR 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. Concurrent with the final monitoring report referred to in Condition 6(b), EPCOR shall file a Post Construction Financial Report, which shall provide a variance analysis of project cost, schedule and scope compared to the estimates filed in this proceeding, including the extent to which the project contingency was utilized. EPCOR shall also file

a copy of the Post Construction Financial Report in the proceeding where the actual capital costs of the project are proposed to be included in rate base or any proceeding where EPCOR proposes to start collecting revenues associated with the project, whichever is earlier.

6. Both during and after construction, EPCOR 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 EPCOR's 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 EPCOR, 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, licences, 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 EPCOR's 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 EPCOR, 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.
- 7. EPCOR shall designate one of its employees as project manager who will be responsible for the fulfillment of these conditions, and shall provide the employee's name and contact information to the OEB and to all the appropriate landowners as well clearly posted on the construction site.
- 8. The OEB's designated representative for the purpose of these Conditions of Approval shall be the OEB's Manager of Supply and Infrastructure.