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November 10, 2020

Delivered by Email & RESS

Ms. Christine Long, Registrar
Ontario Energy Board
P.O.Box 2319, 27th Floor
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: Enbridge Gas Inc. (“Enbridge Gas”) Leave to Construct - London Line Replacement Project
Interrogatories of the Association of Power Producers of Ontario (“APPrO”) Board File No. EB-2020-0192**

In accordance with Procedural Order No. 1 dated October 29, 2020, please find attached APPrO’s Interrogatories in the above noted proceeding.

Yours very truly,

BORDEN LADNER GERVAIS LLP

Per:

A handwritten signature in black ink, appearing to read 'Flora Ho', is written over a light grey horizontal line.

Flora Ho

cc: David Butters, APPrO
All Parties to EB-2020-0192

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by Enbridge Gas Inc. for an Order granting leave to construct natural gas pipelines and ancillary facilities in County of Lambton, the Township of Dawn-Euphemia, Middlesex County, the Municipality of Southwest Middlesex, the Municipality of Strathroy-Caradoc and the Municipality of Middlesex Centre.

EB-2020-0192

Interrogatories

To

Enbridge Gas Inc. (Enbridge)

From

The Association of Power Producers of Ontario (APPrO)

November 10, 2020

Exhibit A

A-APPrO-1

Reference: Exhibit A, Tab 2, Schedule 2, Page 1 of 1 - Map

Preamble: None

Question:

- a) Are any customers serviced directly by the segment of “Existing London Lines” as shown in the map cited at the reference above between Dawn Compressor Station and Komoka Transmission Station? If yes, how many customers for each rate class are serviced directly by that segment of “Existing London Lines”?
- b) How many customers are serviced by the London Lines downstream from the Komoka Transmission Station?

Exhibit B

B-APPrO-2

Reference: Exhibit B Tab 1 Schedule 1 Page 6 of 20

Preamble:

“The London Lines between 2013 and 2019 had a leak rate of 0.43 leaks/km/year, which is over 10 times greater than the available average leak rate for the steel main population.”

Question:

- a) We understand the London Lines consist of approximately 75km of nominal pipe size 8 and 10 inch steel natural gas main. Please provide a chart for the “steel main population” cited above for each year from 2013 to 2019, that breaks out the steel main population by each NPS (e.g. 8 inch vs 10 inch vs other diameters) as a separate row and for each row shows a column that identifies the total kilometres of steel pipe at that NPS in the Enbridge Gas Inc. system and another column that show the average leak rate (leaks/km/year) for all of steel pipes at that NPS.
- b) Please provide a table showing the average leak rate (leaks/km/year) for the London Lines for each of 2013 to 2019.
- c) For the years 2013 to 2019 what actions has Enbridge taken in each year to address the leaks along the London Lines? What actions has Enbridge taken to avoid further leaks in subsequent years?
- d) Please confirm that an average leak rate of 0.43 leaks/km/year for a 75km segment of line means that Enbridge encounters an average of 32.25 leaks per year along the London Lines (e.g. 75km x 0.43 leaks/km/year).

B-APPrO-3

Reference: Exhibit B, Tab 1, Schedule 1, Page 13 of 20

Preamble:

“Leak repairs are becoming more difficult due to the degradation of the pipe. For example, a Class A Leak repair in 2019 found that a first stage cut broke away from the main due to corrosion and weight of the soil as excavation was proceeding to expose the leak. Further complications arose in trying to find an adequate location to install a stopper fitting to perform the repair, as there were numerous corrosion pits preventing welding of the stopper fitting. In 2020, the Company was attempting to abandon a service when it discovered visible external corrosion pitting. Non-destructive testing analysis by a third party showed 40% wall loss.”

Questions:

- a) Please provide a table showing the number leaks for each Class per year on the London Lines with Class A, Class B and Class C as each row and the years 2013 to 2019 as columns.
- b) We believe the OEB would benefit from a comparison of the number and severity of leaks found in the London Lines as compared to the balance of the Enbridge steel main population. Please provide a table showing the number of Class A, Class B and Class C leaks for the steel main population by NPS for each year between 2013-2019.
- c) When the main broke during the Class A Leak repair in 2019, how did Enbridge adjust the flows elsewhere in its system to ensure that customers continued to receive service despite the loss of the London Lines.
- d) For the other Class A and Class B leaks identified in response to the table in part (a) above, did Enbridge use the exact same approach in part (c) to ensure that customers continued to receive service despite the work being done on the London Lines. If the answer is no, please describe the alternative methods used.
- e) Why could Enbridge not simply adjust its flows elsewhere in the system and otherwise decommission the London Lines?

B-APPRO-4

Reference 1: Exhibit B, Tab 1, Schedule 1 Page 14 of 20

Reference 2: Exhibit B, Tab 2, Schedule 1, Page 5 of 6

Preamble:

Reference 1:

“The internal risk assessment performed on the London Lines shows the system has a medium risk rating on the Enbridge Standardized Operational 7X7 risk matrix when considering the lenses of the Health and Safety, Customer Loss, Financial and Reputational risks. The risk assessment also identified that some segments of the London Lines have a high risk rating for Customer Loss. This is primarily for sections where the twin pipelines cannot be isolated independently to effectively manage customer outages on the system. This risk assessment was reviewed and agreed to by the appropriate Enbridge Gas technical and management personnel for the London Lines project. Exhibit B, Tab 2, Schedule 1 shows the Integrity Assessment that was completed to explain the pipeline integrity concerns in further detail.”

Reference 2:

“The London Lines were assessed primarily as a medium risk on the Enbridge Operational Risk Matrix. Several different failure modes were identified, the majority of which were assessed as a medium risk. Some sections, where the twin pipelines cannot be isolated independently to effectively manage customer outages, were assessed as a high risk for customer loss. The risk ranking results at the time of risk endorsement are shown in Table 1. This table is current at the time of risk sign-off, however some risk rankings may change over time as new information is obtained and reviewed.”

Table 1

	Very High	High	Medium	Low
Financial	0	0	17	1
Health and Safety	0	0	26	0
Customer Loss	0	4	10	6
Stakeholder Concerns	0	0	10	0

Questions:

- a) Table 1 shows only a 4x4 of risk ranking results, whereas Reference 1 mentions the Enbridge Standardized Operational 7x7 risk matrix. Please provide the entire 7x7 risk matrix for the London Lines.

- b) For each element of the risk matrix, please explain the scenarios assessed and how the score was arrived at and why the score was categorized under Very High, High, Medium, Low risk.
- c) In order for the OEB and the parties to better understand and interpret the results of the risk matrix, please provide any documentation regarding the methodology used by Enbridge to complete this type of risk assessment of the London Lines.
- d) Was the risk assessment reviewed and verified by independent third party or was it done internally by Enbridge staff?
- e) Please confirm that Enbridge performs a similar risk assessment as that which was performed for London Lines for all segments of its steel main population (see B-APPrO-1). If not confirmed, what criteria does Enbridge use to decide whether or not it performs a similar risk assessment on each segment.
- f) With regards to the balance of the steel main population (see B-APPrO-1) please identify any other segments of the steel main population that are of medium risk or higher using the same risk assessment methodology as was used in the London Lines risk assessment cited in Table 1 above. Please provide an equivalent to Table 1 above for each such segment together with the NPS and the length of the applicable segment.
- g) It would be helpful for the OEB and the parties to better understand how Enbridge prioritizes and identifies which segment of line it will replace and which can continue operating as a status quo in light of the risk assessment data provided in response to part (f) above. Please explain.
- h) Please elaborate on the details of the “Stakeholder Concerns” that are identified in Table 1 above?

B-APPrO-5

Reference: Exhibit B, Tab 2, Schedule 2, Page 12 of 15

Preamble:

“3.5.4. Obtaining Supply from Nearby Non-Enbridge Gas Pipelines

There are currently no nearby non-Enbridge Gas pipelines to leverage as an alternative supply to the London Lines Replacement pipeline. Independent producers along this route are not large enough to support The Market, nor are they guaranteed as a source of supply; therefore, this alternative was not pursued further.”

Questions:

- a) Please provide a map of all existing distribution and transmission pipelines in the area the London Lines and indicate whether they are Enbridge or non-Enbridge pipelines. For each pipeline, indicate the capacity of the line and the amount of that capacity that is currently forecasted to be utilized in 2021.
- b) Has Enbridge considered any non-pipeline solutions as an alternative to the London Line Replacement Project other than DSM (which is addressed in B-APPrO-6 below) or independent producers (as cited in 3.5.4 above)?
- c) Has Enbridge approached any of the independent producers along the London Lines route to see if Enbridge could contract for more reliable supply with firm contractual guarantees? If no, why not?
- d) Has Enbridge approached any of its gas-fired generator customers to ask them if they are willing to contract to provide demand response capacity that could be used to defer or otherwise avoid the London Lines Replacement Project? If no, why not?
- e) Could a combination of independent producers, gas-fired generators and other DSM programs be used to defer the London Lines Replacement Project? If no, why not? If yes, why wasn't this alternative considered in the Application?

B-APPrO-6

Reference: Exhibit B, Tab 2, Schedule 2, Page 13 of 15, 3.5.5. Implementing Demand Side Management

Preamble:

Enbridge Gas reviewed the alternative of implementing supplemental Demand Side Management (“DSM”) for customers along the London Lines in order to defer, avoid or reduce the scale of this replacement project. If Enbridge Gas were to implement supplemental DSM, it would be possible to reduce demand along the lines; however, the demand could not be eliminated altogether. Because this project is being driven by integrity concerns of the existing pipelines, the need for replacement of the London Lines cannot be deferred or eliminated by implementing DSM.

Enbridge Gas also looked at the option of implementing supplemental DSM to reduce the diameter of the pipeline required for the London Lines Replacement Project. In order to build a replacement pipeline to serve only the 2021 forecast demand, and assuming all additional future demand could be offset through supplemental DSM programs, 10.3 km of NPS 6 could be reduced to NPS 4 in the recommended design. This cost to execute a supplemental DSM program that satisfies the forecast demand, would exceed the cost savings of the downsized project design within 2 years. At that point, continual annual cost for DSM or a pipeline reinforcement project would be required. Further details on the option of implementing supplemental DSM and Integrated Resource Planning (“IRP”) can be found at Exhibit B, Tab 2, Schedule 4.

As a result of this analysis, this option was eliminated in preliminary assessment of facility and non-facility alternatives as it was determined that implementing supplemental DSM to reduce the required diameter of the pipeline is not an economically feasible alternative.

Questions:

- a) Please provide a table to show the trend for actual and forecast customer demand along the London Lines for the years between 2015 and 2021.
- b) Is the forecast for 2021 in part (a) above different than the 2021 forecast made when the need for the London Lines was assessed by Enbridge? Specifically, was the initial forecast for demand in 2021 conducted before the COVID-19 Pandemic?
- c) How has the COVID-19 Pandemic impacted the gas flows and demands of the customers along the London Lines?
- d) As the impacts of the COVID-19 pandemic may span over a long period of time, please provide a forecast of how much the pipeline capacity will be utilized through 2040.
- e) Please describe at a high level what steps Enbridge has taken to monitor and track the impacts of the pandemic and business closures on its business, including the potential impact on demand for London Lines capacity. What information is Enbridge utilizing to monitor the impact on the pandemic on its business? Please provide a list of relevant metrics that are being actively monitored by Enbridge.
- f) With regards to each of the metrics identified in response to question (e), please file the most current information available together with management’s analysis and interpretation of what this information means for Enbridge’s business.

- g) Would it be prudent to update Enbridge's demand forecasts at a later date to incorporate the impacts of the pandemic and the associated business closures on this application and the associated project need? If no, why not?
- h) Is the London Lines Replacement Project still needed in light of the impacts of the pandemic and associated business closures on London Lines capacity demand? If yes, then can DSM meet that need?
- i) Has Enbridge only looked at implementing supplemental DSM to reduce the required diameter of the pipeline? What are the other alternatives that Enbridge has looked at that involved DSM?

B-APPrO-7

Reference: Exhibit B, Tab 2, Schedule 5, Page 1 of 1, Summary of Alternatives Table

Preamble: None.

Question:

- a) Typically an assessment of alternatives would start with a “do nothing” alternative. We note that this was not included in the Summary of Alternatives Table cited above. Please provide a summary of: (i) the necessary capital expenditures required to continue to operate the London Lines, (ii) the reliability of supply for emergency and operational scenarios if the existing London Lines were continued to operate, and (iii) any effects on the London Lines’ capacity to serve customers if the current London Lines continued to operate, should the OEB refuse to grant approval for the proposed London Lines Replacement Project. For an accurate comparison of this alternative to the other alternatives in the Summary of Alternatives Table cited above, please use direct capital and abandonment costs and do not include interest and indirect overhead costs when calculating the capital expenditures.
- b) Rather than replacing the London Lines, is it possible to retire the pipelines and service customers using an alternative means?

Exhibit F

F-APPrO-8

Reference: Exhibit F, Tab 1, Schedule 1, Page 1 of 1

Preamble:

“Enbridge Gas expects the Project will meet the criteria for rate recovery during the deferred rebasing period using the Board’s Incremental Capital Module (“ICM”) mechanism. The ICM request for the Project will form part of Phase 2 of Enbridge Gas’s 2021 Rates application.”

Questions:

If Enbridge does not receive Board approval for ICM rate recovery for the London Lines Replacement Project, will Enbridge nevertheless proceed with the replacement in 2021 if the OEB approves this application? If yes, why? If no, why not?