

**ENBRIDGE GAS INC.
ST. LAURENT PIPELINE PROJECT
LEAVE TO CONSTRUCT
EB-2019-0006**

OEB STAFF INTERROGATORIES

1. **Ref:** Application, Exhibit D, Tab 2, Schedule 1: Estimated Project Cost, page 1, paragraphs 1 and 3

Preamble:

The estimated project cost is \$4.2 million in direct capital costs and \$1.3 in indirect overhead costs. Enbridge Gas stated that the total project cost is estimated to be \$ 5.5 million and that indirect overhead costs have been included pursuant to Enbridge Gas' capitalization policy.

Questions:

- a) Please summarize Enbridge Gas' capitalization policy and explain the rationale for this approach.
- b) Are the cost components that are included in the cost estimate of the project in this application expected to be the same as that would be included in any possible ICM funding request for this project? If not, please identify the cost components that have been excluded in this application and provide a rationale for their exclusion.
2. **Ref:** Application, Exhibit D, Tab 2, Schedule 1: Estimated Project Cost, page 1, paragraph 2

Preamble:

Enbridge Gas' direct capital cost estimates for the project include a 25% contingency, with the exception of a 10% contingency applied to Consultant Costs. Enbridge explains that the lower contingency for Consultant Costs is because most of this work has been completed.

Questions:

- a) Please provide contingency percentages for similar pipeline projects

- approved by the OEB. Include pipeline projects by Enbridge Gas Inc. or its predecessor companies. The information should include the proponent, need, location, year of OEB approval, year of construction, length, pipeline diameter and total estimated costs, contingency percentage and actual capital costs, if the project is completed.
- b) Please explain the rationale, including specific risks related to increases in capital costs that warrant a 25% contingency, for Enbridge's forecast of the St. Laurent Project's direct capital costs.
- 3. Ref:** Application, Exhibit B, Tab 1, Schedule 1, paragraph 5, page 2; paragraph 14. Page 5 and Application, Exhibit F, Tab 1, Schedule 1, Attachment 1, page 3: Project Activities

Preamble:

The proposed replacement pipeline is part of the multiple phase replacement of a 13 km steel distribution NPS 12 pipeline in the City of Ottawa referred to as St. Laurent Project. The St. Laurent Project is identified in Enbridge Gas Utility System Plan¹. The in-service date for the St. Laurent Project is 2022.

Enbridge Gas indicated that construction of the segment subject to this application must start in August 2019 and requested that the OEB issue a decision by August 2019.

Enbridge Gas stated that the existing pipeline "...that will be decommissioned will be abandoned in accordance with Enbridge's Construction maintenance manual". Enbridge Gas also stated that the 1.7 km segment of the pipeline being replaced "...will not be abandoned until 2022 when the NPS 12 St. Laurent pipeline will be replaced in its entirety".

Questions:

- a) For the entire St. Laurent Project please provide a complete construction schedule by phase and segment, including segments abandoning, construction completion and in-service date.
- b) Please discuss the impacts on Enbridge Gas construction schedule and the overall St. Laurent Project in-service date in the event that the OEB's decision is not issued by August 2019.
- c) Please explain the reasons for not abandoning the segment that will be replaced until 2022.

¹ EB-2018-0305, Ex C1/T1/S1 and Ex C1/T2/S1

- d) Please confirm that Enbridge Gas' service to its customers currently served by 13 km St. Laurent pipeline will not be interrupted and explain how will the service be provided during decommissioning of the St. Laurent pipeline segments.
- e) What are the regulatory requirements that Enbridge Gas will have to follow for decommissioning and abandonment of the existing pipeline? Please confirm that the abandonment of the existing pipeline will be in accordance with the current regulatory requirements in terms of procedure and safety.
- f) Please describe the measures that will have to be taken by Enbridge Gas to complete decommissioning works during the 3 year road works moratorium imposed by the City of Ottawa?

4. **Ref:** Application, Exhibit C, Tab 1, Schedule 3: Environmental Report, paragraphs 5 and 6, pages 1-2

Preamble:

Copies of the Environmental Report were submitted to the Ontario Pipeline Coordination Committee (OPCC) for review and comment on April 11, 2019. On May 6, 2019, Enbridge Gas received a comment from the Ministry of Natural Resources and Forestry (MNRF) indicating it had no concerns with the St. Laurent Project.

Question:

Please file all comments (in the tabular format) that Enbridge Gas has received as part of the OPCC review since May 6, 2019. Include the dates of communication, the issues and concerns identified by the parties, as well as Enbridge Gas' responses and actions to address these issues and concerns.

5. **Ref:** Application, Exhibit F, Indigenous Consultation, Tab 1, Schedule 1, pages 1-3; and Attachment 2: Delegation Letter, dated March 4, 2019

Preamble:

Enbridge Gas stated that it filed its Indigenous Consultation Report (ICR) with the Ministry of Energy, Northern Development and Mines (MENDM) on May 15, 2019. Two Indigenous communities – Algonquins of Ontario and Mohawks of Akwesasne – were identified by the MENDM to be consulted by Enbridge Gas on behalf of the Crown in its delegation letter to Enbridge Gas, dated March 4, 2019.

According to Enbridge Gas, it will file with the OEB the MENDM's Sufficiency Letter, as soon as it receives it from the MENDM.

Enbridge Gas committed to offer opportunities to Algonquins of Ontario and Mohawks of Akwesasne to participate in the Stage 2 Archeological Assessment and use the information gathered from these Indigenous communities in its environmental assessment.

Questions:

- a) Please file any additional documentation received from the MENDM, specifically a Sufficiency Letter from the MENDM, if it has been received.
- b) Please describe any concerns or issues that the MENDM has identified since filing of the ICR that may delay issuance of the Sufficiency Letter.
- c) If the Sufficiency Letter has not been received please provide the expected date of issuance of the MENDM Sufficiency Letter to Enbridge Gas.
- d) What are the outstanding issues and concerns identified by the Indigenous communities in the process of Indigenous consultation?
- e) What is the planned approach that Enbridge Gas will take to resolve and address any outstanding issues or concerns raised in the process of Indigenous consultation to date?
- f) What is the status of completion of Stage 2 Archeological Assessment? If it has not been completed what is the planned start and completion date?

6. Ref: Application, Exhibit A: General

Preamble:

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

Question:

OEB staff has prepared the following draft Conditions of Approval. If Enbridge Gas does not agree to any of the draft conditions of approval noted below, please identify the specific conditions that Enbridge Gas disagrees with and explain why. For conditions in respect of which Enbridge Gas would like to recommend changes, please provide the proposed changes.

Draft
Leave to Construct Conditions of Approval
Application under Section 90 of the OEB Act
Enbridge Gas Inc.
EB-2019-0006

1. Enbridge Gas Inc. (Enbridge Gas) shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2019-0006 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) Enbridge Gas 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 Gas shall implement all the recommendations of the Environmental Protection Plan and Environmental Report filed in the EB-2019-0006, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
4. Enbridge Gas shall advise the OEB of any proposed 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 assessments and approvals, and all other approvals, permits, licences, certificates and rights required to construct the proposed facilities. Except in an emergency, Enbridge Gas 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), Enbridge Gas 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. Enbridge Gas 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 Enbridge Gas proposes to start collecting revenues associated with the project, whichever is earlier.

6. Both during and after construction, Enbridge Gas 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, Enbridge Gas' 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 Gas, 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
 - 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 certification, by a senior executive of the company, Enbridge Gas' adherence to Condition 3
 - ii. Describe the condition of any rehabilitated land
 - iii. Describe the effectiveness of any such 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

- v. Include a log of all complaints received by Enbridge Gas, 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. Enbridge Gas 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, and shall clearly post the project manager's contact information in a prominent place at the construction site.

The OEB's designated representative for the purpose of these Conditions of Approval shall be the OEB's Manager of Supply and Infrastructure (or the Manager of any OEB successor department that oversees leave to construct applications).