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Our File # 339583-000270

By electronic filing

March 27, 2020

Christine E. Long
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2701
Toronto, ON M4P 1E4

Dear Ms. Long

Re: Enbridge Gas Inc. ("EGI")
2021 Dawn Parkway Expansion Project
Board File #: EB-2019-0159

Please find attached the Interrogatories for EGI submitted on behalf of Canadian Manufacturers & Exporters ("CME") in the above-noted proceeding.

Yours very truly

Scott Pollock

enclosure
c. Adam Stiers and Guri Pannu (EGI)
Charles Keizer (Torys LLP)
Intervenors EB-2019-0159
Alex Greco (CME)

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ONTARIO ENERGY BOARD

Enbridge Gas Inc.

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15, Schedule B, and in particular, sections 90 (1) and 97 thereof;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order or Orders granting leave to construct natural gas pipelines and ancillary facilities in the City of Hamilton;

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order or Orders approving the proposed form of Pipeline Easement and form of Temporary Land Use Agreement.

INTERROGATORIES OF CANADIAN MANUFACTURERS & EXPORTERS ("CME") TO ENBRIDGE GAS INC. ("EGI")

CME # 1

Ref: Exhibit A, Tab 3, page 7 of 9

At Exhibit A, page 5 of 6, EGI states that "As set out at Exhibit A, Tab 11, as of the date of this filing, Enbridge Gas has acquired approximately 75% of the land rights required for permanent easement associated with the Project and has not identified any strong opposition to the Project."

(a) Please define what sorts of opposition would qualify as "strong opposition".

(b) Has EGI encountered other opposition that was not "strong"?

(c) If the answer to b) is yes, please describe the nature of the opposition, and whether it is still outstanding or has been addressed by EGI.

CME # 2

Ref: Exhibit A, Tab 5, Attachment 1

On page 9 of 43 as well as elsewhere in its report, ICF stated that it projects production out of the Marcellus and Utica shale plays to grow from now until 2040.

Also on page 9 of 43 as well as elsewhere in its report, ICF stated that it projects increasing demand for natural gas in eastern Canada and the northeastern United States.

Since the report was published, a number of commentators have projected declines in the U.S. shale market as the result of current events.[1] Additionally, commentators have also found that natural gas use has decreased in areas impacted by Covid-19.[2]

Although CME appreciates that the situation is rapidly evolving, with respect to ICF's report:

(a) Please describe the impact of the following phenomena on ICF's report and its conclusions:

  (i) The declining price of oil; and

  (ii) The spread of Covid-19.

  In the answer, please provide, *inter alia*, the impact of those events on projected supply and demand for natural gas in EGI's service territory.

(b) Does ICF still believe that the forecasts and conclusions outlined in the report are still valid given recent developments?

CME # 3

Ref: Exhibit A, Tab 6, page 18 of 20

On page 18 of 20, EGI stated: "Enbridge Gas has contracted significant Dawn Parkway System firm transportation capacity with shippers effective 2015 through 2021 and based on current market inquiries, expects that there will be incremental in-franchise and ex-franchise demand for Dawn Parkway System capacity in the future, possibly as early as 2022/2023."

(a) Does EGI believe that there will still be incremental in-franchise and ex-franchise demand for Dawn Parkway system capacity given the spread of Covid-19 and the impact of oil prices on shale production?

(b) If the answer to (a) is yes, please describe why.

(c) If the answer to (a) is no, please describe how this change in expected demand for the Dawn Parkway System impacts EGI's current application.

CME # 4

Ref: Exhibit A, Tab 7, page 18 of 28

On page 18 of 28, EGI stated: "The Stage 2 NPV of energy cost savings are estimated to be in the range of approximately $3.4 billion over a period of 20 years to $5.1 billion over 40 years.

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1 For instance, see: *US shale bust wrecks hopes for energy independence*, Financial Times, March 25, 2020, Available online: https://www.ft.com/content/32ce6962-6e15-11ea-89df-41bea055720b [accessed March 26, 2020]; *U.S. Shale Drillers Could be Casualties of Oil-Price War*, The Wall Street Journal, March 9, 2020, Available online: https://www.wsj.com/articles/u-s-shale-drillers-could-be-casualties-of-oil-price-war-11583769768 [accessed March 26, 2020].

2 For instance, please see *Asia braces for more energy demand destruction as nations lock down cities*, S&P Global Platts, March 23, 2020, Available online: https://www.spglobal.com/platts/en/market-insights/latest-news/natural-gas/032320-asia-braces-for-more-energy-demand-destruction-as-nations-lock-down-cities

A range is provided as the outcome can vary depending upon the assumptions for alternative fuel mix, energy use, fuel prices, and term. The results and assumptions associated with this analysis can be found at Exhibit A, Tab 8, Schedule 5."

(a) Does EGI's view, do recent events with respect to Covid-19 or the decline in oil prices impact the analysis or assumptions used in the Stage 2 NPV analysis?

(b) If the answer to (a) is no, please explain why not.

(c) If the answer to (a) is yes, please explain the impacts on the analysis, and any impacts these changes have on EGI's application.

CME # 5

Ref: Exhibit A, Tab 8, page 4 of 9

On page 18 of 28, EGI stated: "To determine whether non-facility alternatives are feasible in comparison to the proposed Project, Enbridge Gas evaluated a number of alternatives and assessed them against the following criteria:

- Must be economically viable with price certainty and not cost prohibitive."

(a) Does EGI have a threshold or methodology for determining what level of cost is "prohibitive" when reviewing non facility alternatives are feasible?

(b) If the answer to (a) is yes, please describe EGI's threshold or methodology, and why it was chosen.

CME # 6

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

On page 1, EGI provided the total estimated pipeline and station costs. These costs include indirect overhead costs.

In EB-2018-0305, parties came to understand that the categories of costs associated with leave to construct applications were not always the same as categories of costs brought forward by EGI as part of incremental capital module ("ICM") applications as the result of the inclusion of indirect overheads.

(a) Please confirm whether the categories of costs outlined on page 1 are the same categories of costs that will be brought forward as part of any eventual ICM application regarding this project.

(b) If (a) is not confirmed, please provide the total cost inclusive of all cost categories that EGI brings forward for recovery in ICM applications.