

Interrogatories of Environmental Defence

EB-2020-0160 – Enbridge Gas Windsor Pipeline s. 101 Application

Interrogatory #1

Reference: Exhibit B, Tab 1, Schedule 4, Page 2

Preamble: “The estimated cost for the scope of work to remove the NPS 10 steel requested by the County of Essex rather than to abandon the existing NPS 10 is ... \$5,875,000”

Questions:

- (a) Please provide a table detailing the difference in the cost of leaving the abandoned pipe in place as approved in EB-2019-0172 versus the cost of removal as calculated in Enbridge’s s. 101 Application. Please itemize the costs for each option and the difference between the totals for each.
- (b) For comparative purposes, please complete the following table comparing the costs and project details in the ten most recent pipeline removal project in Canada that Enbridge has been involved in:

Project name	Cost	Length of pipe	Cost per km	Size of pipe	Reason for removal	Project start and end date
Windsor Pipeline						
Comparator 1						
Comparator 2						
...						
Comparator n						

- (c) If Enbridge believes the above table does not include the most appropriate comparators, please complete the table again with the projects that Enbridge believes are the most appropriate comparators.
- (d) On a best efforts basis, please provide (i) an estimate of the cost per km to abandon a pipeline in place on average and (ii) an estimate of the cost per km to remove a pipeline on average. If an average is imprecise, please provide a range of reasonable figures for each. Please provide Enbridge’s underlying calculations and assumptions.
- (e) How much abandonment funding would be required to be set aside for the Windsor pipeline according to the formula used by the Canadian Energy Regulator for pipeline abandonment? Is this amount based on the assumption of remove or leaving the pipe in place or otherwise?

Interrogatory #2

Reference: Exhibit B, Tab 1, Schedule 1, Pages 8 to 15

Questions:

- (a) If Enbridge abandons the pipeline in place, who would be responsible for removing the pipeline in the future if the space is needed for other utilities?
- (b) If Enbridge abandons the pipeline in place, who would be responsible for removing the pipeline in the future if the space is needed for other utilities if Enbridge has gone bankrupt?
- (c) Does Enbridge reserve funds for abandonment costs in a way that ensures ratepayers are protected in the event of Enbridge going bankrupt? Please explain.
- (d) Please provide excerpts of all portions of the relevant franchise and road user agreements relating to pipeline abandonment and removal.
- (e) Is Enbridge required in its franchise agreement or road user agreement to remove this pipeline if required by Essex?
- (f) Please describe in detail how the Canadian Energy Regulator regulates pipeline abandonment, including the criteria used to determine when a pipeline should be removed versus left in place, the methodology used to estimate the costs that should be set aside, and whether the costs that must be set aside are based on removal or abandonment in place. Please cite and file all relevant Canadian Energy Regulator documentation relation to this topic.
- (g) Please compare the responses to (f) to how abandonment is regulated by the OEB. Please discuss and explain the differences.
- (h) Essex asserts that: “Enbridge proceeded to commence construction of the new pipeline without obtaining the prior approvals, permits, licences and certificates from the County to construct the pipeline within its jurisdiction. (Essex Evidence, Tab 1, p. 3)” Is that true? If not, please explain.

Interrogatory #3

Reference: Exhibit B, Tab 1, Schedule 1, Pages 8 to 15; Essex Evidence, Tab 5, p. 19.

Preamble:

The TAC Guidelines for Underground Utility Installations Crossing Highway Rights-of-Way state:

“The utility should notify the road authority in writing of the intention to abandon its facilities in place. Such abandoned facilities within the right-of-way should remain the responsibility of the utility. The road authority may give reasonable notice to require the removal of abandoned utility facilities and restoration of the right-of-way, or the filling of any such facilities by an approved method, when necessary to avoid interference with the operation, maintenance or reconstruction of the highway. Any facilities that the utility requests to abandon that contain hazardous materials should not be permitted to remain in the right-of-way and should be removed at the utility’s expense. Any utility facilities that are proposed to be abandoned and removed by the utility should be disposed of consistent with industry standards and provincial and local laws.”

Questions:

- (a) Does Enbridge agree with the above TAC Guideline? If not, why not?
- (b) If Enbridge leaves the pipeline in place, would it remain the responsibility of the utility?

Interrogatory #4

Reference: Exhibit B, Tab 1, Schedule 4, Page 2

Preamble: In EB-2019-0188, Exhibit I.ED.4, Enbridge said:

A provision for future abandonment costs is included in OEB approved gas distribution rates and is collected in the asset depreciation rate. Future abandonment costs charged to earnings through the depreciation expense are recorded as a liability on the Enbridge Gas financial statements and are collected from all ratepayers. Depending on the circumstances, the costs could be charged to ratepayers in different manners, such as through higher net salvage rates included within depreciation rates and provisions included within rates, for a period of time leading up to and or after the abandonment. While less likely, it is also possible that the pipe retirement and abandonment could be treated as an extraordinary retirement, and a loss could be included within rates.

Questions:

- (a) How does Enbridge propose to recover the costs for removing the pipeline if it is required to do so?
- (b) Please describe generally how pipeline abandonment is paid for in Ontario, including those that are removed and those that are left in place.
- (c) How much funding, if any, has been set aside or earmarked for the abandonment of this pipeline?
- (d) Enbridge said that “abandonment costs [are] included in OEB approved gas distribution rates and [are] collected in the asset depreciation rate.” Please indicate the amount collected in relation to the NPS 10 pipeline at issue.
- (e) Enbridge said that “abandonment costs [are] included in OEB approved gas distribution rates and [are] collected in the asset depreciation rate.” Please indicate the amount collected in relation to all Ontario pipelines to date. Please discuss whether this could or should be used to pay for the removal of this pipeline if said removal is required.
- (f) Please explain and elaborate on the paragraph included in the preamble.
- (g) How much abandonment funding would have been required to be set aside for the NPS 10 pipeline according to the formula used by the Canadian Energy Regulator for pipeline abandonment?

Interrogatory #5

Reference: Exhibit B, Tab 1, Schedule 1, Pages 14 and 15, paragraph 61

Preamble: “The critique by Haddad, Essex County’s third party reviewer, is erroneously relying on a transmission pipeline standard for depth and not the distribution pipeline standard;”

Question:

- (a) Why are the standards for depth different for transmission versus distribution pipelines from an engineering perspective?
- (b) Why are the standards for depth different for transmission versus distribution pipelines from a legal/policy perspective?
- (c) Is the pipeline in question part of the Dawn-Parkway system?
- (d) Please provide a map situating the pipeline in Ontario’s overall gas pipeline network.
- (e) The map at Exhibit B, Tab 1, Schedule 1, Attachment 1, describes the stations along this pipe as “transmission stations.” Why are these called “transmission” stations if the pipeline is not a “transmission” pipeline.
- (f) To shed light on the transmission/distribution distinction, please provide a map of all of Enbridge’s pipelines in Ontario that distinguishes between those that are transmission pipelines and those that are distribution pipelines (e.g. with two different colours).