

Schedule 7E
Enbridge Gas Community Expansion Project Proposal
Aroland and Nakina

**Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution**

| | |
|--|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Aroland and Nakina Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1
Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to provide gas distribution service to the community of Nakina in the Municipality of Greenstone as well as the Aroland Indian Reserve No. 83 and the community of Aroland located just outside the Municipality of Greenstone. The proposed facilities will provide access to natural gas to a forecasted 221 customers (189 residential, 25 commercial / institutional and 7 industrial).

The proposed project will tie-in to the TC Energy pipeline approximately 4 km north of the community of Geraldton. The proposed facilities will run _____ to the intersection with _____ at which point the pipeline will branch to the two project areas.

The first branch to Nakina will continue along _____ to include _____, _____, _____, _____, _____, _____, _____, _____, _____, _____, _____ and _____.

The second branch will include parts of _____ and will continue along _____ to include parts of Aroland Indian Reserve No. 83 (_____, _____, _____, _____ and _____ (including parts of _____ and _____ outside Reserve No. 83 in the community of Aroland).

2 new stations are required to accommodate additional customers on the distribution system.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 19,715 |
| Polyethylene | 4 | 17,150 |
| Steel | 4 | 52,430 |

Please refer to Schedule 7E-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7E-2, Table 3.2.

| | |
|-----|--|
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7E-2, Table 3.3.</p> |
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7E-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7E-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |

| | |
|----------------------------------|--|
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule 7E-6 for Enbridge's CPCN for the Municipality of Greenstone (EB-2007-0020) which covers the Nakina portion of the proposed project. A Band Council Resolution and a permit under Section 28(2) of the <i>Indian Act</i> will be required for any facilities on the Aroland Indian Reserve 83.</p> <p>A CPCN will also be required for sections of the proposed project located within the Unorganized Thunder Bay District.</p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7E-2, Table 4.2.</p> |

4.3

Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.

Complete the tables below:

Revenue Requirement

| Description | Year 1 | Year 2... | Year 10 | Total |
|---------------------|--------|-----------|---------|-------|
| Revenue Requirement | | | | |

| Description | Year 10 |
|-------------------|---------|
| Closing Rate Base | |

Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).

Please refer to Schedule 7E-2, Table 4.3.

| Part V – Section 36.2 Funding | |
|--------------------------------------|--|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$53,029,240</p> <p>Please refer to Schedule 7E-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$240,495</p> <p>Please refer to Schedule 7E-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$44.49</p> <p>Please refer to Schedule 7E-2, Table 5.3.</p> |

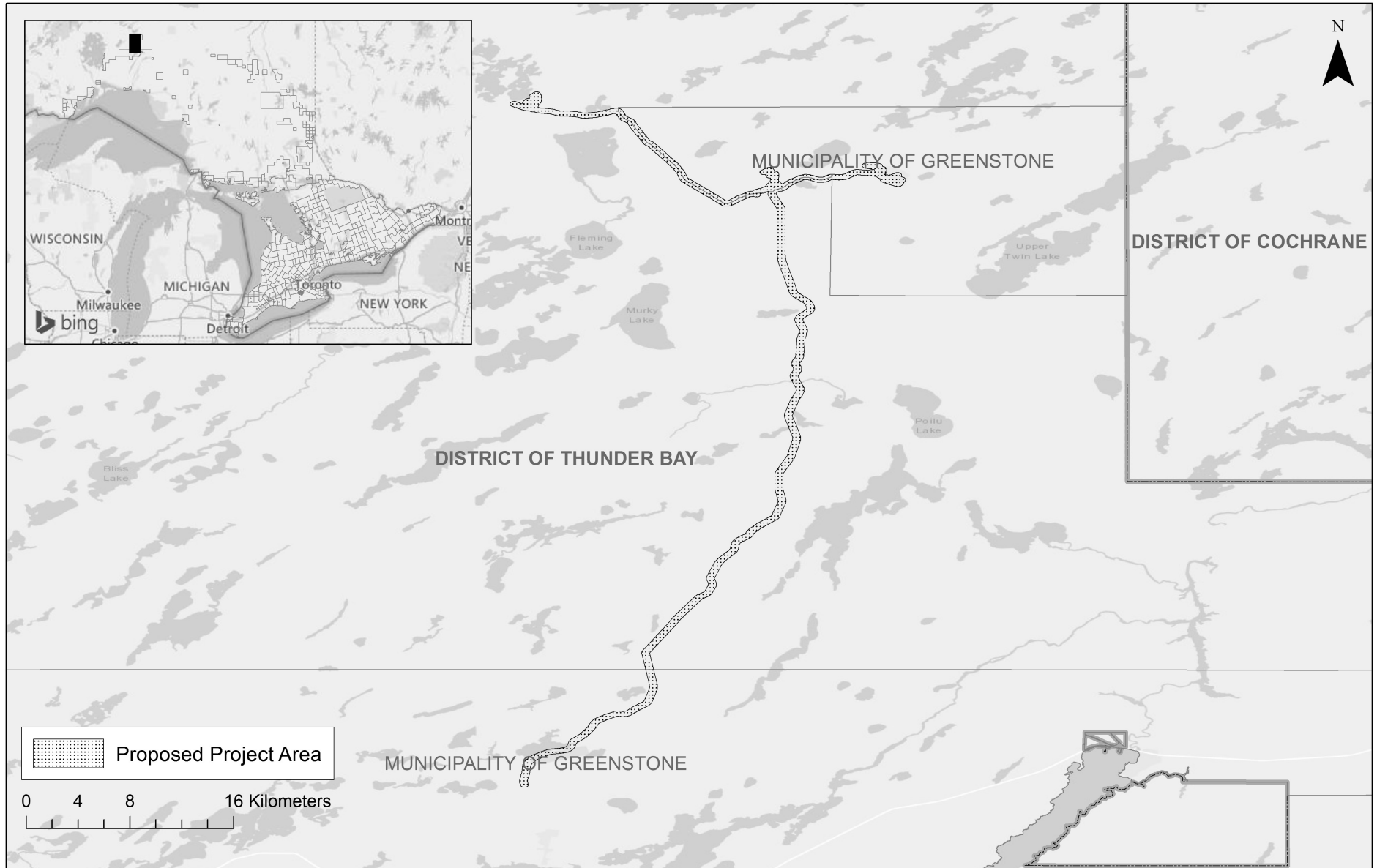
| Part VI – Distribution Charge | |
|--------------------------------------|---|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7E-2, Table 6.1</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7E-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7E-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|---|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • Certificate of Public Convenience and Necessity (for parts of Unorganized Thunder Bay District) • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7E-4.</p> |

Schedule 7E-1
Enbridge Gas Community Expansion Project Proposal
Aroland and Nakina

Aroland / Nakina



Schedule 7E-2
Enbridge Gas Community Expansion Project Proposal
Aroland and Nakina

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|-----------|--------------|
| | 58 | 44 | 29 | 15 | 15 | 6 | 6 | 6 | 5 | 5 | 189 |
| | - | 11 | 4 | 3 | 2 | 2 | 1 | 1 | - | - | 25 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 2 | 1 | 1 | 1 | 1 | 1 | - | - | - | 7 |
| | <u>58</u> | <u>57</u> | <u>34</u> | <u>19</u> | <u>18</u> | <u>9</u> | <u>8</u> | <u>7</u> | <u>5</u> | <u>5</u> | <u>221</u> |
| | 58 | 115 | 149 | 169 | 187 | 196 | 204 | 211 | 216 | 221 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> | <u>Annual Volumes - m3</u> | | | | | | | | | | <u>Total</u> |
|----------------------|----------------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 61,557 | 169,590 | 246,685 | 293,162 | 324,880 | 347,019 | 359,578 | 372,137 | 383,916 | 394,916 | 2,953,438 |
| Commercial | - | 20,585 | 50,980 | 69,445 | 81,700 | 88,900 | 93,600 | 95,800 | 96,900 | 96,900 | 694,810 |
| Institutional | - | - | - | - | - | - | - | - | - | - | - |
| Agricultural | - | - | - | - | - | - | - | - | - | - | - |
| Industrial | - | 100,000 | 250,000 | 350,000 | 450,000 | 550,000 | 650,000 | 700,000 | 700,000 | 700,000 | 4,450,000 |
| Total Volumes | <u>61,557</u> | <u>290,175</u> | <u>547,665</u> | <u>712,607</u> | <u>856,580</u> | <u>985,919</u> | <u>1,103,178</u> | <u>1,167,937</u> | <u>1,180,816</u> | <u>1,191,816</u> | <u>8,098,248</u> |

| <u>Customer Type</u> | <u>Cumulative Volumes - m3</u> | | | | | | | | | | |
|----------------------|--------------------------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 61,557 | 231,147 | 477,832 | 770,994 | 1,095,874 | 1,442,892 | 1,802,470 | 2,174,606 | 2,558,522 | 2,953,438 | |
| Commercial | - | 20,585 | 71,565 | 141,010 | 222,710 | 311,610 | 405,210 | 501,010 | 597,910 | 694,810 | |
| Institutional | - | - | - | - | - | - | - | - | - | - | |
| Agricultural | - | - | - | - | - | - | - | - | - | - | |
| Industrial | - | 100,000 | 350,000 | 700,000 | 1,150,000 | 1,700,000 | 2,350,000 | 3,050,000 | 3,750,000 | 4,450,000 | |
| Total Volumes | <u>61,557</u> | <u>351,732</u> | <u>899,397</u> | <u>1,612,004</u> | <u>2,468,584</u> | <u>3,454,502</u> | <u>4,557,680</u> | <u>5,725,616</u> | <u>6,906,432</u> | <u>8,098,248</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| | |
|---------------------|----------------|
| Total Capital Costs | <u>Year 10</u> |
| | |

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| Revenue Requirement | | | | | | | | | | | |

| | |
|--|----------------|
| Closing Rate Base (net of proposed Section 36.2 funding) | <u>Year 10</u> |
| | |

Table 5.1 - Total Amount of Section 36.2 Funding

| | |
|--|---------------|
| Section 36.2 Funding Needed to Support the Project | \$ 53,029,240 |
|--|---------------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | |
|---|-------------------------------------|
| Section 36.2 Funding Amount Per Customer Served | <u><u>Year 10</u></u> \$ 240,495 |
|---|-------------------------------------|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | |
|---|-----------------------------------|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | <u><u>Year 10</u></u> \$ 44.49 |
|---|-----------------------------------|

Table 6.1 - Distribution Charge

| | <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------------|---------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Distribution Revenue | \$ | 13,231 | 47,452 | 80,272 | 100,502 | 116,725 | 130,313 | 141,490 | 148,493 | 151,243 | 153,560 | \$ 1,083,279 |
| SES Revenue | | 14,158 | 66,740 | 125,963 | 163,900 | 197,013 | 226,761 | 253,731 | 268,625 | 271,588 | 274,118 | 1,862,597 |
| Total Distribution Charge | \$ | <u>27,389</u> | <u>114,192</u> | <u>206,235</u> | <u>264,401</u> | <u>313,738</u> | <u>357,074</u> | <u>395,221</u> | <u>417,118</u> | <u>422,831</u> | <u>427,678</u> | <u>\$ 2,945,876</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

| | |
|--|--------------------------|
| | <u>Net Present Value</u> |
| <u>Cash Inflow</u> | |
| Revenue: | |
| Distribution Revenue | |
| System Expansion Surcharge (SES) Revenue | |
| Total Revenue (A) | |
| Expenses: | |
| O&M Expense | |
| Municipal Tax | |
| Income Tax | |
| Total Expenses (B) | |
| Total Cash Inflow (C = A + B) | |
| <u>Cash Outflow</u> | |
| Gross Capital | |
| Proposed Section 36.2 Funding | |
| Change in Working Capital | |
| Total Cash Outflow (D) | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | <u>1.00</u> |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | <u>Net Present Value</u> | |
|---|--------------------------|--|
| <u>Cash Inflow</u> | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| <u>Cash Outflow</u> | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7E-3
Enbridge Gas Community Expansion Project Proposal
Aroland and Nakina

Section 3.4 Aroland and Nakina

Total Forecasted Customers 221 Penetration Rate 65%

| Existing Fuel / Heating Type | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Oil | 46 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 59,966 | 6.6 | -2.4 | 304 | (113) |
| Electricity F/A | 20 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 10,002 | 0.5 | 3.6 | 11 | 71 |
| Electricity Baseboard | 27 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 13,336 | 0.5 | 3.6 | 14 | 95 |
| Propane | 97 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 11,305 | 5.1 | -1.0 | 496 | (95) |
| Wood | 20 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 11 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 221 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 94,609 | 12.7 | 3.8 | 825 | (42) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Schedule 7E-4
Enbridge Gas Community Expansion Project Proposal
Aroland and Nakina

Aroland and Nakina Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7E-6
Enbridge Gas Community Expansion Project Proposal
Aroland and Nakina

EB-2007-0020

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

Municipality of Greenstone

This certificate replaces the certificates of the former townships and the unorganized townships that are now within the Municipality of Greenstone.

DATED at Toronto, April 3, 2007

ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

Schedule 7F
Enbridge Gas Community Expansion Project Proposal

Bracebridge (_____)

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|---|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Bracebridge () Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

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|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
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|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to expand its gas distribution system within the Town of Bracebridge to areas around _____. The proposed facilities will provide access to natural gas to a forecasted 94 customers (91 residential, 1 commercial / institutional, 1 intensive agricultural and 1 industrial).

There are 2 proposed tie-ins for 2 parts of the project. The first tie-in will be along _____ connecting to an existing 2" polyethylene pipeline near _____. The proposed pipeline will extend along _____ to _____.

The second proposed tie-in will be along _____ connecting to an existing 4" steel pipeline near _____ and extending parallel to the proposed pipeline on _____ on the _____ of the _____.

An existing station requires upsizing as it will go over capacity due to new loads and a new station will be required.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 4,282 |
| Steel | 2 | 4,918 |

Please refer to Schedule 7F-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7F-2, Table 3.2.

| | |
|-----|--|
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7F-2, Table 3.3.</p> |
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7F-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7F-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |

| | |
|----------------------------------|--|
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule 7F-6 for Enbridge's CPCN for the former Township of Monck (FBC 305) which covers the entire area of the proposed project.</p> <p><i>Note: With the advent of regional government in January 1971, the former Town of Bracebridge and the surrounding townships (Monck, Macaulay and Draper) were brought together as one municipality. Enbridge holds CPCNs for each of these former municipalities.</i></p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7F-2, Table 4.2.</p> |

| 4.3 | <p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th>Description</th> <th>Year 1</th> <th>Year 2...</th> <th>Year 10</th> <th>Total</th> </tr> <tr> <td>Revenue Requirement</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th>Description</th> <th>Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule 7F-2, Table 4.3.</p> | Description | Year 1 | Year 2... | Year 10 | Total | Revenue Requirement | | | | | Description | Year 10 | Closing Rate Base | |
|---------------------|--|-------------|---------|-----------|---------|-------|---------------------|--|--|--|--|-------------|---------|-------------------|--|
| Description | Year 1 | Year 2... | Year 10 | Total | | | | | | | | | | | |
| Revenue Requirement | | | | | | | | | | | | | | | |
| Description | Year 10 | | | | | | | | | | | | | | |
| Closing Rate Base | | | | | | | | | | | | | | | |

| Part V – Section 36.2 Funding | |
|--------------------------------------|---|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$4,919,765</p> <p>Please refer to Schedule 7F-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$52,338</p> <p>Please refer to Schedule 7F-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$15.05</p> <p>Please refer to Schedule 7F-2, Table 5.3.</p> |

| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7F-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

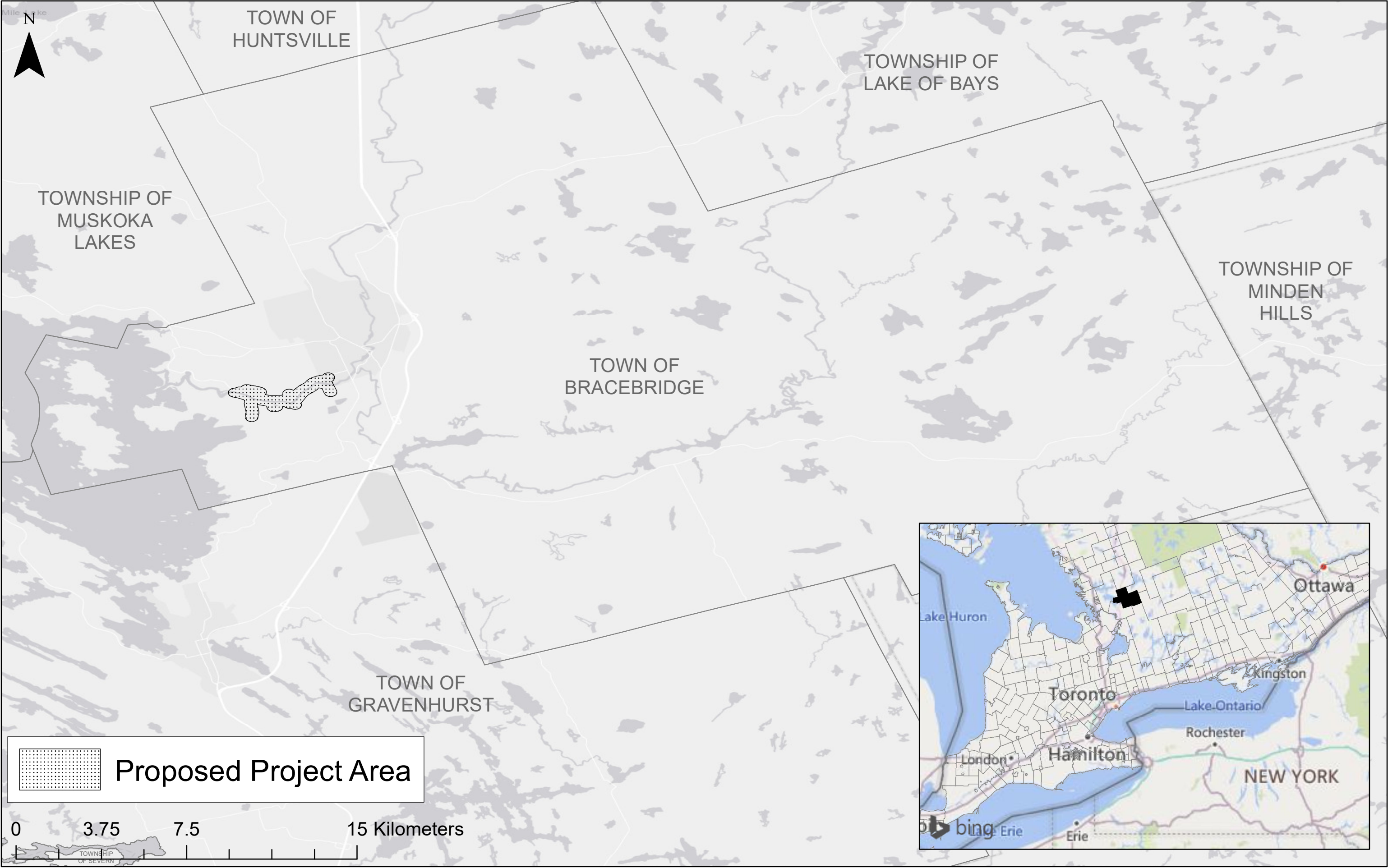
| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7F-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7F-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|--|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7F-4.</p> |

Schedule 7F-1
Enbridge Gas Community Expansion Project Proposal

Bracebridge (_____)

Bracebridge



Schedule 7F-2
Enbridge Gas Community Expansion Project Proposal

Bracebridge (_____)

Table 3.2 - Customer Attachments Over The Rate Stability Period

| Customer Type | Firm / IT |
|----------------------|-----------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|--------------|----|----|----|----|----|----|----|----|----|----|-------|
| | 27 | 21 | 14 | 7 | 7 | 3 | 3 | 3 | 3 | 3 | 91 |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | 27 | 24 | 14 | 7 | 7 | 3 | 3 | 3 | 3 | 3 | 94 |
| | 27 | 51 | 65 | 72 | 79 | 82 | 85 | 88 | 91 | 94 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| Customer Type |
|---------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| Project Year | Annual Volumes - m3 | | | | | | | | | | Total |
|--------------|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| | 29,700 | 82,500 | 121,000 | 144,100 | 159,500 | 170,500 | 177,100 | 183,700 | 190,300 | 196,900 | 1,455,300 |
| | - | 5,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 85,000 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 10,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 170,000 |
| | - | 50,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 850,000 |
| | 29,700 | 147,500 | 251,000 | 274,100 | 289,500 | 300,500 | 307,100 | 313,700 | 320,300 | 326,900 | 2,560,300 |

| Customer Type |
|---------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| Project Year | Cumulative Volumes - m3 | | | | | | | | | | |
|--------------|-------------------------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|--|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| | 29,700 | 112,200 | 233,200 | 377,300 | 536,800 | 707,300 | 884,400 | 1,068,100 | 1,258,400 | 1,455,300 | |
| | - | 5,000 | 15,000 | 25,000 | 35,000 | 45,000 | 55,000 | 65,000 | 75,000 | 85,000 | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | 10,000 | 30,000 | 50,000 | 70,000 | 90,000 | 110,000 | 130,000 | 150,000 | 170,000 | |
| | - | 50,000 | 150,000 | 250,000 | 350,000 | 450,000 | 550,000 | 650,000 | 750,000 | 850,000 | |
| | 29,700 | 177,200 | 428,200 | 702,300 | 991,800 | 1,292,300 | 1,599,400 | 1,913,100 | 2,233,400 | 2,560,300 | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| |
|---------------------|
| Total Capital Costs |
|---------------------|

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| |
|---------------------|
| Revenue Requirement |
|---------------------|

| Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|--------------|---|---|---|---|---|---|---|---|---|----|-------|
| | | | | | | | | | | | |

| |
|--|
| Closing Rate Base (net of proposed Section 36.2 funding) |
|--|

Year 10

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | Net Present Value | |
|---|-------------------|--|
| Cash Inflow | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| Cash Outflow | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7F-3
Enbridge Gas Community Expansion Project Proposal

Bracebridge (_____)

Section 3.4 Bracebridge ()

Total Forecasted Customers 94 Penetration Rate 65%

| | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Existing Fuel / Heating Type | | | | | | | | | | | |
| Oil | 20 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 25,506 | 6.6 | -2.4 | 129 | (48) |
| Electricity F/A | 8 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 4,254 | 0.5 | 3.6 | 5 | 30 |
| Electricity Baseboard | 11 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 5,672 | 0.5 | 3.6 | 6 | 40 |
| Propane | 41 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 4,809 | 5.1 | -1.0 | 211 | (41) |
| Wood | 8 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 5 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 94 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 40,241 | 12.7 | 3.8 | 351 | (18) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge.

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7F-4
Enbridge Gas Community Expansion Project Proposal

Bracebridge (_____)

Bracebridge () Community Expansion Project
Pipeline Construction Schedule

[illegible]

Schedule 7F-6
Enbridge Gas Community Expansion Project Proposal

Bracebridge (_____)

ONTARIO FUEL BOARD

FBC- 305

Town of Bracebridge

IN THE MATTER OF The Municipal Franchises
Act, R. S. O. 1950, Chapter 249, and amend-
ments thereto:

AND IN THE MATTER OF an application by
Northern Ontario Natural Gas Company Limited
for a certificate of public convenience and
necessity to construct works and to supply
gas to the inhabitants of the Township of
Monck.

B E F O R E:

A. R. CROZIER, Chairman) TUESDAY, the 12th day of
J. J. WINGFELDER, Vice-Chairman) MAY, 1959.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON THE APPLICATION OF Northern Ontario Natural Gas
Company Limited, hereinafter referred to as the "Applicant", for a
certificate pursuant to the provisions of The Municipal Franchises
Act, R.S.O. 1950, Chapter 249, Section 8 and amendments thereto,
and at a public hearing of such Application by the Board at the
City of Toronto on the 12th day of May, 1959, after due notice of
such hearing had been given as directed by the Board in the presence
of counsel for the Applicant, no one else appearing, and upon con-
sideration of the evidence and exhibits produced at the hearing and
upon hearing what was alleged by counsel aforesaid:

1. THIS BOARD DOTH ORDER that a Certificate of Public
Convenience and Necessity be and the same is hereby granted to
Northern Ontario Natural Gas Company Limited for the supply of
natural gas to the inhabitants of the Township of Monck,
and for the construction of the works necessary therefor.

2. AND THIS BOARD DOTH FURTHER ORDER that the Certificate
of Public Convenience and Necessity hereby granted may be assigned
by Northern Ontario Natural Gas Company Limited to Montreal Trust
Company, the trustee under the deed of trust and mortgage, dated
as of June 1, 1958, to be made between Northern Ontario Natural
Gas Company Limited and Montreal Trust Company, as trustee, and to
such person, firm or corporation to whom Montreal Trust Company, as
trustee, may assign such Certificate in execution of the trusts

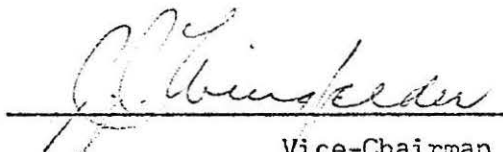
under the said deed of trust and mortgage, together with, in each case, all rights and powers, statutory or otherwise, which flow from or are evidenced by such Certificate.

3. AND THIS BOARD DOETH FURTHER ORDER that the costs of this hearing are fixed at \$ 10.00 and shall be paid forthwith by the Applicant to the Board.

DATED at Toronto this 16th day of June, 1959.

ONTARIO FUEL BOARD


Chairman


Vice-Chairman

Schedule 7G
Enbridge Gas Community Expansion Project Proposal

Gillies and O'Connor

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|--|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Gillies and O'Connor Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent's Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to provide gas distribution service to the Township of Gillies and the Township of O'Connor within the Thunder Bay District. The proposed facilities will provide access to natural gas to a forecasted 111 customers (101 residential, 7 commercial / institutional and 3 industrial).

The proposed tie-in point will be to an existing 4" steel pipeline in the community of Kakabeka Falls within the Municipality of Oliver Paipoonge. The proposed distribution system will extend _____ and turn _____ to provide service within the Township of O'Connor and continue _____ to the Township of Gillies to include _____ and _____ (partially).

Two reinforcement segments are required near Kakabeka Falls. Two existing stations will require upsizing to accommodate the additional loads.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 9,843 |

The approximate length and size of the reinforcement pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|-----------|----------------|------------|
| Steel | 2 | 375 |
| Steel | 4 | 635 |

The approximate length and size of the supply laterals required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 4 | 15,810 |

Please refer to Schedule 7G-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7G-2, Table 3.2.

| | |
|-----|--|
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7G-2, Table 3.3.</p> |
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7G-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7G-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |

| | |
|----------------------------------|--|
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Enbridge Gas does not currently have franchise agreements with nor Certificates of Public Convenience and Necessity for the Township of Gillies and the Township of O'Connor. Enbridge Gas does have franchise agreements and CPCNs for adjacent municipalities including the Municipality of Oliver Paipoonge and the Municipality of Neebing.</p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7G-2, Table 4.2.</p> |

| 4.3 | <p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th>Description</th> <th>Year 1</th> <th>Year 2...</th> <th>Year 10</th> <th>Total</th> </tr> <tr> <td>Revenue Requirement</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th>Description</th> <th>Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule 7G-2, Table 4.3.</p> | Description | Year 1 | Year 2... | Year 10 | Total | Revenue Requirement | | | | | Description | Year 10 | Closing Rate Base | |
|---------------------|--|-------------|---------|-----------|---------|-------|---------------------|--|--|--|--|-------------|---------|-------------------|--|
| Description | Year 1 | Year 2... | Year 10 | Total | | | | | | | | | | | |
| Revenue Requirement | | | | | | | | | | | | | | | |
| Description | Year 10 | | | | | | | | | | | | | | |
| Closing Rate Base | | | | | | | | | | | | | | | |

| Part V – Section 36.2 Funding | |
|-------------------------------|--|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$11,956,264</p> <p>Please refer to Schedule 7G-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$107,714</p> <p>Please refer to Schedule 7G-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$21.83</p> <p>Please refer to Schedule 7G-2, Table 5.3.</p> |

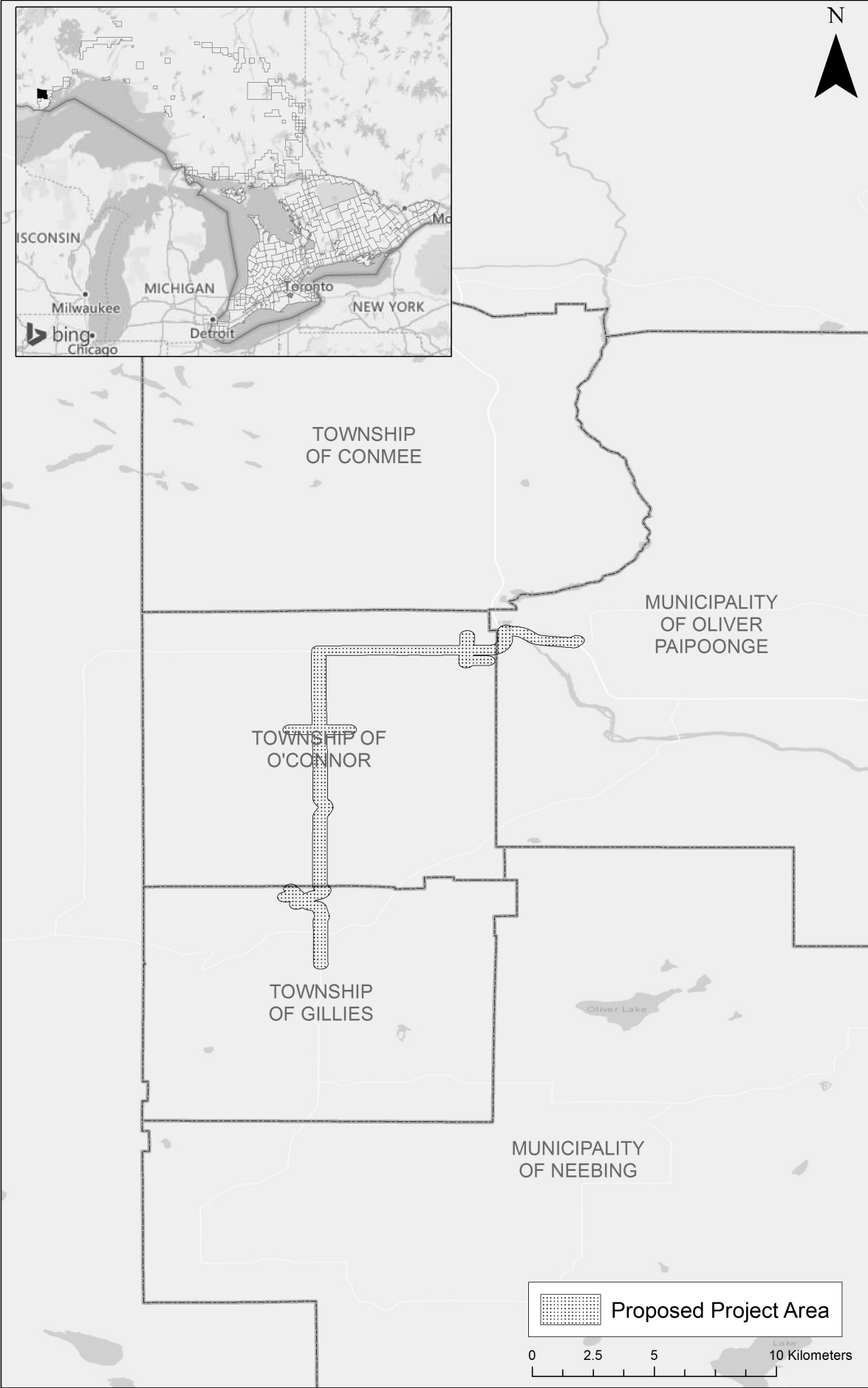
| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7G-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7G-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7G-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|---|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • Franchise Agreements and Certificates of Public Convenience and Necessity • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7G-4.</p> |

Schedule 7G-1
Enbridge Gas Community Expansion Project Proposal

Gillies and O'Connor



Schedule 7G-2
Enbridge Gas Community Expansion Project Proposal

Gillies and O'Connor

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm/IT</u> |
|----------------------|----------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | 31 | 23 | 16 | 8 | 8 | 3 | 3 | 3 | 3 | 3 | 101 |
| | - | 6 | 1 | - | - | - | - | - | - | - | 7 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 2 | 1 | - | - | - | - | - | - | - | 3 |
| | <u>31</u> | <u>31</u> | <u>18</u> | <u>8</u> | <u>8</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>111</u> |
| | 31 | 62 | 80 | 88 | 96 | 99 | 102 | 105 | 108 | 111 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>Annual Volumes - m3</u> | | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|---------------|----------------|----------------|----------------|----------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | 34,100 | 93,500 | 136,400 | 162,800 | 180,400 | 192,500 | 199,100 | 205,700 | 212,300 | 218,900 | 1,635,700 |
| | - | 13,300 | 27,700 | 28,800 | 28,800 | 28,800 | 28,800 | 28,800 | 28,800 | 28,800 | 242,600 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 100,000 | 250,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 2,450,000 |
| | <u>34,100</u> | <u>206,800</u> | <u>414,100</u> | <u>491,600</u> | <u>509,200</u> | <u>521,300</u> | <u>527,900</u> | <u>534,500</u> | <u>541,100</u> | <u>547,700</u> | <u>4,328,300</u> |

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>Cumulative Volumes - m3</u> | | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
|---------------------|---------------|----------------|----------------|------------------|--------------------------------|------------------|------------------|------------------|------------------|------------------|--|
| | 34,100 | 127,600 | 264,000 | 426,800 | 607,200 | 799,700 | 998,800 | 1,204,500 | 1,416,800 | 1,635,700 | |
| | - | 13,300 | 41,000 | 69,800 | 98,600 | 127,400 | 156,200 | 185,000 | 213,800 | 242,600 | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | 100,000 | 350,000 | 650,000 | 950,000 | 1,250,000 | 1,550,000 | 1,850,000 | 2,150,000 | 2,450,000 | |
| | <u>34,100</u> | <u>240,900</u> | <u>655,000</u> | <u>1,146,600</u> | <u>1,655,800</u> | <u>2,177,100</u> | <u>2,705,000</u> | <u>3,239,500</u> | <u>3,780,600</u> | <u>4,328,300</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| |
|---------------------|
| Total Capital Costs |
|---------------------|

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| |
|---------------------|
| Revenue Requirement |
|---------------------|

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | | | | | | | | | | | |

Year 10

| |
|--|
| Closing Rate Base (net of proposed Section 36.2 funding) |
|--|

Table 5.1 - Total Amount of Section 36.2 Funding

| | |
|--|---------------|
| Section 36.2 Funding Needed to Support the Project | \$ 11,956,264 |
|--|---------------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | |
|---|------------------------------|
| Section 36.2 Funding Amount Per Customer Served | <u>Year 10</u> \$ 107,714 |
|---|------------------------------|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | |
|---|----------------------------|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | <u>Year 10</u> \$ 21.83 |
|---|----------------------------|

Table 6.1 - Distribution Charge

| | <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------------|---------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Distribution Revenue | \$ | 7,182 | 29,302 | 51,998 | 61,608 | 65,315 | 67,863 | 69,253 | 70,643 | 72,033 | 73,423 | \$ 568,620 |
| SES Revenue | | 7,843 | 47,564 | 95,243 | 113,068 | 117,116 | 119,899 | 121,417 | 122,935 | 124,453 | 125,971 | 995,509 |
| Total Distribution Charge | \$ | <u>15,025</u> | <u>76,866</u> | <u>147,241</u> | <u>174,676</u> | <u>182,431</u> | <u>187,762</u> | <u>190,670</u> | <u>193,578</u> | <u>196,486</u> | <u>199,394</u> | <u>\$ 1,564,129</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

| | <u>Net Present Value</u> |
|--|--------------------------|
| <u>Cash Inflow</u> | |
| Revenue: | |
| Distribution Revenue | |
| System Expansion Surcharge (SES) Revenue | |
| Total Revenue (A) | |
| Expenses: | |
| O&M Expense | |
| Municipal Tax | |
| Income Tax | |
| Total Expenses (B) | |
| Total Cash Inflow (C = A + B) | |
| <u>Cash Outflow</u> | |
| Gross Capital | |
| Proposed Section 36.2 Funding | |
| Change in Working Capital | |
| Total Cash Outflow (D) | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | <u>1.00</u> |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | <u>Net Present Value</u> | |
|---|--------------------------|--|
| <u>Cash Inflow</u> | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| <u>Cash Outflow</u> | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7G-3
Enbridge Gas Community Expansion Project Proposal

Gillies and O'Connor

Section 3.4 Gillies and O'Connor

Total Forecasted Customers 111 Penetration Rate 65%

| Existing Fuel / Heating Type | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Oil | 23 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 30,119 | 6.6 | -2.4 | 153 | (57) |
| Electricity F/A | 10 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 5,024 | 0.5 | 3.6 | 5 | 36 |
| Electricity Baseboard | 13 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 6,698 | 0.5 | 3.6 | 7 | 48 |
| Propane | 49 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 5,678 | 5.1 | -1.0 | 249 | (48) |
| Wood | 10 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 6 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 111 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 47,519 | 12.7 | 3.8 | 415 | (21) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge.

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7G-4
Enbridge Gas Community Expansion Project Proposal

Gillies and O'Connor

Gillies and O'Connor Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7H
Enbridge Gas Community Expansion Project Proposal
Glen Tay (Tay Valley Township)

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|---|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Glen Tay (Tay Valley) Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to provide gas distribution service in the community of Glen Tay within the Township of Tay Valley. The proposed facilities will provide access to natural gas to a forecasted 82 customers (80 residential, 1 commercial / institutional and 1 industrial).

The proposed project will tie-in to an existing 4" steel extra high pressure pipeline running along _____. Proposed facilities will run _____ to the community.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 5,539 |

Please refer to Schedule 7H-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7H-2, Table 3.2.

3.3

Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.

For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.

Please refer to Schedule 7H-2, Table 3.3.

| | |
|-----|--|
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7H-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7H-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule 7H-6 for Enbridge's CPCN for the former Township of Bathurst (FBC 316) which covers the entire area of the proposed project.</p> |

| | |
|----------------------------------|---|
| | <p><i>Note: The Township of Tay Valley was incorporated on January 1, 1998 by amalgamating the former townships of Bathurst, South Sherbrooke and North Burgess. The community of Glen Tay is located within the former Township of Bathurst.</i></p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7H-2, Table 4.2.</p> |

| 4.3 | <p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th style="text-align: left;">Description</th> <th style="text-align: center;">Year 1</th> <th style="text-align: center;">Year 2...</th> <th style="text-align: center;">Year 10</th> <th style="text-align: center;">Total</th> </tr> <tr> <td>Revenue Requirement</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th style="text-align: left;">Description</th> <th style="text-align: center;">Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule 7H-2, Table 4.3.</p> | Description | Year 1 | Year 2... | Year 10 | Total | Revenue Requirement | | | | | Description | Year 10 | Closing Rate Base | |
|---------------------|---|-------------|---------|-----------|---------|-------|---------------------|--|--|--|--|-------------|---------|-------------------|--|
| Description | Year 1 | Year 2... | Year 10 | Total | | | | | | | | | | | |
| Revenue Requirement | | | | | | | | | | | | | | | |
| Description | Year 10 | | | | | | | | | | | | | | |
| Closing Rate Base | | | | | | | | | | | | | | | |

| Part V – Section 36.2 Funding | |
|-------------------------------|---|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$2,309,186</p> <p>Please refer to Schedule 7H-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$28,161</p> <p>Please refer to Schedule 7H-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$7.97</p> <p>Please refer to Schedule 7H-2, Table 5.3.</p> |

| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7H-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

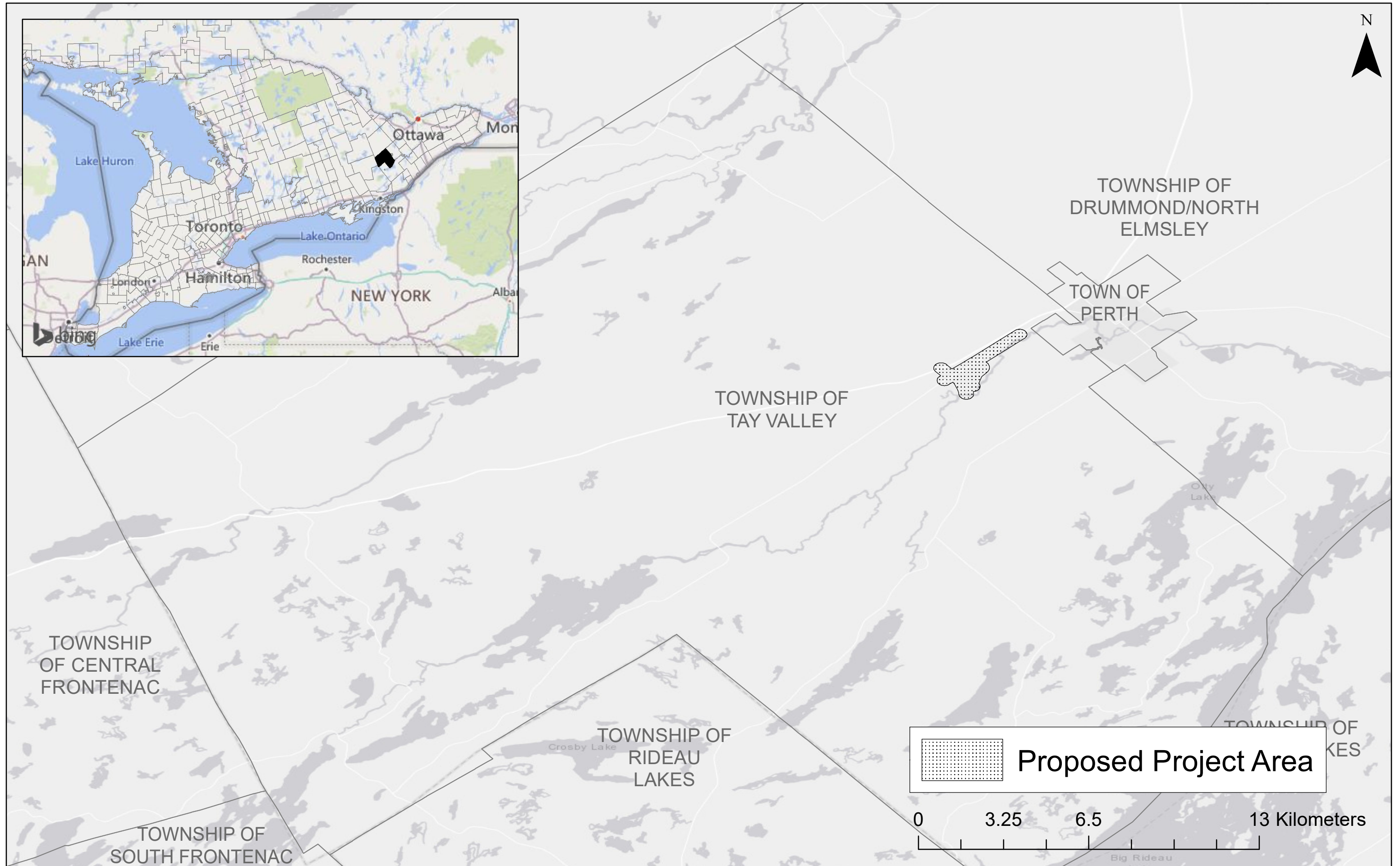
| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7H-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7H-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|--|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7H-4.</p> |

Schedule 7H-1
Enbridge Gas Community Expansion Project Proposal
Glen Tay (Tay Valley Township)

Glen Tay (Tay Valley)

EB-2019-0255
Schedule 7H-1
Redacted



Schedule 7H-2
Enbridge Gas Community Expansion Project Proposal
Glen Tay (Tay Valley Township)

Table 3.2 - Customer Attachments Over The Rate Stability Period

| Customer Type | Firm / IT | Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|----------------------|-----------|--------------|----|----|----|----|----|----|----|----|----|----|-------|
| Residential | Firm | | 22 | 20 | 7 | 5 | 4 | 5 | 4 | 5 | 4 | 4 | 80 |
| Commercial | Firm | | - | 1 | - | - | - | - | - | - | - | - | 1 |
| Institutional | Firm | | - | - | - | - | - | - | - | - | - | - | - |
| Agricultural | Firm | | - | - | - | - | - | - | - | - | - | - | - |
| Industrial | Firm | | - | 1 | - | - | - | - | - | - | - | - | 1 |
| Total Customers | | | 22 | 22 | 7 | 5 | 4 | 5 | 4 | 5 | 4 | 4 | 82 |
| Cumulative Customers | | | 22 | 44 | 51 | 56 | 60 | 65 | 69 | 74 | 78 | 82 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| Customer Type | Project Year | Annual Volumes - m3 | | | | | | | | | | Total |
|---------------|--------------|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| Residential | | 26,400 | 76,800 | 109,200 | 123,600 | 134,400 | 145,200 | 156,000 | 166,800 | 177,600 | 187,200 | 1,303,200 |
| Commercial | | - | 1,200 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 20,400 |
| Institutional | | - | - | - | - | - | - | - | - | - | - | - |
| Agricultural | | - | - | - | - | - | - | - | - | - | - | - |
| Industrial | | - | 50,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 850,000 |
| Total Volumes | | 26,400 | 128,000 | 211,600 | 226,000 | 236,800 | 247,600 | 258,400 | 269,200 | 280,000 | 289,600 | 2,173,600 |

| Customer Type | Project Year | Cumulative Volumes - m3 | | | | | | | | | |
|---------------|--------------|-------------------------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| Residential | | 26,400 | 103,200 | 212,400 | 336,000 | 470,400 | 615,600 | 771,600 | 938,400 | 1,116,000 | 1,303,200 |
| Commercial | | - | 1,200 | 3,600 | 6,000 | 8,400 | 10,800 | 13,200 | 15,600 | 18,000 | 20,400 |
| Institutional | | - | - | - | - | - | - | - | - | - | - |
| Agricultural | | - | - | - | - | - | - | - | - | - | - |
| Industrial | | - | 50,000 | 150,000 | 250,000 | 350,000 | 450,000 | 550,000 | 650,000 | 750,000 | 850,000 |
| Total Volumes | | 26,400 | 154,400 | 366,000 | 592,000 | 828,800 | 1,076,400 | 1,334,800 | 1,604,000 | 1,884,000 | 2,173,600 |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| | Year 10 |
|---------------------|---------|
| Total Capital Costs | |

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| | Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|---------------------|--------------|---|---|---|---|---|---|---|---|---|----|-------|
| Revenue Requirement | | | | | | | | | | | | |

| | Year 10 |
|--|---------|
| Closing Rate Base (net of proposed Section 36.2 funding) | |

Table 5.1 - Total Amount of Section 36.2 Funding

| | | |
|--|----|-----------|
| Section 36.2 Funding Needed to Support the Project | \$ | 2,309,186 |
|--|----|-----------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | | |
|---|----|--------------------------|
| Section 36.2 Funding Amount Per Customer Served | \$ | <u>Year 10</u> 28,161 |
|---|----|--------------------------|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | | |
|---|----|------------------------|
| Section 36.2 Funding Amount Per Volume (m3) | \$ | <u>Year 10</u> 7.97 |
|---|----|------------------------|

Table 6.1 - Distribution Charge

| | <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|-------------------|
| Distribution Revenue | \$ | 4,626 | 16,513 | 25,247 | 27,770 | 29,662 | 31,555 | 33,447 | 35,340 | 37,232 | 38,914 | \$ 280,306 |
| SES Revenue | | 6,072 | 29,440 | 48,668 | 51,980 | 54,464 | 56,948 | 59,432 | 61,916 | 64,400 | 66,608 | 499,928 |
| Total Distribution Charge | \$ | <u>10,698</u> | <u>45,953</u> | <u>73,915</u> | <u>79,750</u> | <u>84,126</u> | <u>88,503</u> | <u>92,879</u> | <u>97,256</u> | <u>101,632</u> | <u>105,522</u> | \$ <u>780,234</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

| | <u>Net Present Value</u> |
|--|--------------------------|
| <u>Cash Inflow</u> | |
| Revenue: | |
| Distribution Revenue | |
| System Expansion Surcharge (SES) Revenue | |
| Total Revenue (A) | |
| Expenses: | |
| O&M Expense | |
| Municipal Tax | |
| Income Tax | |
| Total Expenses (B) | |
| Total Cash Inflow (C = A + B) | |
| <u>Cash Outflow</u> | |
| Gross Capital | |
| Proposed Section 36.2 Funding | |
| Change in Working Capital | |
| Total Cash Outflow (D) | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | <u>1.00</u> |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | Net Present Value |
|---|-------------------|
| Cash Inflow | |
| Revenue: | |
| Distribution Revenue | |
| System Expansion Surcharge (SES) Revenue | |
| Total Revenue (A) | |
| Expenses: | |
| O&M Expense | |
| Municipal Tax | |
| Income Tax | |
| Total Expenses (B) | |
| Total Cash Inflow (C = A + B) | |
| Cash Outflow | |
| Gross Capital | |
| Change in Working Capital | |
| Total Cash Outflow (D) | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | |

Schedule 7H-3
Enbridge Gas Community Expansion Project Proposal
Glen Tay (Tay Valley Township)

Section 3.4 Glen Tay (Tay Valley Township)

Total Forecasted Customers 82 Penetration Rate 65%

| Existing Fuel / Heating Type | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Oil | 17 | 21% | \$ 5,000 | \$ 3,050 | \$ 1,481 | \$ 1,570 | \$ 27,031 | 7.2 | -2.7 | 124 | (46) |
| Electricity F/A | 7 | 9% | \$ 5,000 | \$ 2,187 | \$ 1,481 | \$ 706 | \$ 5,214 | 0.6 | 3.9 | 4 | 29 |
| Electricity Baseboard | 10 | 12% | \$ 12,000 | \$ 2,187 | \$ 1,481 | \$ 706 | \$ 6,951 | 0.6 | 3.9 | 6 | 39 |
| Propane | 36 | 44% | \$ 600 | \$ 1,764 | \$ 1,481 | \$ 283 | \$ 10,222 | 5.6 | -1.1 | 202 | (39) |
| Wood | 7 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 4 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 82 | 100% | \$ 31,100 | \$ 9,188 | \$ 5,923 | \$ 3,266 | \$ 49,419 | 13.9 | 4.1 | 335 | (18) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 1 (Community Expansion, Non-FN) | | | | | |
|--------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2400 | Gas (incl. fixed) | \$/m3 | 0.617 |
| Heating oil | L | 2623 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 19460 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3622 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (EGD) April 2020 rates, including 23 cents per m³ SES charge.

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices correspond to the latest available montly average EDPRO residential rates for Zone 4 (March 2020)

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7H-4
Enbridge Gas Community Expansion Project Proposal
Glen Tay (Tay Valley Township)

Glen Tay (Tay Valley Township) Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7H-6
Enbridge Gas Community Expansion Project Proposal
Glen Tay (Tay Valley Township)

**IN THE MATTER OF The Municipal
Franchises Act, R. S. O. 1950
Chapter 249 and amendments thereto;**

**AND IN THE MATTER OF an Application
by The Consumers' Gas Company for a
Certificate of Public Convenience and
Necessity to construct works and to
supply natural gas to the Township of
Bathurst in the County of Lanark**

B E F O R E:

A. R. Crozier, Chairman } Monday, the 1st day
J. J. Wingfelder, Vice-Chairman } of June, 1959.

**CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

**UPON THE APPLICATION of The Consumers' Gas Company
(hereinafter referred to as the "Applicant") for a certificate
pursuant to the provisions of The Municipal Franchises Act,
R. S. O. 1950 Chapter 249 and amendments thereto and upon
the hearing of such application by the Board in the City
of Toronto on the 1st day of June, 1959, after due notice
of such hearing had been given as directed by the Board, in
the presence of Counsel for the Applicant, no one else appearing,
upon consideration of the evidence and exhibits produced at
the hearing and upon hearing what was alleged by Counsel aforesaid,**

**1. THIS BOARD DOETH ORDER that a Certificate of Public
Convenience and Necessity be and the same is hereby granted to
The Consumers' Gas Company for the supply of natural gas
to the inhabitants of the Township of Bathurst and for the
construction of the works necessary therefor.**

**2. The Board fixes the costs of this Application at
\$10.00 payable forthwith by the Applicant.**

DATED at Toronto this 25th day of August 1960.

ONTARIO FUEL BOARD

.....
Chairman
.....
Vice-Chairman

Schedule 7I
Enbridge Gas Community Expansion Project Proposal
Gores Landing

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|---|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Gores Landing Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to provide gas distribution service in the community of Gores Landing within the Township of Hamilton. The proposed facilities will provide access to natural gas to a forecasted 300 customers (288 residential, 10 commercial / institutional and 2 intensive agricultural).

There are 2 proposed tie-in points near the intersection of _____ and _____ connecting to existing 2" polyethylene and 4" polyethylene pipelines.

The proposed distribution system will extend _____ to include _____, _____, _____, _____, _____ and _____. An existing station will require upsizing.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 19,150 |

The approximate length and size of the supply laterals required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 4 | 11,800 |

Please refer to Schedule 7I-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7I-2, Table 3.2.

| | |
|-----|--|
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7I-2, Table 3.3.</p> |
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7I-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7I-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |

| | |
|----------------------------------|--|
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule 7I-6 for Enbridge's CPCN for the Township of Hamilton (FBC 210) which covers the entire area of the proposed project.</p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7I-2, Table 4.2.</p> |

4.3

Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.

Complete the tables below:

Revenue Requirement

| Description | Year 1 | Year 2... | Year 10 | Total |
|---------------------|--------|-----------|---------|-------|
| Revenue Requirement | | | | |

| Description | Year 10 |
|-------------------|---------|
| Closing Rate Base | |

Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).

Please refer to Schedule 7I-2, Table 4.3.

| Part V – Section 36.2 Funding | |
|--------------------------------------|---|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$13,049,627</p> <p>Please refer to Schedule 7I-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$43,499</p> <p>Please refer to Schedule 7I-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$17.78</p> <p>Please refer to Schedule 7I-2, Table 5.3.</p> |

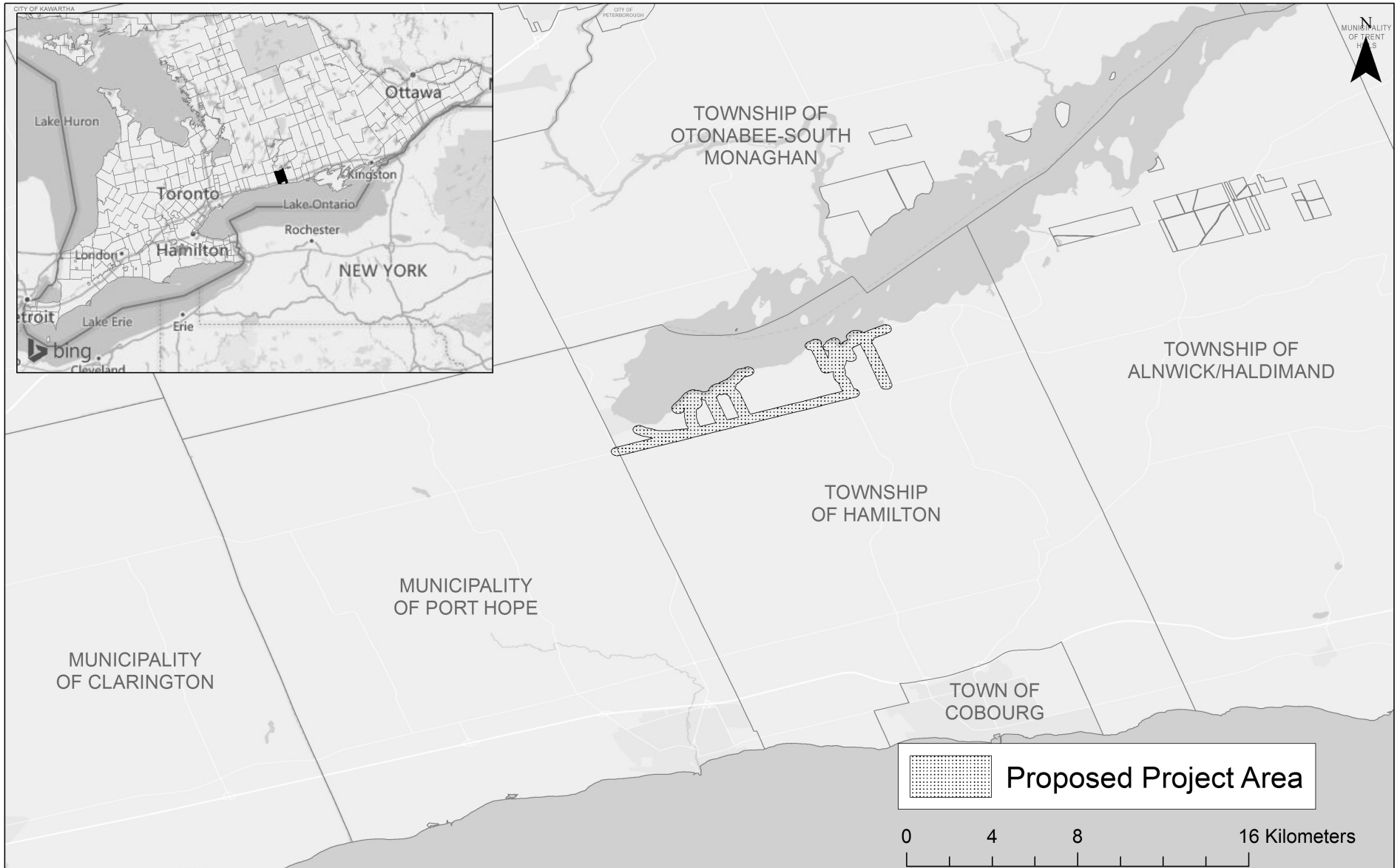
| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7I-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7I-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7I-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|--|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7I-4.</p> |

Schedule 7I-1
Enbridge Gas Community Expansion Project Proposal
Gores Landing

Gores Landing



Schedule 7I-2
Enbridge Gas Community Expansion Project Proposal
Gores Landing

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|-----------|--------------|
| | 89 | 66 | 44 | 22 | 22 | 9 | 9 | 9 | 9 | 9 | 288 |
| | - | 6 | 1 | 1 | 1 | - | - | - | - | - | 9 |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | - | 2 | - | - | - | - | - | - | - | - | 2 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | <u>89</u> | <u>75</u> | <u>45</u> | <u>23</u> | <u>23</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>9</u> | <u>300</u> |
| | 89 | 164 | 209 | 232 | 255 | 264 | 273 | 282 | 291 | 300 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>Annual Volumes - m3</u> | | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|---------------|----------------|----------------|----------------|----------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | 97,900 | 268,400 | 389,400 | 462,000 | 510,400 | 544,500 | 564,300 | 584,100 | 603,900 | 623,700 | 4,648,600 |
| | - | 11,900 | 24,900 | 27,100 | 29,300 | 30,400 | 30,400 | 30,400 | 30,400 | 30,400 | 245,200 |
| | - | 25,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 425,000 |
| | - | 15,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 255,000 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | <u>97,900</u> | <u>320,300</u> | <u>494,300</u> | <u>569,100</u> | <u>619,700</u> | <u>654,900</u> | <u>674,700</u> | <u>694,500</u> | <u>714,300</u> | <u>734,100</u> | <u>5,573,800</u> |

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>Cumulative Volumes - m3</u> | | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
|---------------------|---------------|----------------|----------------|------------------|--------------------------------|------------------|------------------|------------------|------------------|------------------|--|
| | 97,900 | 366,300 | 755,700 | 1,217,700 | 1,728,100 | 2,272,600 | 2,836,900 | 3,421,000 | 4,024,900 | 4,648,600 | |
| | - | 11,900 | 36,800 | 63,900 | 93,200 | 123,600 | 154,000 | 184,400 | 214,800 | 245,200 | |
| | - | 25,000 | 75,000 | 125,000 | 175,000 | 225,000 | 275,000 | 325,000 | 375,000 | 425,000 | |
| | - | 15,000 | 45,000 | 75,000 | 105,000 | 135,000 | 165,000 | 195,000 | 225,000 | 255,000 | |
| | - | - | - | - | - | - | - | - | - | - | |
| | <u>97,900</u> | <u>418,200</u> | <u>912,500</u> | <u>1,481,600</u> | <u>2,101,300</u> | <u>2,756,200</u> | <u>3,430,900</u> | <u>4,125,400</u> | <u>4,839,700</u> | <u>5,573,800</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| |
|---------------------|
| Total Capital Costs |
|---------------------|

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| |
|---------------------|
| Revenue Requirement |
|---------------------|

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|

Year 10

| |
|--|
| Closing Rate Base (net of proposed Section 36.2 funding) |
|--|

Table 5.1 - Total Amount of Section 36.2 Funding

| | |
|--|---------------|
| Section 36.2 Funding Needed to Support the Project | \$ 13,049,627 |
|--|---------------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | |
|---|--|
| Section 36.2 Funding Amount Per Customer Served | <u>Year 10</u> <u>\$ 43,499</u> |
|---|--|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | |
|---|---|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | <u>Year 10</u> <u>\$ 17.78</u> |
|---|---|

Table 6.1 - Distribution Charge

| | Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|---------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-----------------------|
| Distribution Revenue | \$ | 20,618 | 62,148 | 93,486 | 109,239 | 119,895 | 127,309 | 131,479 | 135,648 | 139,818 | 143,988 | \$ 1,083,629 |
| SES Revenue | | 22,517 | 73,669 | 113,689 | 130,893 | 142,531 | 150,627 | 155,181 | 159,735 | 164,289 | 168,843 | 1,281,974 |
| Total Distribution Charge | \$ | <u>43,135</u> | <u>135,817</u> | <u>207,175</u> | <u>240,132</u> | <u>262,426</u> | <u>277,936</u> | <u>286,660</u> | <u>295,383</u> | <u>304,107</u> | <u>312,831</u> | <u>\$ 2,365,603</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

| | |
|--|--------------------------|
| | <u>Net Present Value</u> |
| <u>Cash Inflow</u> | |
| Revenue: | |
| Distribution Revenue | |
| System Expansion Surcharge (SES) Revenue | |
| Total Revenue (A) | |
| Expenses: | |
| O&M Expense | |
| Municipal Tax | |
| Income Tax | |
| Total Expenses (B) | |
| Total Cash Inflow (C = A + B) | |
| <u>Cash Outflow</u> | |
| Gross Capital | |
| Proposed Section 36.2 Funding | |
| Change in Working Capital | |
| Total Cash Outflow (D) | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | <u>1.00</u> |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | Net Present Value | |
|---|-------------------|--|
| Cash Inflow | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| Cash Outflow | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7I-3
Enbridge Gas Community Expansion Project Proposal
Gores Landing

Section 3.4 Gores Landing

Total Forecasted Customers 300 Penetration Rate 65%

| | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Existing Fuel / Heating Type | | | | | | | | | | | |
| Oil | 63 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 81,402 | 6.6 | -2.4 | 413 | (153) |
| Electricity F/A | 27 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 13,577 | 0.5 | 3.6 | 14 | 97 |
| Electricity Baseboard | 36 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 18,103 | 0.5 | 3.6 | 19 | 129 |
| Propane | 132 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 15,347 | 5.1 | -1.0 | 674 | (130) |
| Wood | 27 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 15 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 300 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 128,429 | 12.7 | 3.8 | 1,120 | (57) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge.

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7I-4
Enbridge Gas Community Expansion Project Proposal
Gores Landing

Gores Landing Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7I-6
Enbridge Gas Community Expansion Project Proposal
Gores Landing

ONTARIO FUEL BOARD

IN THE MATTER OF The Municipal Franchises
Act, Chapter 249, R.S.O. 1950, Section 8,
as amended, and

IN THE MATTER OF an application by Lakeland
Natural Gas Limited for a certificate of
public convenience and necessity to construct
works and to supply gas to the inhabitants of
the Township of Hamilton.

B E F O R E :

| | | |
|--------------------------------|---|-------------------------|
| A. R. CROZIER, Chairman | } | MONDAY, THE 17TH DAY OF |
| J. J. WINGFELDER, Commissioner | | MARCH, 1958. |

CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY

UPON the application of Lakeland Natural Gas Limited (hereinafter referred to as the "Applicant") for a Certificate of Public Convenience and Necessity to construct works to supply and to supply gas to the inhabitants of the Township of Hamilton pursuant to the provisions of the Municipal Franchises Act, R.S.O. 1950, Chapter 249, Section 8, and amendments thereto, and at a public hearing of such application by the Ontario Fuel Board at the City of Toronto on the 17th day of March, 1958, after due notice of such hearing had been given as directed by the Board, in the presence of counsel for the Applicant and upon consideration of the evidence and exhibits produced at the hearing and upon hearing what was alleged by counsel aforesaid:


1. THIS BOARD DOTH ORDER that a Certificate of Public Convenience and Necessity be and the same is hereby granted to Lakeland Natural Gas Limited for the supply of gas to the inhabitants of the Township of Hamilton and for the construction of the works necessary therefor.

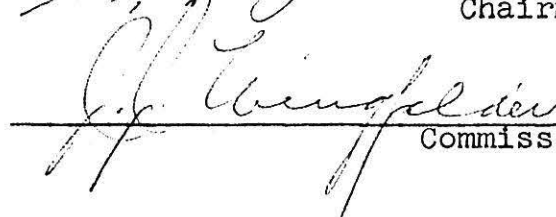
2. AND THIS BOARD DOTH FURTHER ORDER that the costs of

this hearing are fixed at \$5.00 and shall be paid forthwith by the Applicant to the Board.

DATED at Toronto this 2nd day of May, 1958.

ONTARIO FUEL BOARD


Chairman


Commissioner

Schedule 7J
Enbridge Gas Community Expansion Project Proposal
Hidden Valley (Huntsville)

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|--|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Hidden Valley (Huntsville) Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to expand the gas distribution system within the Township of Huntsville to include the community of Hidden Valley. The proposed facilities will provide access to natural gas to a forecasted 103 residential customers.

The proposed tie-in point will be near _____ connecting to existing 2" steel pipeline. The proposed distribution system will extend along _____, _____, _____, _____, _____ and _____.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 4,400 |

Please refer to Schedule 7J-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7J-2, Table 3.2.

3.3

Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.

For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.

Please refer to Schedule 7J-2, Table 3.3.

| | |
|-----|--|
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7J-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7J-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule 7J-5.</p> |
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule 7J-6 for Enbridge's CPCNs for the former Town of Huntsville (FBC 170) and the former Township of Chaffey (FBC 255) which cover the entire area of the proposed project.</p> |

| | |
|----------------------------------|--|
| | <p><i>Note: Per the District Municipality of Muskoka Act of 1970, effective January 1, 1971, the Town of Huntsville, the Village of Port Sydney, the Township of Brunel, the Township of Chaffey, the Township of Stisted and the Township of Stephenson were amalgamated to form the current Town of Huntsville. The community of Hidden Valley is located in the former Township of Chaffey and the former Town of Huntsville.</i></p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7J-2, Table 4.2.</p> |

4.3

Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.

Complete the tables below:

Revenue Requirement

| Description | Year 1 | Year 2... | Year 10 | Total |
|---------------------|--------|-----------|---------|-------|
| Revenue Requirement | | | | |

| Description | Year 10 |
|-------------------|---------|
| Closing Rate Base | |

Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).

Please refer to Schedule 7J-2, Table 4.3.

| Part V – Section 36.2 Funding | |
|--------------------------------------|---|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$1,899,859</p> <p>Please refer to Schedule 7J-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$18,445</p> <p>Please refer to Schedule 7J-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$10.72</p> <p>Please refer to Schedule 7J-2, Table 5.3.</p> |

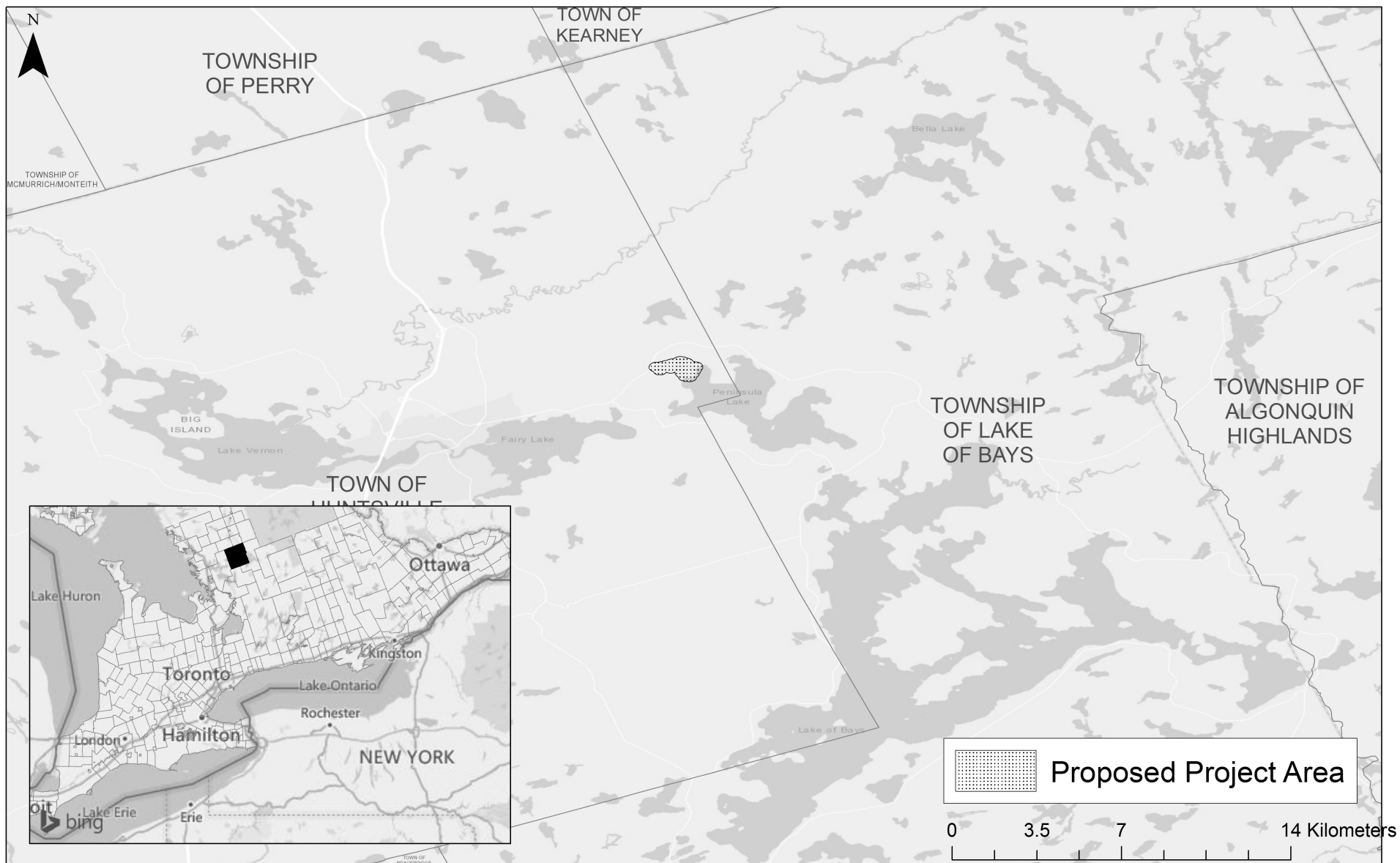
| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7J-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|--|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e. not a “portfolio” of projects).</p> <p>Please refer to Schedule 7J-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7J-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|--|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7J-4.</p> |

Schedule 7J-1
Enbridge Gas Community Expansion Project Proposal
Hidden Valley (Huntsville)

Hidden Valley (Huntsville)



Schedule 7J-2
Enbridge Gas Community Expansion Project Proposal
Hidden Valley (Huntsville)

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | 28 | 24 | 9 | 8 | 5 | 7 | 5 | 7 | 5 | 5 | 103 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | <u>28</u> | <u>24</u> | <u>9</u> | <u>8</u> | <u>5</u> | <u>7</u> | <u>5</u> | <u>7</u> | <u>5</u> | <u>5</u> | <u>103</u> |
| | 28 | 52 | 61 | 69 | 74 | 81 | 86 | 93 | 98 | 103 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Annual Volumes - m3</u> | | | | | | | | | | | |
|----------------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
| | 25,053 | 71,280 | 100,265 | 114,785 | 125,950 | 136,538 | 147,125 | 157,713 | 168,300 | 177,210 | 1,224,218 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | <u>25,053</u> | <u>71,280</u> | <u>100,265</u> | <u>114,785</u> | <u>125,950</u> | <u>136,538</u> | <u>147,125</u> | <u>157,713</u> | <u>168,300</u> | <u>177,210</u> | <u>1,224,218</u> |

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Cumulative Volumes - m3</u> | | | | | | | | | | | |
|--------------------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|--|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| | 25,053 | 96,333 | 196,598 | 311,383 | 437,333 | 573,870 | 720,995 | 878,708 | 1,047,008 | 1,224,218 | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | - | - | - | - | - | - | - | - | - | |
| | <u>25,053</u> | <u>96,333</u> | <u>196,598</u> | <u>311,383</u> | <u>437,333</u> | <u>573,870</u> | <u>720,995</u> | <u>878,708</u> | <u>1,047,008</u> | <u>1,224,218</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

Total Capital Costs

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

Revenue Requirement

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | | | | | | | | | | | |

Year 10

Closing Rate Base (net of proposed Section 36.2 funding)

Table 5.1 - Total Amount of Section 36.2 Funding

| | |
|--|--------------|
| Section 36.2 Funding Needed to Support the Project | \$ 1,899,859 |
|--|--------------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | |
|---|---|
| Section 36.2 Funding Amount Per Customer Served | <u>Year 10</u> \$ 18,445 |
|---|---|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | |
|---|--|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | <u>Year 10</u> \$ 10.72 |
|---|--|

Table 6.1 - Distribution Charge

| | Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|---------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-----------------------|
| Distribution Revenue | \$ | 5,956 | 16,990 | 23,960 | 27,513 | 30,235 | 32,774 | 35,313 | 37,852 | 40,391 | 42,514 | \$ 293,498 |
| SES Revenue | | 5,762 | 16,394 | 23,061 | 26,401 | 28,969 | 31,404 | 33,839 | 36,274 | 38,709 | 40,758 | 281,570 |
| Total Distribution Charge | \$ | <u>11,718</u> | <u>33,385</u> | <u>47,021</u> | <u>53,913</u> | <u>59,204</u> | <u>64,178</u> | <u>69,152</u> | <u>74,126</u> | <u>79,100</u> | <u>83,273</u> | <u>\$ 575,068</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

| | | |
|--|--------------------------|-------------|
| <u>Cash Inflow</u> | <u>Net Present Value</u> | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| <u>Cash Outflow</u> | | |
| Gross Capital | | |
| Proposed Section 36.2 Funding | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | | <u>1.00</u> |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | <u>Net Present Value</u> | |
|---|--------------------------|--|
| <u>Cash Inflow</u> | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| <u>Cash Outflow</u> | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7J-3
Enbridge Gas Community Expansion Project Proposal
Hidden Valley (Huntsville)

Section 3.4 Hidden Valley (Huntsville)

Total Forecasted Customers 103 Penetration Rate 67%

| Existing Fuel / Heating Type | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Oil | 22 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 27,948 | 6.6 | -2.4 | 142 | (53) |
| Electricity F/A | 9 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 4,662 | 0.5 | 3.6 | 5 | 33 |
| Electricity Baseboard | 12 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 6,215 | 0.5 | 3.6 | 7 | 44 |
| Propane | 45 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 5,269 | 5.1 | -1.0 | 231 | (44) |
| Wood | 9 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 5 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 103 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 44,094 | 12.7 | 3.8 | 385 | (19) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge.

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7J-4
Enbridge Gas Community Expansion Project Proposal
Hidden Valley (Huntsville)

Hidden Valley (Huntsville) Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7J-5
Enbridge Gas Community Expansion Project Proposal
Hidden Valley (Huntsville)



OFFICE OF THE MAYOR

July 31, 2020

Dear Regional Director Luke Skaarup,

Re: Expression of Support for Natural Gas Expansion to Hidden Valley Resort, Huntsville

In December 2019, the Government of Ontario announced plans to further increase access to natural gas by making financial support available for new service expansion projects. This Natural Gas Expansion Program will unlock financial support needed to expand natural gas service to new areas across Ontario that are not economically feasible without support. Our municipality is one such area, and we are eager to bring this affordable, reliable fuel source to our residents and businesses.

On behalf of the Town of Huntsville, I would like to formally express our interest to have Hidden Valley Resort included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Program.

Based on the draft Guidelines issued by the OEB (EB-2019-0255), we are aware that Enbridge Gas Inc. may be required to include support for the proposed project from Band Council(s) and/or local government, as applicable, demonstrated through a written expression of support and/or a commitment to financial support in its project submissions.

Natural gas is the most common, affordable heating fuel in Ontario. We fully support the efforts of Enbridge Gas Inc., the OEB and the Ministry of Energy, Northern Development and Mines. We look forward to working together to expand natural gas access in our community to attract new opportunities, help create jobs and lower monthly costs for our residents.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. Terziano', is written over a light blue circular stamp.

Karin Terziano
Mayor of Huntsville

KT:bj

Schedule 7J-6
Enbridge Gas Community Expansion Project Proposal
Hidden Valley (Huntsville)

ONTARIO FUEL BOARD

IN THE MATTER OF The Municipal Franchises
Act, R.S.O. 1950, Chapter 249, and amend-
ments thereto;

AND IN THE MATTER OF an application by
Northern Ontario Natural Gas Company Limited
for a certificate of public convenience and
necessity to construct works and to supply
gas to the inhabitants of the Town of
Huntsville.

B E F O R E:

| | | |
|-----------------------|---|--------------------------|
| A. R. CROZIER, and | } | TUESDAY, the 17th day of |
| D. M. TREADGOLD, Q.C. | | December, 1957. |

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON THE APPLICATION OF Northern Ontario Natural Gas Company Limited (hereinafter referred to as the "Applicant") for a certificate pursuant to the provisions of The Municipal Franchises Act, R.S.O. 1950, Chapter 249, Section 8 and amendments thereto, and at a public hearing of such application by the Board at the City of Toronto on the 17th day of December, 1957, after due notice of such hearing had been given as directed by the Board, in the presence of counsel for the Applicant and upon consideration of the evidence and exhibits produced at the hearing and upon hearing what was alleged by counsel aforesaid:

1. THIS BOARD DOETH ORDER that a Certificate of Public Convenience and Necessity be and the same is hereby granted to Northern Ontario Natural Gas Company Limited for the supply of natural gas to the inhabitants of the Town of Huntsville, and for the construction of the works necessary therefor.
2. AND THIS BOARD DOETH FURTHER ORDER that the costs of this hearing are fixed at \$20.00 and shall be paid

forthwith by the Applicant to the Board.

DATED at Toronto this 14th day of February, 1958

ONTARIO FUEL BOARD

A. J. [Signature]

[Signature]

ONTARIO FUEL BOARD

IN THE MATTER OF The Municipal Franchises Act, R.S.O. 1950, Chapter 249, and amendments thereto;

AND IN THE MATTER OF an application by Northern Ontario Natural Gas Company Limited for a certificate of public convenience and necessity to construct works and to supply gas to the inhabitants of the Town of Huntsville

CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY

McCarthy & McCarthy
330 University Ave.
Toronto 1 - Ontario

ONTARIO FUEL BOARD

IN THE MATTER OF The Municipal Franchises Act, R. S. O. 1950, Chapter 249, and amendments thereto;

AND IN THE MATTER OF an application by Northern Ontario Natural Gas Company Limited for a Certificate of Public Convenience and Necessity to construct works and to supply gas to the inhabitants of the Township of Chaffey.

B E F O R E:

| | | |
|--------------------------------|---|------------------------|
| A. R. CROZIER, Chairman |) | Friday, the 9th day of |
| J. J. WINGFELDER, Commissioner |) | May, 1958. |

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON THE APPLICATION OF Northern Ontario Natural Gas Company Limited (hereinafter referred to as the "Applicant") for a certificate pursuant to the provisions of The Municipal Franchises Act, R.S.O. 1950, Chapter 249, Section 8 and amendments thereto, and at a public hearing of such application by the Board at the City of Toronto on the 9th day of May, 1958, after due notice of such hearing had been given as directed by the Board in the presence of counsel for the applicant, no one else appearing, and upon consideration of the evidence and exhibits produced at the hearing and upon hearing what was alleged by counsel aforesaid:

1. THIS BOARD DOETH ORDER that a Certificate of Public Convenience and Necessity be and the same is hereby granted to Northern Ontario Natural Gas Company Limited for the supply of natural gas to the inhabitants of the Township of Chaffey and for the construction of the works necessary therefor.

2. AND THIS BOARD DOETH FURTHER ORDER that the Certificate of Public Convenience and Necessity hereby granted may be assigned by Northern Ontario Natural Gas Company Limited to Montreal Trust Company, the trustee under the deed of trust and mortgage, dated as of June 1, 1958, to be made between Northern Ontario Natural Gas Company Limited and Montreal Trust Company, as trustee, and to such person, firm or corporation to whom Montreal Trust Company, as trustee, may assign such Certificate in execution of the trusts under the said deed of trust and mortgage, together with, in each case, all rights and

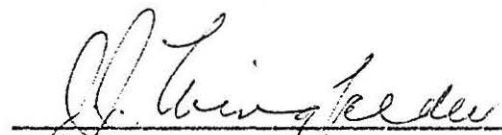
powers, statutory or otherwise, which flow from or are evidenced by such Certificate.

3. AND THIS BOARD DOETH FURTHER ORDER that the costs of this hearing are fixed at \$10.00 and shall be paid forthwith by the Applicant to the Board.

DATED at Toronto this *24th* day of June, 1958.

ONTARIO FUEL BOARD:


Chairman


Commissioner.

Schedule 7K
Enbridge Gas Community Expansion Project Proposal
Jogues

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|---|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Jogues Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to provide gas distribution service to the unincorporated / unorganized community of Jogues within Cochrane District. The proposed facilities will provide access to natural gas to a forecasted 58 customers (54 residential and 4 commercial / institutional).

The proposed project will tie-in to an existing 2" steel pipeline near the intersection of _____ and _____ of Hearst.

The proposed distribution system will extend _____, then _____ and _____ to Jogues to include _____ and _____.

There will be no reinforcement required to accommodate additional loads for the system. A new distribution station will be required.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 10,215 |

The approximate length and size of the supply laterals required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 4 | 6,160 |

Please refer to Schedule 7K-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7K-2, Table 3.2.

| | |
|-----|--|
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7K-2, Table 3.3.</p> |
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7K-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7K-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |

| | |
|----------------------------------|--|
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Enbridge Gas does not currently have a franchise agreement with nor a Certificate of Public Convenience and Necessity for the unincorporated / unorganized area within Cochrane District in which the community of Jogues is located. Enbridge Gas does have franchise agreements and CPCNs for adjacent municipalities including the Town of Hearst and the Township of Mattice – Val Côté.</p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7K-2, Table 4.2.</p> |

4.3

Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.

Complete the tables below:

Revenue Requirement

| Description | Year 1 | Year 2... | Year 10 | Total |
|---------------------|--------|-----------|---------|-------|
| Revenue Requirement | | | | |

| Description | Year 10 |
|-------------------|---------|
| Closing Rate Base | |

Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).

Please refer to Schedule 7K-2, Table 4.3.

| Part V – Section 36.2 Funding | |
|--------------------------------------|--|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$7,518,889</p> <p>Please refer to Schedule 7K-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$129,636</p> <p>Please refer to Schedule 7K-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$58.65</p> <p>Please refer to Schedule 7K-2, Table 5.3.</p> |

| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7K-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

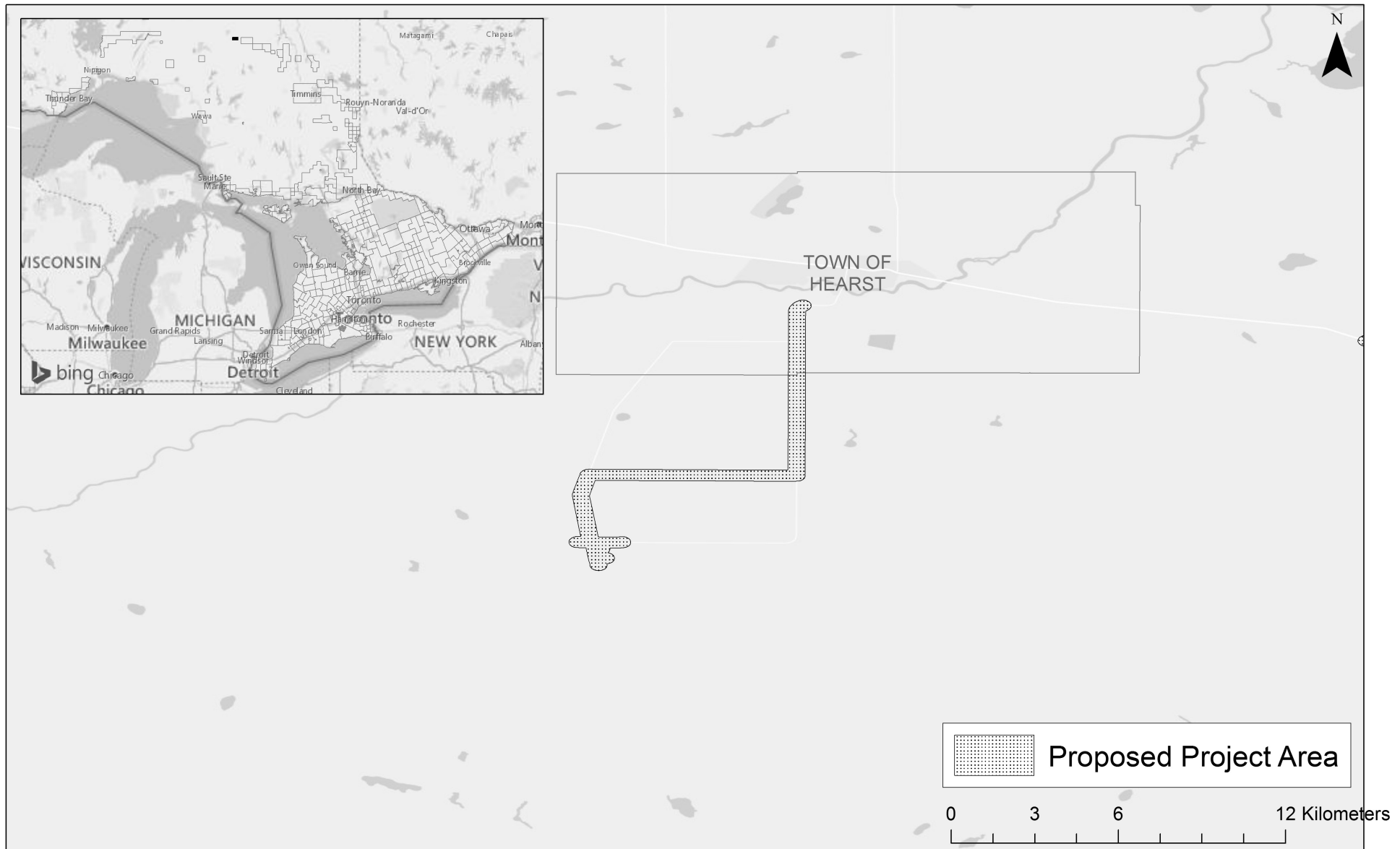
| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7K-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7K-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|---|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • Certificate of Public Convenience and Necessity • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7K-4.</p> |

Schedule 7K-1
Enbridge Gas Community Expansion Project Proposal

Jogues

Jogues (South of Hearst)



Schedule 7K-2
Enbridge Gas Community Expansion Project Proposal

Jogues

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | 16 | 12 | 8 | 4 | 4 | 2 | 2 | 2 | 2 | 2 | 54 |
| | - | 3 | 1 | - | - | - | - | - | - | - | 4 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | <u>16</u> | <u>15</u> | <u>9</u> | <u>4</u> | <u>4</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>58</u> |
| | 16 | 31 | 40 | 44 | 48 | 50 | 52 | 54 | 56 | 58 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>Annual Volumes - m3</u> | | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|---------------|---------------|---------------|---------------|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 17,600 | 48,400 | 70,400 | 83,600 | 92,400 | 99,000 | 103,400 | 107,800 | 112,200 | 116,600 | 851,400 |
| | - | 4,700 | 10,500 | 11,600 | 11,600 | 11,600 | 11,600 | 11,600 | 11,600 | 11,600 | 96,400 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | <u>17,600</u> | <u>53,100</u> | <u>80,900</u> | <u>95,200</u> | <u>104,000</u> | <u>110,600</u> | <u>115,000</u> | <u>119,400</u> | <u>123,800</u> | <u>128,200</u> | <u>947,800</u> |

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>Cumulative Volumes - m3</u> | | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
|---------------------|---------------|---------------|----------------|----------------|--------------------------------|----------------|----------------|----------------|----------------|----------------|--|
| | 17,600 | 66,000 | 136,400 | 220,000 | 312,400 | 411,400 | 514,800 | 622,600 | 734,800 | 851,400 | |
| | - | 4,700 | 15,200 | 26,800 | 38,400 | 50,000 | 61,600 | 73,200 | 84,800 | 96,400 | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | - | - | - | - | - | - | - | - | - | |
| | <u>17,600</u> | <u>70,700</u> | <u>151,600</u> | <u>246,800</u> | <u>350,800</u> | <u>461,400</u> | <u>576,400</u> | <u>695,800</u> | <u>819,600</u> | <u>947,800</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| |
|---------------------|
| Total Capital Costs |
|---------------------|

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| |
|---------------------|
| Revenue Requirement |
|---------------------|

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|

Year 10

| |
|--|
| Closing Rate Base (net of proposed Section 36.2 funding) |
|--|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | |
|---|------------|
| Section 36.2 Funding Amount Per Customer Served | \$ 129,636 |
|---|------------|

Table 6.1 - Distribution Charge

| | | | | | | | | | | | | | |
|---|-----------------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------|----------------|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | <u><u>Year 10</u></u> | | | | | | | | | | | | |
| | \$ | <u>58.65</u> | | | | | | | | | | | |
| Distribution Charge | | | | | | | | | | | | | |
| | | <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
| Distribution Revenue | \$ | 3,707 | 11,012 | 16,696 | 19,707 | 21,561 | 22,951 | 23,877 | 24,804 | 25,731 | 26,657 | \$ | 196,702 |
| SES Revenue | | <u>4,048</u> | <u>12,213</u> | <u>18,607</u> | <u>21,896</u> | <u>23,920</u> | <u>25,438</u> | <u>26,450</u> | <u>27,462</u> | <u>28,474</u> | <u>29,486</u> | | 217,994 |
| Total Distribution Charge | \$ | <u>7,755</u> | <u>23,225</u> | <u>35,303</u> | <u>41,603</u> | <u>45,481</u> | <u>48,389</u> | <u>50,327</u> | <u>52,266</u> | <u>54,205</u> | <u>56,143</u> | \$ | <u>414,696</u> |

Net Present Value

| | | |
|--|--|------|
| <u>Cash Inflow</u> | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| <u>Cash Outflow</u> | | |
| Gross Capital | | |
| Proposed Section 36.2 Funding | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | | 1.00 |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | Net Present Value | |
|---|-------------------|--|
| Cash Inflow | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| Cash Outflow | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7K-3
Enbridge Gas Community Expansion Project Proposal

Jogues

Section 3.4 Jogues

Total Forecasted Customers 58 Penetration Rate 65%

| Existing Fuel / Heating Type | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Oil | 12 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 15,738 | 6.6 | -2.4 | 80 | (30) |
| Electricity F/A | 5 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 2,625 | 0.5 | 3.6 | 3 | 19 |
| Electricity Baseboard | 7 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 3,500 | 0.5 | 3.6 | 4 | 25 |
| Propane | 26 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 2,967 | 5.1 | -1.0 | 130 | (25) |
| Wood | 5 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 3 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 58 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 24,830 | 12.7 | 3.8 | 217 | (11) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge.

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7K-4
Enbridge Gas Community Expansion Project Proposal
Jogues

Jogues Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7L
Enbridge Gas Community Expansion Project Proposal
Kaministiquia

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|---|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Kaministiquia Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to provide gas distribution service to the unincorporated / unorganized community of Kaministiquia within the District of Thunder Bay. The proposed facilities will provide access to natural gas to a forecasted 151 customers (137 residential, 11 commercial / institutional and 3 industrial).

The proposed tie-in point will be to an existing 2" polyethylene pipeline near _____. The proposed distribution system will extend _____ to _____ and then _____ to Kaministiquia.

There are two reinforcement segments required (375 m of 2" steel pipeline and 1,928 m of 4" steel pipeline) to accommodate additional loads for the system. Two existing stations will require upsizing.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 30,594 |

The approximate length and size of the reinforcement pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|-----------|----------------|------------|
| Steel | 2 | 375 |
| Steel | 4 | 1,928 |

The approximate length and size of the supply laterals required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 4 | 4,973 |
| Polyethylene | 6 | 4,636 |

Please refer to Schedule 7L-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7L-2, Table 3.2.

| | |
|-----|--|
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7L-2, Table 3.3.</p> |
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7L-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7L-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |

| | |
|----------------------------------|--|
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Enbridge Gas does not currently have a franchise agreement with nor a Certificate of Public Convenience and Necessity for the unincorporated / unorganized area within the District of Thunder Bay in which the community of Kaministiquia is located. Enbridge Gas does have franchise agreements and CPCNs for adjacent municipalities including the City of Thunder Bay and the Township of Oliver Paipouge.</p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7L-2, Table 4.2.</p> |

4.3

Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.

Complete the tables below:

Revenue Requirement

| Description | Year 1 | Year 2... | Year 10 | Total |
|---------------------|--------|-----------|---------|-------|
| Revenue Requirement | | | | |

| Description | Year 10 |
|-------------------|---------|
| Closing Rate Base | |

Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).

Please refer to Schedule 7L-2, Table 4.3.

| Part V – Section 36.2 Funding | |
|--------------------------------------|--|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$19,046,539</p> <p>Please refer to Schedule 7L-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$126,136</p> <p>Please refer to Schedule 7L-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$30.12</p> <p>Please refer to Schedule 7L-2, Table 5.3.</p> |

| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7L-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7L-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7L-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|---|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • Certificate of Public Convenience and Necessity • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7L-4.</p> |

Schedule 7L-1
Enbridge Gas Community Expansion Project Proposal
Kaministiquia

Kaministiquia

EB-2019-0255
Schedule 7L-1
Redacted



Schedule 7L-2
Enbridge Gas Community Expansion Project Proposal
Kaministiquia

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|-----------|-----------|-----------|-----------|-----------|----------|----------|----------|----------|-----------|--------------|
| | 42 | 32 | 21 | 11 | 11 | 4 | 4 | 4 | 4 | 4 | 137 |
| | - | 7 | 2 | 1 | 1 | - | - | - | - | - | 11 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 3 | - | - | - | - | - | - | - | - | 3 |
| | <u>42</u> | <u>42</u> | <u>23</u> | <u>12</u> | <u>12</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>4</u> | <u>151</u> |
| | 42 | 84 | 107 | 119 | 131 | 135 | 139 | 143 | 147 | 151 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>Annual Volumes - m3</u> | | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|---------------|----------------|----------------|----------------|----------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | 46,200 | 127,600 | 185,900 | 221,100 | 245,300 | 261,800 | 270,600 | 279,400 | 288,200 | 297,000 | 2,223,100 |
| | - | 11,900 | 27,400 | 32,100 | 34,300 | 35,400 | 35,400 | 35,400 | 35,400 | 35,400 | 282,700 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 150,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 2,550,000 |
| | <u>46,200</u> | <u>289,500</u> | <u>513,300</u> | <u>553,200</u> | <u>579,600</u> | <u>597,200</u> | <u>606,000</u> | <u>614,800</u> | <u>623,600</u> | <u>632,400</u> | <u>5,055,800</u> |

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>Cumulative Volumes - m3</u> | | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
|---------------------|---------------|----------------|----------------|------------------|--------------------------------|------------------|------------------|------------------|------------------|------------------|--|
| | 46,200 | 173,800 | 359,700 | 580,800 | 826,100 | 1,087,900 | 1,358,500 | 1,637,900 | 1,926,100 | 2,223,100 | |
| | - | 11,900 | 39,300 | 71,400 | 105,700 | 141,100 | 176,500 | 211,900 | 247,300 | 282,700 | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | 150,000 | 450,000 | 750,000 | 1,050,000 | 1,350,000 | 1,650,000 | 1,950,000 | 2,250,000 | 2,550,000 | |
| | <u>46,200</u> | <u>335,700</u> | <u>849,000</u> | <u>1,402,200</u> | <u>1,981,800</u> | <u>2,579,000</u> | <u>3,185,000</u> | <u>3,799,800</u> | <u>4,423,400</u> | <u>5,055,800</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| | |
|---------------------|----------------|
| Total Capital Costs | <u>Year 10</u> |
| | |

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| Revenue Requirement | | | | | | | | | | | |

| | |
|--|----------------|
| Closing Rate Base (net of proposed Section 36.2 funding) | <u>Year 10</u> |
| | |

Table 5.1 - Total Amount of Section 36.2 Funding

| | |
|--|---------------|
| Section 36.2 Funding Needed to Support the Project | \$ 19,046,539 |
|--|---------------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | |
|---|------------------------------|
| Section 36.2 Funding Amount Per Customer Served | <u>Year 10</u> \$ 126,136 |
|---|------------------------------|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | |
|---|----------------------------|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | <u>Year 10</u> \$ 30.12 |
|---|----------------------------|

Table 6.1 - Distribution Charge

| | <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------------|---------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Distribution Revenue | \$ | 9,730 | 40,322 | 66,635 | 74,868 | 80,427 | 84,134 | 85,987 | 87,841 | 89,694 | 91,547 | \$ 711,185 |
| SES Revenue | | 10,626 | 66,585 | 118,059 | 127,236 | 133,308 | 137,356 | 139,380 | 141,404 | 143,428 | 145,452 | 1,162,834 |
| Total Distribution Charge | \$ | <u>20,356</u> | <u>106,907</u> | <u>184,694</u> | <u>202,104</u> | <u>213,735</u> | <u>221,490</u> | <u>225,367</u> | <u>229,245</u> | <u>233,122</u> | <u>236,999</u> | <u>\$ 1,874,019</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

| | |
|--|--------------------------|
| | <u>Net Present Value</u> |
| <u>Cash Inflow</u> | |
| Revenue: | |
| Distribution Revenue | |
| System Expansion Surcharge (SES) Revenue | |
| Total Revenue (A) | |
| Expenses: | |
| O&M Expense | |
| Municipal Tax | |
| Income Tax | |
| Total Expenses (B) | |
| Total Cash Inflow (C = A + B) | |
| <u>Cash Outflow</u> | |
| Gross Capital | |
| Proposed Section 36.2 Funding | |
| Change in Working Capital | |
| Total Cash Outflow (D) | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | <u>1.00</u> |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | Net Present Value | |
|---|-------------------|--|
| Cash Inflow | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| Cash Outflow | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7L-3
Enbridge Gas Community Expansion Project Proposal
Kaministiquia

Section 3.4 Kaministiquia

Total Forecasted Customers 151 Penetration Rate 65%

| | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Existing Fuel / Heating Type | | | | | | | | | | | |
| Oil | 32 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 40,972 | 6.6 | -2.4 | 208 | (77) |
| Electricity F/A | 14 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 6,834 | 0.5 | 3.6 | 7 | 49 |
| Electricity Baseboard | 18 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 9,112 | 0.5 | 3.6 | 10 | 65 |
| Propane | 66 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 7,725 | 5.1 | -1.0 | 339 | (65) |
| Wood | 14 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 8 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 151 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 64,642 | 12.7 | 3.8 | 564 | (28) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7L-4
Enbridge Gas Community Expansion Project Proposal
Kaministiquia

Kaministiquia Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7M
Enbridge Gas Community Expansion Project Proposal
Kenora District

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|---|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Kenora District () Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to provide gas distribution service to the unincorporated / unorganized area along _____ in the District of Kenora, west of the City of Dryden. The proposed facilities will provide access to natural gas to a forecasted 30 customers (27 residential, 2 commercial / institutional and 1 industrial).

The proposed facilities will run along _____ from the tie-in point connecting to an existing 4" polyethylene pipe at the intersection of _____ and _____ (_____) and extend for approximately 2.45 km _____.

There will be no reinforcement required. A small distribution station will be required to accommodate the additional potential loads.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 2,450 |

Please refer to Schedule 7M-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7M-2, Table 3.2.

3.3

Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.

For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.

Please refer to Schedule 7M-2, Table 3.3.

| | |
|-----|--|
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7M-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7M-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule 7M-5.</p> |
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Enbridge Gas does not currently have a franchise agreement with nor a Certificate of Public Convenience and Necessity for the unincorporated / unorganized area along Highway 594 in the District of Kenora where the proposed project is located.</p> |

| | |
|----------------------------------|---|
| | <p><i>Note: Enbridge Gas does have CPCNs for a section of Kenora District along Highway 105 (EB-2017-0114) and nearby Wabigoon Township (EBC 95) and has a franchise agreement with and CPCN for the City of Dryden.</i></p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7M-2, Table 4.2.</p> |

| 4.3 | <p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th>Description</th> <th>Year 1</th> <th>Year 2...</th> <th>Year 10</th> <th>Total</th> </tr> <tr> <td>Revenue Requirement</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th>Description</th> <th>Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule 7M-2, Table 4.3.</p> | Description | Year 1 | Year 2... | Year 10 | Total | Revenue Requirement | | | | | Description | Year 10 | Closing Rate Base | |
|---------------------|--|-------------|---------|-----------|---------|-------|---------------------|--|--|--|--|-------------|---------|-------------------|--|
| Description | Year 1 | Year 2... | Year 10 | Total | | | | | | | | | | | |
| Revenue Requirement | | | | | | | | | | | | | | | |
| Description | Year 10 | | | | | | | | | | | | | | |
| Closing Rate Base | | | | | | | | | | | | | | | |

| Part V – Section 36.2 Funding | |
|--------------------------------------|---|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$956,804</p> <p>Please refer to Schedule 7M-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$31,893</p> <p>Please refer to Schedule 7M-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$5.78</p> <p>Please refer to Schedule 7M-2, Table 5.3.</p> |

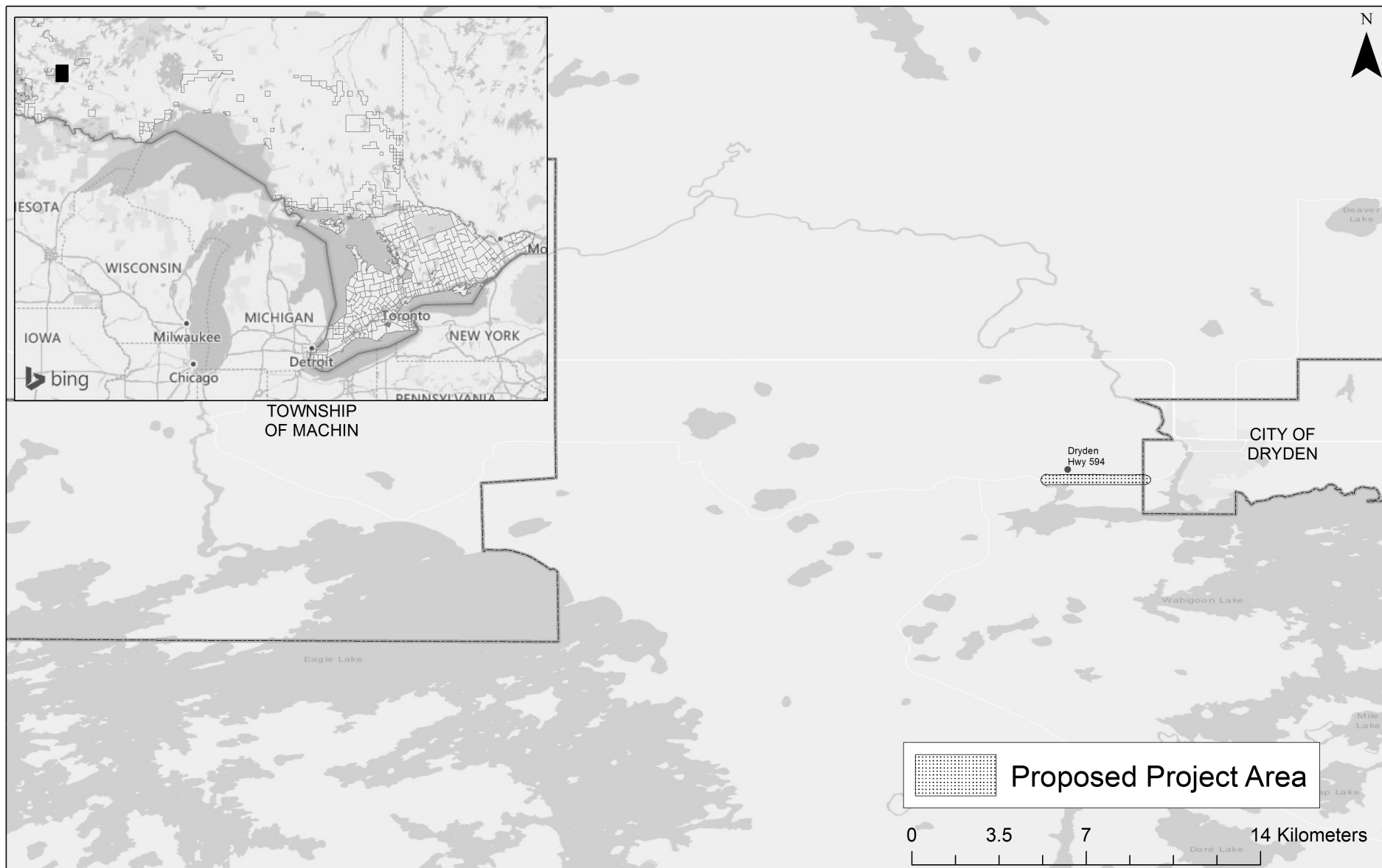
| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7M-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7M-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7M-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|---|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Certificate of Public Convenience and Necessity • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7M-4.</p> |

Schedule 7M-1
Enbridge Gas Community Expansion Project Proposal
Kenora District

Kenora District



Schedule 7M-2
Enbridge Gas Community Expansion Project Proposal
Kenora District

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | 9 | 5 | 4 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 27 |
| | - | 2 | - | - | - | - | - | - | - | - | 2 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | <u>9</u> | <u>8</u> | <u>4</u> | <u>2</u> | <u>2</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>30</u> |
| | 9 | 17 | 21 | 23 | 25 | 26 | 27 | 28 | 29 | 30 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> | <u>Annual Volumes - m3</u> | | | | | | | | | | <u>Total</u> |
|----------------------|----------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 9,900 | 25,300 | 35,200 | 41,800 | 46,200 | 49,500 | 51,700 | 53,900 | 56,100 | 58,300 | 427,900 |
| Commercial | - | 3,600 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 | 61,200 |
| Institutional | - | - | - | - | - | - | - | - | - | - | - |
| Agricultural | - | - | - | - | - | - | - | - | - | - | - |
| Industrial | - | 50,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 850,000 |
| Total Volumes | <u>9,900</u> | <u>78,900</u> | <u>142,400</u> | <u>149,000</u> | <u>153,400</u> | <u>156,700</u> | <u>158,900</u> | <u>161,100</u> | <u>163,300</u> | <u>165,500</u> | <u>1,339,100</u> |

| <u>Customer Type</u> | <u>Cumulative Volumes - m3</u> | | | | | | | | | | |
|----------------------|--------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|--|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 9,900 | 35,200 | 70,400 | 112,200 | 158,400 | 207,900 | 259,600 | 313,500 | 369,600 | 427,900 | |
| Commercial | - | 3,600 | 10,800 | 18,000 | 25,200 | 32,400 | 39,600 | 46,800 | 54,000 | 61,200 | |
| Institutional | - | - | - | - | - | - | - | - | - | - | |
| Agricultural | - | - | - | - | - | - | - | - | - | - | |
| Industrial | - | 50,000 | 150,000 | 250,000 | 350,000 | 450,000 | 550,000 | 650,000 | 750,000 | 850,000 | |
| Total Volumes | <u>9,900</u> | <u>88,800</u> | <u>231,200</u> | <u>380,200</u> | <u>533,600</u> | <u>690,300</u> | <u>849,200</u> | <u>1,010,300</u> | <u>1,173,600</u> | <u>1,339,100</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| | |
|---------------------|----------------|
| Total Capital Costs | <u>Year 10</u> |
| | |

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| Revenue Requirement | | | | | | | | | | | |

| | |
|--|----------------|
| Closing Rate Base (net of proposed Section 36.2 funding) | <u>Year 10</u> |
| | |

Table 5.1 - Total Amount of Section 36.2 Funding

| | | |
|--|----|---------|
| Section 36.2 Funding Needed to Support the Project | \$ | 956,804 |
|--|----|---------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | | |
|---|----|---------------------------------|
| Section 36.2 Funding Amount Per Customer Served | \$ | <u>Year 10</u> <u>31,893</u> |
|---|----|---------------------------------|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | | |
|---|----|-------------------------------|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | \$ | <u>Year 10</u> <u>5.78</u> |
|---|----|-------------------------------|

Table 6.1 - Distribution Charge

| | <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------------|---------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| Distribution Revenue | \$ | 2,085 | 9,734 | 16,225 | 17,615 | 18,541 | 19,236 | 19,699 | 20,163 | 20,626 | 21,089 | \$ 165,013 |
| SES Revenue | | 2,277 | 18,147 | 32,752 | 34,270 | 35,282 | 36,041 | 36,547 | 37,053 | 37,559 | 38,065 | 307,993 |
| Total Distribution Charge | \$ | <u>4,362</u> | <u>27,881</u> | <u>48,977</u> | <u>51,885</u> | <u>53,823</u> | <u>55,277</u> | <u>56,246</u> | <u>57,216</u> | <u>58,185</u> | <u>59,154</u> | <u>\$ 473,006</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

| | |
|--|-------------|
| <u>Cash Inflow</u> | |
| Revenue: | |
| Distribution Revenue | |
| System Expansion Surcharge (SES) Revenue | |
| Total Revenue (A) | |
| Expenses: | |
| O&M Expense | |
| Municipal Tax | |
| Income Tax | |
| Total Expenses (B) | |
| Total Cash Inflow (C = A + B) | |
| <u>Cash Outflow</u> | |
| Gross Capital | |
| Proposed Section 36.2 Funding | |
| Change in Working Capital | |
| Total Cash Outflow (D) | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | <u>1.00</u> |

Net Present Value

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | Net Present Value | |
|---|-------------------|--|
| Cash Inflow | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| Cash Outflow | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7M-3
Enbridge Gas Community Expansion Project Proposal
Kenora District

Section 3.4 Kenora District (_____)

Total Forecasted Customers 30 Penetration Rate 64%

| | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Existing Fuel / Heating Type | | | | | | | | | | | |
| Oil | 6 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,460 | \$ 1,328 | \$ 8,365 | 6.6 | -2.4 | 41 | (15) |
| Electricity F/A | 3 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,460 | \$ 538 | \$ 1,454 | 0.5 | 3.6 | 1 | 10 |
| Electricity Baseboard | 4 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,460 | \$ 538 | \$ 1,939 | 0.5 | 3.6 | 2 | 13 |
| Propane | 13 | 44% | \$ 600 | \$ 1,611 | \$ 1,460 | \$ 152 | \$ 2,005 | 5.1 | -1.0 | 67 | (13) |
| Wood | 3 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 2 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 30 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,838 | \$ 2,557 | \$ 13,762 | 12.7 | 3.8 | 112 | (6) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.663 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North West) April 2020 rates, including 23 cents per m3 SES charge.

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7M-4
Enbridge Gas Community Expansion Project Proposal
Kenora District

Kenora District (_____) Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7M-5
Enbridge Gas Community Expansion Project Proposal
Kenora District



Administration Department
City of Dryden
30 Van Horne Avenue
Dryden, ON P8N 2A7

April 3, 2020

Wendy Landry – Senior Advisor
Indigenous, Municipal
and Stakeholder Relations
Enbridge Gas Inc.
Wendy.Landry@enbridge.com

RE: City of Dryden Natural Gas Expansion

Dear Ms. Landry,

I hope my letter finds you well. I am writing to inquire as to the possibility of expanding access to natural gas service in the City of Dryden area.

During our last meeting on February 11, 2019 with Nicole Lehto, we discussed with a group of local residents and business owners that new development into the then proposed areas of expanded access would not be financially beneficial for Enbridge Gas and that provincial government investment would likely be required to make construction costs feasible.

On March 5, 2020 the provincial government announced the next step in their plan to expand natural gas access to thousands of households, businesses and Indigenous communities throughout rural and northern Ontario. The Natural Gas Expansion Support Program was created to help extend access to natural gas to unserved communities across the province, providing access to clean and affordable fuel.

Under this funding program, we are again requesting Enbridge Gas to strongly consider expansion of service in the Dryden area. Our municipal staff have gathered data to help initiate the initial investigation required. This data is attached to my letter in the form of maps showing the suggested areas of expansion with property and structure counts in these areas.

We are very hopeful that Enbridge Gas will submit a Dryden area natural gas expansion project proposal for inclusion in the OEB's report to the Ministry of Energy, Northern Development and Mines before the June 3, 2020 deadline.





Administration Department
City of Dryden
30 Van Horne Avenue
Dryden, ON P8N 2A7

Should you have any questions or need additional information please reach out to me at 807-220-0057 or at gwilson@dryden.ca.

Sincerely,

Greg Wilson, Mayor
City of Dryden

CC:

Nicole Lehto, Enbridge
City of Dryden Council
Hon. Greg Rickford, Minister of Energy, Northern Development and Mines
and Indigenous Affairs
Roger Nesbitt, CAO City of Dryden



Schedule 7N
Enbridge Gas Community Expansion Project Proposal
Lavigne

**Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution**

| | |
|---|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Lavigne Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to provide gas distribution service to the community of Lavigne within the Municipality of West Nipissing. The proposed facilities will provide access to natural gas to a forecasted 61 customers (54 residential and 7 commercial / institutional).

The proposed tie-in point will be to an existing 10" steel pipeline on _____ between _____ and _____, _____. The proposed distribution system will extend _____ to Lavigne.

There will be no reinforcement required to accommodate additional loads for the system. A new distribution station will be required on _____, _____.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 5,560 |

The approximate length and size of the supply laterals required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 4 | 7,260 |

Please refer to Schedule 7N-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7N-2, Table 3.2.

| | |
|-----|--|
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7N-2, Table 3.3.</p> |
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7N-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7N-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |

| | |
|----------------------------------|--|
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule 7N-6 for Enbridge's CPCN for the Municipality of West Nipissing (RP-2002-0119 / EB-2002-0344) which covers the entire area of the proposed project.</p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7N-2, Table 4.2.</p> |

| 4.3 | <p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table border="1" style="margin: 10px auto; width: 80%;"> <tr> <th style="text-align: left;">Description</th> <th style="text-align: center;">Year 1</th> <th style="text-align: center;">Year 2...</th> <th style="text-align: center;">Year 10</th> <th style="text-align: center;">Total</th> </tr> <tr> <td>Revenue Requirement</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <table border="1" style="margin: 10px auto; width: 40%;"> <tr> <th style="text-align: left;">Description</th> <th style="text-align: center;">Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule 7N-2, Table 4.3.</p> | Description | Year 1 | Year 2... | Year 10 | Total | Revenue Requirement | | | | | Description | Year 10 | Closing Rate Base | |
|---------------------|---|-------------|---------|-----------|---------|-------|---------------------|--|--|--|--|-------------|---------|-------------------|--|
| Description | Year 1 | Year 2... | Year 10 | Total | | | | | | | | | | | |
| Revenue Requirement | | | | | | | | | | | | | | | |
| Description | Year 10 | | | | | | | | | | | | | | |
| Closing Rate Base | | | | | | | | | | | | | | | |

| Part V – Section 36.2 Funding | |
|--------------------------------------|---|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$5,962,418</p> <p>Please refer to Schedule 7N-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$97,745</p> <p>Please refer to Schedule 7N-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$40.23</p> <p>Please refer to Schedule 7N-2, Table 5.3.</p> |

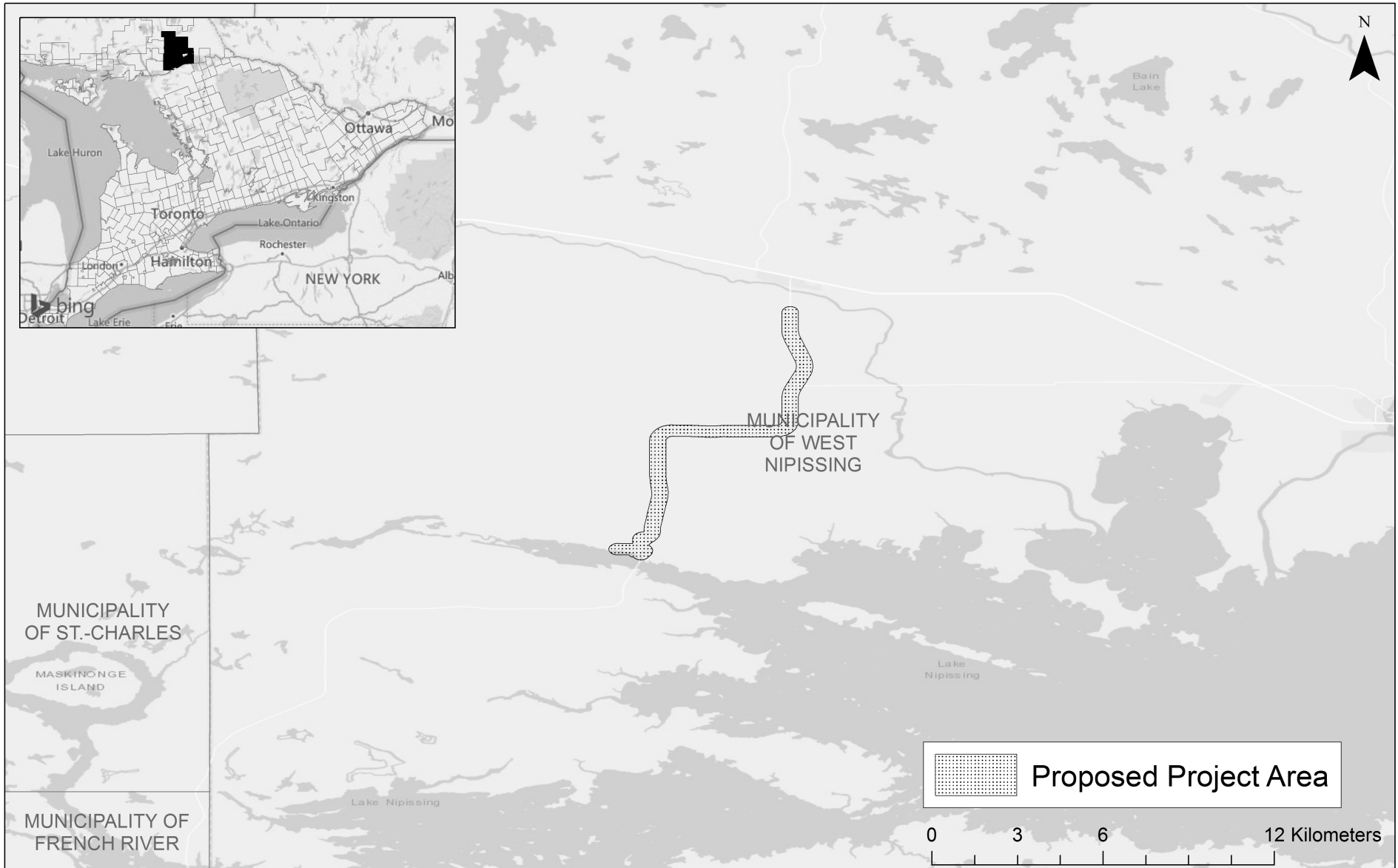
| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7N-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7N-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7N-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|--|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7N-4.</p> |

Schedule 7N-1
Enbridge Gas Community Expansion Project Proposal
Lavigne

Lavigne



Schedule 7N-2
Enbridge Gas Community Expansion Project Proposal
Lavigne

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | 16 | 12 | 8 | 4 | 4 | 2 | 2 | 2 | 2 | 2 | 54 |
| | - | 5 | 2 | - | - | - | - | - | - | - | 7 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | <u>16</u> | <u>17</u> | <u>10</u> | <u>4</u> | <u>4</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> | <u>61</u> |
| | 16 | 33 | 43 | 47 | 51 | 53 | 55 | 57 | 59 | 61 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> | <u>Annual Volumes - m3</u> | | | | | | | | | | <u>Total</u> |
|----------------------|----------------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 17,600 | 48,400 | 70,400 | 83,600 | 92,400 | 99,000 | 103,400 | 107,800 | 112,200 | 116,600 | 851,400 |
| Commercial | - | 12,200 | 28,000 | 31,600 | 31,600 | 31,600 | 31,600 | 31,600 | 31,600 | 31,600 | 261,400 |
| Institutional | - | - | - | - | - | - | - | - | - | - | - |
| Agricultural | - | - | - | - | - | - | - | - | - | - | - |
| Industrial | - | - | - | - | - | - | - | - | - | - | - |
| Total Volumes | <u>17,600</u> | <u>60,600</u> | <u>98,400</u> | <u>115,200</u> | <u>124,000</u> | <u>130,600</u> | <u>135,000</u> | <u>139,400</u> | <u>143,800</u> | <u>148,200</u> | <u>1,112,800</u> |

| <u>Customer Type</u> | <u>Cumulative Volumes - m3</u> | | | | | | | | | | |
|----------------------|--------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|--|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 17,600 | 66,000 | 136,400 | 220,000 | 312,400 | 411,400 | 514,800 | 622,600 | 734,800 | 851,400 | |
| Commercial | - | 12,200 | 40,200 | 71,800 | 103,400 | 135,000 | 166,600 | 198,200 | 229,800 | 261,400 | |
| Institutional | - | - | - | - | - | - | - | - | - | - | |
| Agricultural | - | - | - | - | - | - | - | - | - | - | |
| Industrial | - | - | - | - | - | - | - | - | - | - | |
| Total Volumes | <u>17,600</u> | <u>78,200</u> | <u>176,600</u> | <u>291,800</u> | <u>415,800</u> | <u>546,400</u> | <u>681,400</u> | <u>820,800</u> | <u>964,600</u> | <u>1,112,800</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| | |
|---------------------|----------------|
| Total Capital Costs | <u>Year 10</u> |
| | |

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| Revenue Requirement | | | | | | | | | | | |

| | |
|--|----------------|
| Closing Rate Base (net of proposed Section 36.2 funding) | <u>Year 10</u> |
| | |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | Net Present Value | |
|---|-------------------|--|
| Cash Inflow | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| Cash Outflow | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7N-3
Enbridge Gas Community Expansion Project Proposal
Lavigne

Section 3.4 Lavigne

Total Forecasted Customers 61 Penetration Rate 65%

| Existing Fuel / Heating Type | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Oil | 13 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 16,552 | 6.6 | -2.4 | 84 | (31) |
| Electricity F/A | 5 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 2,761 | 0.5 | 3.6 | 3 | 20 |
| Electricity Baseboard | 7 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 3,681 | 0.5 | 3.6 | 4 | 26 |
| Propane | 27 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 3,120 | 5.1 | -1.0 | 137 | (26) |
| Wood | 5 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 3 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 61 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 26,114 | 12.7 | 3.8 | 228 | (11) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge.

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7N-4
Enbridge Gas Community Expansion Project Proposal
Lavigne

Lavigne Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7N-6
Enbridge Gas Community Expansion Project Proposal
Lavigne



RP-2002-0119
EB-2002-0333
EB-2002-0344

IN THE MATTER OF the *Municipal Franchises Act*,
R.S.O.1990, c. M.55, as amended;

AND IN THE MATTER OF an application by Union Gas Limited for an order approving the terms and conditions upon which the Corporation of the Municipality of West Nipissing is by by-law to grant Union Gas Limited the right to construct and operate works for the distribution of gas; the right to extend and add to the works; and the period for which such rights are granted;

AND IN THE MATTER OF an application by Union Gas Limited for an order dispensing with the assent of the municipal electors of the Municipality of West Nipissing to the by-law;

AND IN THE MATTER OF an application by Union Gas Limited for an order cancelling and replacing the existing Certificates of Public Convenience and Necessity with a single Certificate of Public Convenience and Necessity for the Corporation of the Municipality of West Nipissing.

BEFORE: Malcolm Jackson
Presiding Member

Ken McCann
Member

DECISION AND ORDER

Union Gas Limited ("Union") filed an application, dated March 22, 2002, (the "Application") with the Ontario Energy Board (the "Board") under the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, for an order of the Board approving

- 2 -

the terms and conditions upon which and the period for which the Corporation of the Municipality of West Nipissing (the "Corporation"), is by by-law to grant to Union the right to construct and operate works for the distribution of gas, and to extend and add to the works in the Municipality of West Nipissing (the "Municipality"). The Board assigned File No. RP-2002-0119/EB-2002-0333 to this Application.

Union Gas Limited also applied for an order of the Board cancelling the existing Certificates of Public Convenience and Necessity and replacing them with a new Certificate of Public Convenience and Necessity which would include the area of the former municipalities which are now part of the Municipality of West Nipissing (the "Certificate Application"). The Board has assigned File No. RP-2002-0119/EB-2002-0344 to this Certificate Application.

Union also submitted a resolution, passed by the Council for the Corporation, approving the form of draft by-law (the "By-law"), authorizing the franchise agreement between Union and the Corporation (the "Franchise Agreement"), and requesting the Board to declare and direct, pursuant to subsection 9(4) of the Act, that the assent of the municipal electors to the By-law is not necessary.

The Board's Notice of Application was published on May 22, 2002. There were no intervenors. On September 20, 2002 the Board issued a Notice of Written Hearing. No party satisfied the Board that there was a good reason for not holding a written hearing.

Union is presently serving the Municipality and has Certificates of Public Convenience and Necessity (E.B.C. 115 Township of Caldwell, E.B.C. 240 Town of Cache Bay, F.B.C. 257 Town of Sturgeon Falls, E.B.C. 23 Township of Springer) for the Municipality. Union does not have a Certificate of Public Convenience and Necessity for that portion of the Municipality formerly known as the Township of Field nor for the portion of the Municipality formerly known as the unorganized Townships of Bertram, Latchford, Falconer, Loudon, Macpherson, Beaucage, Pedley, Kirkpatrick, Grant, Badgerow, Dana, McWilliams, Crerar, Gibbons, Bastedo, Fell, Hugel and part of Janes.

- 3 -

Effective January 1, 1999 the Township of Caldwell, the Town of Cache Bay, the Town of Sturgeon Falls, the Township of Springer and the Township of Field were amalgamated, and the unorganized Townships of Bertram, Latchford, Falconer, Loudon, Macpherson, Beaucage, Pedley, Kirkpatrick, Grant, Badgerow, Dana, McWilliams, Crerar, Gibbons, Bastedo, Fell, Hugel and part of Janes were annexed to form the Municipality of West Nipissing. The Board also notes that the Franchise Agreement is in the form of the 2000 Model Franchise Agreement approved by the Board as a standard form of franchise agreement.

The Board finds that, based on the evidence, granting the Applications is in the public interest.

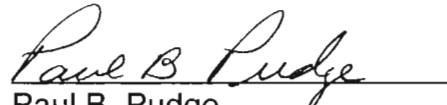
THE BOARD THEREFORE ORDERS THAT:

1. The terms and conditions upon which, and the period for which, the Corporation of the Municipality of West Nipissing is, by by-law, to grant to Union Gas Limited the right to construct and operate works for the distribution of gas, and the right to extend and add to the works, as set out in the Franchise Agreement attached as Appendix A, are approved.
2. The assent of the municipal electors of the Municipality of West Nipissing to the By-law is not necessary.
3. The existing Certificates of Public Convenience and Necessity for the former municipalities of Township of Caldwell (E.B.C. 115), Town of Cache Bay (E.B.C. 240), Town of Sturgeon Falls (F.B.C. 257), Township of Springer (E.B.C. 23) are cancelled and replaced with a single Certificate of Public Convenience and Necessity for the amalgamated Municipality of West Nipissing (EB-2002-0344).

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DATED at Toronto November 5, 2002

ONTARIO ENERGY BOARD


Paul B. Pudge
Board Secretary

Schedule 70
Enbridge Gas Community Expansion Project Proposal
Little Longlac

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|--|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Little Longlac Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to provide gas distribution service to the community of Little Longlac within the Municipality of Greenstone. The proposed facilities will provide access to natural gas to a forecasted 6 customers (4 residential, 1 commercial / institutional and 1 industrial).

The proposed tie-in point will be to an existing 2" polyethylene pipeline near the intersection of _____ and _____. The proposed distribution system will extend along _____ and _____.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 630 |

Please refer to Schedule 7O-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7O-2, Table 3.2.

3.3

Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.

For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.

Please refer to Schedule 7O-2, Table 3.3.

| | |
|-----|--|
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7O-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7O-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule 7O-6 for Enbridge's CPCN for the Municipality of Greenstone (EB-2007-0020) which covers the entire area of the proposed project.</p> |

| Part IV – Cost of Project | | | | | | | | | | | | | | | |
|---------------------------|---|-------------|---------|-----------|---------|-------|---------------------|--|--|--|--|-------------|---------|-------------------|--|
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> | | | | | | | | | | | | | | |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7O-2, Table 4.2.</p> | | | | | | | | | | | | | | |
| 4.3 | <p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Year 1</th> <th>Year 2...</th> <th>Year 10</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Revenue Requirement</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Description</th> <th>Year 10</th> </tr> </thead> <tbody> <tr> <td>Closing Rate Base</td> <td></td> </tr> </tbody> </table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule 7O-2, Table 4.3.</p> | Description | Year 1 | Year 2... | Year 10 | Total | Revenue Requirement | | | | | Description | Year 10 | Closing Rate Base | |
| Description | Year 1 | Year 2... | Year 10 | Total | | | | | | | | | | | |
| Revenue Requirement | | | | | | | | | | | | | | | |
| Description | Year 10 | | | | | | | | | | | | | | |
| Closing Rate Base | | | | | | | | | | | | | | | |

| Part V – Section 36.2 Funding | |
|--------------------------------------|---|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$318,754</p> <p>Please refer to Schedule 7O-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$53,126</p> <p>Please refer to Schedule 7O-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$2.68</p> <p>Please refer to Schedule 7O-2, Table 5.3.</p> |

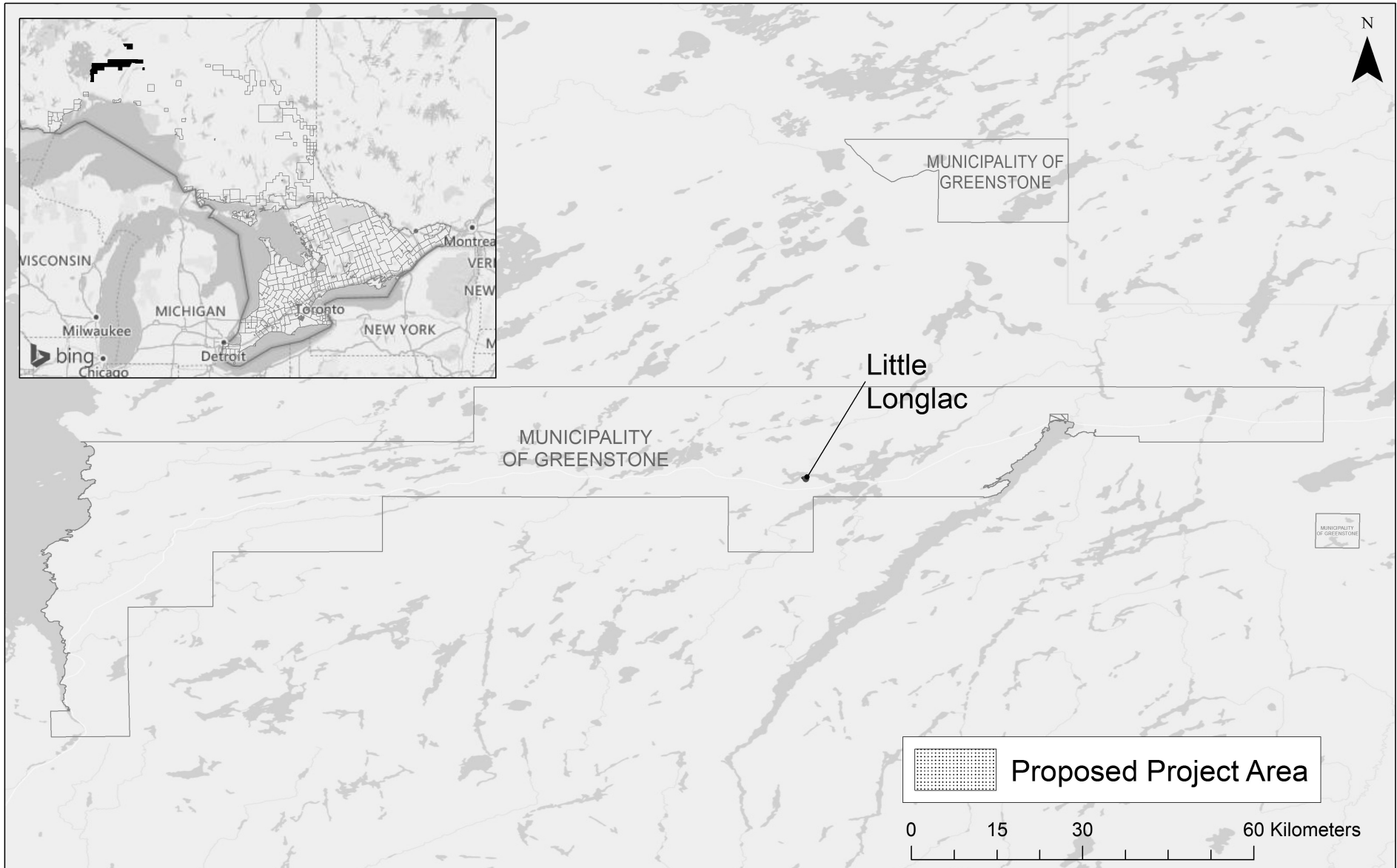
| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7O-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7O-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7O-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|--|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7O-4.</p> |

Schedule 7O-1
Enbridge Gas Community Expansion Project Proposal
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Schedule 7O-2
Enbridge Gas Community Expansion Project Proposal
Little Longlac

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | 3 | 1 | - | - | - | - | - | - | - | - | 4 |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | <u>3</u> | <u>3</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6</u> |
| | 3 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> | <u>Annual Volumes - m3</u> | | | | | | | | | | <u>Total</u> |
|----------------------|----------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 3,300 | 7,700 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | 8,800 | 81,400 |
| Commercial | - | 5,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 85,000 |
| Institutional | - | - | - | - | - | - | - | - | - | - | - |
| Agricultural | - | - | - | - | - | - | - | - | - | - | - |
| Industrial | - | 50,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 850,000 |
| Total Volumes | <u>3,300</u> | <u>62,700</u> | <u>118,800</u> | <u>118,800</u> | <u>118,800</u> | <u>118,800</u> | <u>118,800</u> | <u>118,800</u> | <u>118,800</u> | <u>118,800</u> | <u>1,016,400</u> |

| <u>Customer Type</u> | <u>Cumulative Volumes - m3</u> | | | | | | | | | | |
|----------------------|--------------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|--|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 3,300 | 11,000 | 19,800 | 28,600 | 37,400 | 46,200 | 55,000 | 63,800 | 72,600 | 81,400 | |
| Commercial | - | 5,000 | 15,000 | 25,000 | 35,000 | 45,000 | 55,000 | 65,000 | 75,000 | 85,000 | |
| Institutional | - | - | - | - | - | - | - | - | - | - | |
| Agricultural | - | - | - | - | - | - | - | - | - | - | |
| Industrial | - | 50,000 | 150,000 | 250,000 | 350,000 | 450,000 | 550,000 | 650,000 | 750,000 | 850,000 | |
| Total Volumes | <u>3,300</u> | <u>66,000</u> | <u>184,800</u> | <u>303,600</u> | <u>422,400</u> | <u>541,200</u> | <u>660,000</u> | <u>778,800</u> | <u>897,600</u> | <u>1,016,400</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| | |
|---------------------|----------------|
| Total Capital Costs | <u>Year 10</u> |
| | |

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| Revenue Requirement | | | | | | | | | | | |

| | |
|--|----------------|
| Closing Rate Base (net of proposed Section 36.2 funding) | <u>Year 10</u> |
| | |

Table 5.1 - Total Amount of Section 36.2 Funding

| | | |
|--|----|---------|
| Section 36.2 Funding Needed to Support the Project | \$ | 318,754 |
|--|----|---------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | | |
|---|----|--|
| Section 36.2 Funding Amount Per Customer Served | \$ | Year 10 <u>53,126</u> |
|---|----|--|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | | |
|---|----|--|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | \$ | Year 10 <u>2.68</u> |
|---|----|--|

Table 6.1 - Distribution Charge

| | Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|---------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-----------------------|
| Distribution Revenue | \$ | 695 | 6,008 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | 10,626 | \$ 91,711 |
| SES Revenue | | <u>759</u> | <u>14,421</u> | <u>27,324</u> | <u>27,324</u> | <u>27,324</u> | <u>27,324</u> | <u>27,324</u> | <u>27,324</u> | <u>27,324</u> | <u>27,324</u> | <u>233,772</u> |
| Total Distribution Charge | \$ | <u>1,454</u> | <u>20,429</u> | <u>37,950</u> | <u>37,950</u> | <u>37,950</u> | <u>37,950</u> | <u>37,950</u> | <u>37,950</u> | <u>37,950</u> | <u>37,950</u> | <u>\$ 325,483</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

| | <u>Net Present Value</u> |
|--|--------------------------|
| <u>Cash Inflow</u> | |
| Revenue: | |
| Distribution Revenue | |
| System Expansion Surcharge (SES) Revenue | |
| Total Revenue (A) | |
| Expenses: | |
| O&M Expense | |
| Municipal Tax | |
| Income Tax | |
| Total Expenses (B) | |
| Total Cash Inflow (C = A + B) | |
| <u>Cash Outflow</u> | |
| Gross Capital | |
| Proposed Section 36.2 Funding | |
| Change in Working Capital | |
| Total Cash Outflow (D) | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | <u>1.00</u> |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | <u>Net Present Value</u> | |
|---|--------------------------|--|
| <u>Cash Inflow</u> | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| <u>Cash Outflow</u> | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7O-3
Enbridge Gas Community Expansion Project Proposal
Little Longlac

Section 3.4 Little Longlac

Total Forecasted Customers 6 Penetration Rate 65%

| | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Existing Fuel / Heating Type | | | | | | | | | | | |
| Oil | 1 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 1,628 | 6.6 | -2.4 | 8 | (3) |
| Electricity F/A | 1 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 272 | 0.5 | 3.6 | 0 | 2 |
| Electricity Baseboard | 1 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 362 | 0.5 | 3.6 | 0 | 3 |
| Propane | 3 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 307 | 5.1 | -1.0 | 13 | (3) |
| Wood | 1 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 0 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 6 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 2,569 | 12.7 | 3.8 | 22 | (1) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7O-4
Enbridge Gas Community Expansion Project Proposal
Little Longlac

Little Longlac Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7O-6
Enbridge Gas Community Expansion Project Proposal
Little Longlac

EB-2007-0020

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

Municipality of Greenstone

This certificate replaces the certificates of the former townships and the unorganized townships that are now within the Municipality

DATED at Toronto, April 3, 2007

ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

Schedule 7P
Enbridge Gas Community Expansion Project Proposal
Long Point (Norfolk County)

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|---|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Long Point Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

3.1

Redacted

Please refer to Schedule 7P-1 for Project Map.

| | |
|-----|--|
| 3.2 | <p>Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.</p> <p>Please refer to Schedule 7P-2, Table 3.2.</p> |
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7P-2, Table 3.3.</p> |
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7P-3, Table 3.4.</p> |

| | |
|----------------------------------|---|
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7P-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule 7P-6 for Enbridge's CPCN for Norfolk County (EB-2017-0108-A1) which covers the entire area of the proposed project.</p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |

| | | | | | | | | | | | | | | | |
|---------------------|--|--------------------|----------------|------------------|----------------|--------------|---------------------|--|--|--|--|--------------------|----------------|-------------------|--|
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7P-2, Table 4.2.</p> | | | | | | | | | | | | | | |
| 4.3 | <p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table><tr><td>Description</td><td>Year 1</td><td>Year 2...</td><td>Year 10</td><td>Total</td></tr><tr><td>Revenue Requirement</td><td></td><td></td><td></td><td></td></tr></table> <table><tr><td>Description</td><td>Year 10</td></tr><tr><td>Closing Rate Base</td><td></td></tr></table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule 7P-2, Table 4.3.</p> | Description | Year 1 | Year 2... | Year 10 | Total | Revenue Requirement | | | | | Description | Year 10 | Closing Rate Base | |
| Description | Year 1 | Year 2... | Year 10 | Total | | | | | | | | | | | |
| Revenue Requirement | | | | | | | | | | | | | | | |
| Description | Year 10 | | | | | | | | | | | | | | |
| Closing Rate Base | | | | | | | | | | | | | | | |

| Part V – Section 36.2 Funding | |
|--------------------------------------|---|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$19,267,317</p> <p>Please refer to Schedule 7P-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$33,981</p> <p>Please refer to Schedule 7P-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$14.32</p> <p>Please refer to Schedule 7P-2, Table 5.3.</p> |

| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7P-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7P-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7P-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|--|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7P-4.</p> |

Schedule 7P-1
Enbridge Gas Community Expansion Project Proposal
Long Point (Norfolk County)

Long Point



Schedule 7P-2
Enbridge Gas Community Expansion Project Proposal
Long Point (Norfolk County)

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| | 169 | 131 | 83 | 35 | 34 | 18 | 18 | 18 | 18 | 18 | 542 |
| | - | 13 | 5 | 2 | 1 | 1 | - | - | - | - | 22 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 2 | - | - | - | - | - | - | - | - | 2 |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | <u>169</u> | <u>147</u> | <u>88</u> | <u>37</u> | <u>35</u> | <u>19</u> | <u>18</u> | <u>18</u> | <u>18</u> | <u>18</u> | <u>567</u> |
| | 169 | 316 | 404 | 441 | 476 | 495 | 513 | 531 | 549 | 567 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>Annual Volumes - m3</u> | | | | | | <u>Total</u> |
|---------------------|----------------|----------------|----------------|------------------|----------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| | 184,298 | 511,734 | 745,852 | 875,011 | 950,270 | 1,007,149 | 1,046,749 | 1,086,349 | 1,125,949 | 1,165,549 | 8,698,908 |
| | - | 26,300 | 59,500 | 68,600 | 71,900 | 74,100 | 75,200 | 75,200 | 75,200 | 75,200 | 601,200 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 2,200 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 | 37,400 |
| | - | 50,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 850,000 |
| | <u>184,298</u> | <u>590,234</u> | <u>909,752</u> | <u>1,048,011</u> | <u>1,126,570</u> | <u>1,185,649</u> | <u>1,226,349</u> | <u>1,265,949</u> | <u>1,305,549</u> | <u>1,345,149</u> | <u>10,187,508</u> |

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>Cumulative Volumes - m3</u> | | | | | | <u>10</u> |
|---------------------|----------------|----------------|------------------|------------------|--------------------------------|------------------|------------------|------------------|------------------|-------------------|-----------|
| | 184,298 | 696,031 | 1,441,883 | 2,316,893 | 3,267,163 | 4,274,312 | 5,321,061 | 6,407,410 | 7,533,359 | 8,698,908 | |
| | - | 26,300 | 85,800 | 154,400 | 226,300 | 300,400 | 375,600 | 450,800 | 526,000 | 601,200 | |
| | - | - | - | - | - | - | - | - | - | - | |
| | - | 2,200 | 6,600 | 11,000 | 15,400 | 19,800 | 24,200 | 28,600 | 33,000 | 37,400 | |
| | - | 50,000 | 150,000 | 250,000 | 350,000 | 450,000 | 550,000 | 650,000 | 750,000 | 850,000 | |
| | <u>184,298</u> | <u>774,531</u> | <u>1,684,283</u> | <u>2,732,293</u> | <u>3,858,863</u> | <u>5,044,512</u> | <u>6,270,861</u> | <u>7,536,810</u> | <u>8,842,359</u> | <u>10,187,508</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

Total Capital Costs

[Year 10](#)

Table 4.3 - Revenue Requirement Over The Rate Stability Period

Revenue Requirement

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | | | | | | | | | | | |

[Year 10](#)

Closing Rate Base (net of proposed Section 36.2 funding)

Table 5.1 - Total Amount of Section 36.2 Funding

| | |
|--|---------------|
| Section 36.2 Funding Needed to Support the Project | \$ 19,267,317 |
|--|---------------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | |
|---|---|
| Section 36.2 Funding Amount Per Customer Served | <u>Year 10</u> \$ 33,981 |
|---|---|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | |
|---|--|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | <u>Year 10</u> \$ 14.32 |
|---|--|

Table 6.1 - Distribution Charge

| | Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|---------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-----------------------|
| Distribution Revenue | \$ | 27,554 | 81,038 | 121,370 | 141,805 | 153,546 | 162,356 | 168,398 | 174,278 | 180,158 | 186,037 | \$ 1,396,540 |
| SES Revenue | | 42,388 | 135,754 | 209,243 | 241,042 | 259,111 | 272,699 | 282,060 | 291,168 | 300,276 | 309,384 | 2,343,127 |
| Total Distribution Charge | \$ | <u>69,943</u> | <u>216,792</u> | <u>330,613</u> | <u>382,848</u> | <u>412,657</u> | <u>435,055</u> | <u>450,459</u> | <u>465,446</u> | <u>480,434</u> | <u>495,421</u> | <u>\$ 3,739,667</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

Cash Inflow

Revenue:

Distribution Revenue

System Expansion Surcharge (SES) Revenue

Total Revenue (A)

Expenses:

O&M Expense

Municipal Tax

Income Tax

Total Expenses (B)

Total Cash Inflow (C = A + B)

Cash Outflow

Gross Capital

Proposed Section 36.2 Funding

Change in Working Capital

Total Cash Outflow (D)

Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D)

Net Present Value

1.00

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | Net Present Value | |
|---|-------------------|--|
| Cash Inflow | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| Cash Outflow | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7P-3
Enbridge Gas Community Expansion Project Proposal
Long Point (Norfolk County)

Section 3.4 Long Point

Total Forecasted Customers 567 Penetration Rate 59%

| Existing Fuel / Heating Type | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Oil | 119 | 21% | \$ 5,000 | \$ 2,829 | \$ 1,258 | \$ 1,571 | \$ 187,057 | 6.7 | -2.5 | 792 | (301) |
| Electricity F/A | 51 | 9% | \$ 5,000 | \$ 2,028 | \$ 1,258 | \$ 770 | \$ 39,313 | 0.5 | 3.6 | 28 | 183 |
| Electricity Baseboard | 68 | 12% | \$ 12,000 | \$ 1,626 | \$ 1,258 | \$ 368 | \$ 25,033 | 0.5 | 3.6 | 37 | 244 |
| Propane | 249 | 44% | \$ 600 | \$ 1,626 | \$ 1,258 | \$ 368 | \$ 91,789 | 5.2 | -1.1 | 1,293 | (264) |
| Wood | 51 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 28 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 567 | 100% | \$ 31,100 | \$ 8,109 | \$ 5,031 | \$ 3,077 | \$ 343,192 | 12.9 | 3.6 | 2,149 | (139) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate M1 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.572 |
| Heating oil | L | 2433 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 18046 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3359 | Propane | \$/L | 0.484 |

Notes:

Gas prices correspond to EGI (Union Gas South) April 2020 rates, including 23 cents per m3 SES charge

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

South Propane prices correspond to the latest available montly average EDPRO residential rates for Zone 1 (March 2020).

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7P-4
Enbridge Gas Community Expansion Project Proposal
Long Point (Norfolk County)

Long Point Community Expansion Project Pipeline Construction Schedule

| Task Name | 2022 | | | | | | | | | | | | 2023 | | | | | | | | | | | | 2024 | | | | | | | | | | | |
|---|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Environmental Assessments | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Permits & Approvals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Leave to Construct Application and Approval | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-Construction, Construction and Testing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| In Service | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Schedule 7P-6
Enbridge Gas Community Expansion Project Proposal
Long Point (Norfolk County)

Schedule A1
EB-2017-0108-A1

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Enbridge Gas Inc.

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to

Norfolk County

as it is constituted on the date of this Decision and Order, in the following areas:

All of the former Townships of Windham and Charlotteville

All of the former Townships of Woodhouse and Townsend, excluding those parts lying in Haldimand County

All of the former Township of Middleton, excluding those parts lying in Oxford County and excluding the following:

- Concession North Side of Talbot Road East – South quarter of Lots 142 and 143
- Concession South Side of Talbot Road East – All of Lots 142 and 143
- Concession 2 South Side of Talbot Road East – All of Lot 1

All of the former Township of Walsingham, excluding those parts lying in the following:

- The Whole of Marsh Lots 1 to 5 (Inclusive)
- Concession B – All of Lots 1 to 5 (Inclusive)
- Concession A – All of Lots 1 to 5 (Inclusive)
- Concessions 1 to 6 – All of Lots 1 to 5 (Inclusive)
- Concession 7 – All of Lots 1 and 3 (but including 220 and 230 8th Concession Road located within the northern half of Lot 3), and the south halves of Lots 2, 4 and 5
- Concession 8 – All of Lot 1
- Concession 11 – All of Lot 1
- Concession 12 – All of Lot 1
- Concession 13 – All of Lot 1
- Concession 14 – All of Lot 1

Former Township of Houghton:

- All of Gore Lot A
- The north half of Gore Lot B

DATED at Toronto, October 17, 2019

ONTARIO ENERGY BOARD

Pascale Duguay
Manager, Natural Gas

Schedule 7Q
Enbridge Gas Community Expansion Project Proposal
Marks Township

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|--|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Marks Township Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1

Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to provide gas distribution service to the community of Marks Township within the District of Thunder Bay. The proposed facilities will provide access to natural gas to a forecasted 89 customers (85 residential, 2 commercial / institutional and 2 industrial).

The proposed tie-in point will be to an existing 2" polyethylene pipeline in Kakabeka Falls. The proposed distribution system will extend _____ to Marks Township. Reinforcement will be required to accommodate additional loads on the system. An existing station will require upsizing.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 20,725 |

The approximate length and size of the reinforcement required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 4 | 780 |

The approximate length and size of the supply laterals required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 4 | 5,525 |

Please refer to Schedule 7Q-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7Q-2, Table 3.2.

| | |
|-----|--|
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7Q-2, Table 3.3.</p> |
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7Q-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7Q-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |

| | |
|----------------------------------|--|
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Enbridge Gas does not currently have a franchise agreement with nor a Certificate of Public Convenience and Necessity for Marks Township. Enbridge Gas does have franchise agreements and CPCNs for adjacent municipalities including the City of Thunder Bay and the Township of Oliver Paipoonge.</p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7Q-2, Table 4.2.</p> |

4.3

Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.

Complete the tables below:

Revenue Requirement

| Description | Year 1 | Year 2... | Year 10 | Total |
|---------------------|--------|-----------|---------|-------|
| Revenue Requirement | | | | |

| Description | Year 10 |
|-------------------|---------|
| Closing Rate Base | |

Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).

Please refer to Schedule 7Q-2, Table 4.3.

| Part V – Section 36.2 Funding | |
|--------------------------------------|--|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$11,741,677</p> <p>Please refer to Schedule 7Q-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$131,929</p> <p>Please refer to Schedule 7Q-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$30.04</p> <p>Please refer to Schedule 7Q-2, Table 5.3.</p> |

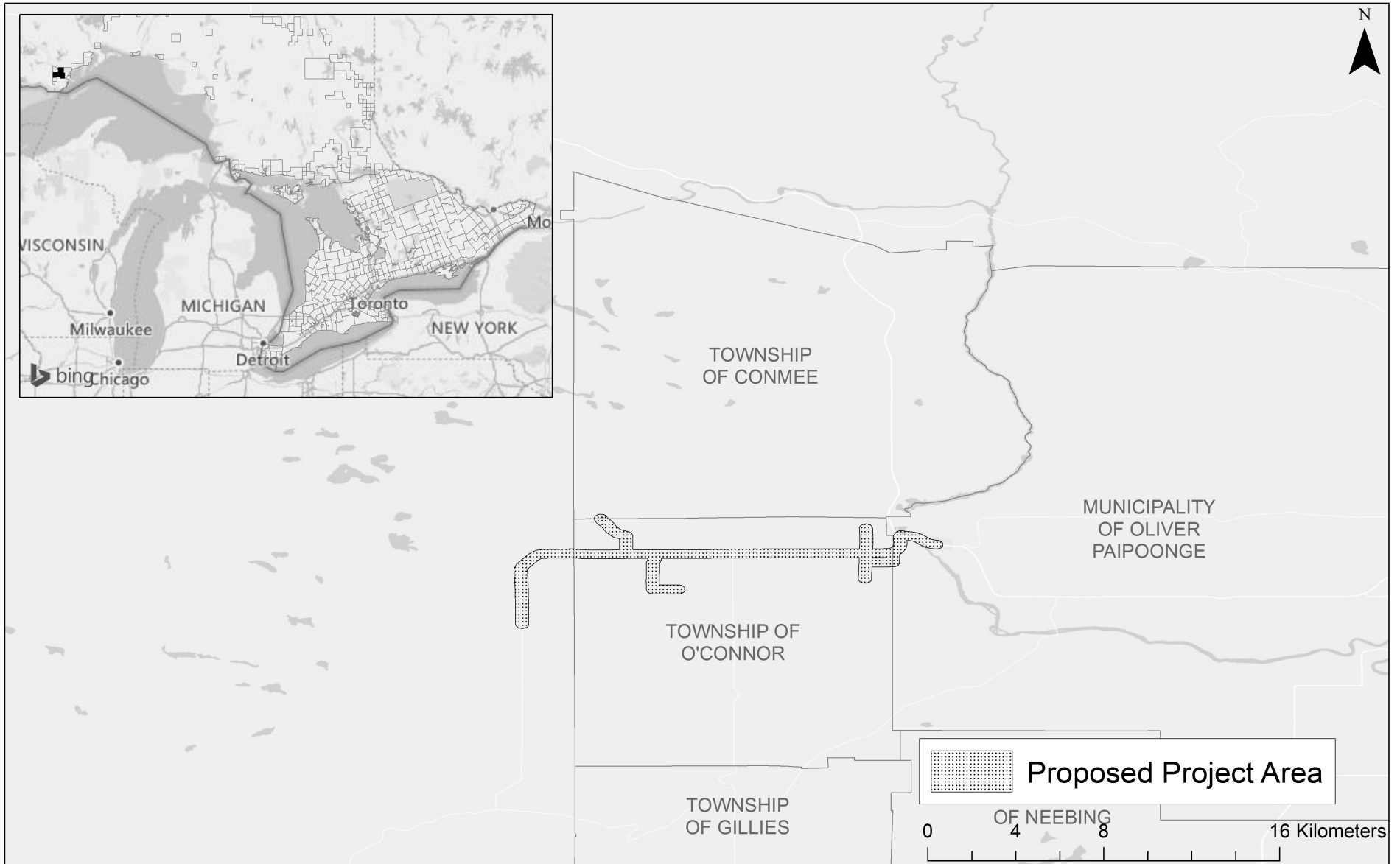
| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7Q-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7Q-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7Q-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|---|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • Franchise Agreement and Certificate of Public Convenience and Necessity • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7Q-4.</p> |

Schedule 7Q-1
Enbridge Gas Community Expansion Project Proposal
Marks Township

Marks Township (Outside Thunder Bay)



Schedule 7Q-2
Enbridge Gas Community Expansion Project Proposal
Marks Township

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|-----------|-----------|-----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | 26 | 19 | 13 | 6 | 6 | 3 | 3 | 3 | 3 | 3 | 85 |
| | - | 2 | - | - | - | - | - | - | - | - | 2 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 2 | - | - | - | - | - | - | - | - | 2 |
| | <u>26</u> | <u>23</u> | <u>13</u> | <u>6</u> | <u>6</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>89</u> |
| | 26 | 49 | 62 | 68 | 74 | 77 | 80 | 83 | 86 | 89 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Annual Volumes - m3</u> | | | | | | | | | | | |
|----------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
| | 28,600 | 78,100 | 113,300 | 134,200 | 147,400 | 157,300 | 163,900 | 170,500 | 177,100 | 183,700 | 1,354,100 |
| | - | 3,600 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 | 7,200 | 61,200 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 100,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,700,000 |
| | <u>28,600</u> | <u>181,700</u> | <u>320,500</u> | <u>341,400</u> | <u>354,600</u> | <u>364,500</u> | <u>371,100</u> | <u>377,700</u> | <u>384,300</u> | <u>390,900</u> | <u>3,115,300</u> |

| <u>Customer Type</u> |
|----------------------|
| Residential |
| Commercial |
| Institutional |
| Agricultural |
| Industrial |
| Total Volumes |

| <u>Cumulative Volumes - m3</u> | | | | | | | | | | |
|--------------------------------|---------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> |
| | 28,600 | 106,700 | 220,000 | 354,200 | 501,600 | 658,900 | 822,800 | 993,300 | 1,170,400 | 1,354,100 |
| | - | 3,600 | 10,800 | 18,000 | 25,200 | 32,400 | 39,600 | 46,800 | 54,000 | 61,200 |
| | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - | - | - | - |
| | - | 100,000 | 300,000 | 500,000 | 700,000 | 900,000 | 1,100,000 | 1,300,000 | 1,500,000 | 1,700,000 |
| | <u>28,600</u> | <u>210,300</u> | <u>530,800</u> | <u>872,200</u> | <u>1,226,800</u> | <u>1,591,300</u> | <u>1,962,400</u> | <u>2,340,100</u> | <u>2,724,400</u> | <u>3,115,300</u> |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

Total Capital Costs

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

Revenue Requirement

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | | | | | | | | | | | |

Year 10

Closing Rate Base (net of proposed Section 36.2 funding)

Table 5.1 - Total Amount of Section 36.2 Funding

| | |
|--|---------------|
| Section 36.2 Funding Needed to Support the Project | \$ 11,741,677 |
|--|---------------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | |
|---|-------------------------------------|
| Section 36.2 Funding Amount Per Customer Served | <u><u>Year 10</u></u> \$ 131,929 |
|---|-------------------------------------|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | |
|---|-----------------------------------|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | <u><u>Year 10</u></u> \$ 30.04 |
|---|-----------------------------------|

Table 6.1 - Distribution Charge

| | <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------------|---------------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------|
| Distribution Revenue | \$ | 6,023 | 24,672 | 40,310 | 44,711 | 47,491 | 49,576 | 50,966 | 52,356 | 53,746 | 55,136 | \$ 424,988 |
| SES Revenue | | 6,578 | 41,791 | 73,715 | 78,522 | 81,558 | 83,835 | 85,353 | 86,871 | 88,389 | 89,907 | 716,519 |
| Total Distribution Charge | \$ | <u>12,601</u> | <u>66,463</u> | <u>114,025</u> | <u>123,233</u> | <u>129,049</u> | <u>133,411</u> | <u>136,319</u> | <u>139,227</u> | <u>142,135</u> | <u>145,043</u> | <u>\$ 1,141,507</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

| | |
|--|--------------------------|
| | <u>Net Present Value</u> |
| <u>Cash Inflow</u> | |
| Revenue: | |
| Distribution Revenue | |
| System Expansion Surcharge (SES) Revenue | |
| Total Revenue (A) | |
| Expenses: | |
| O&M Expense | |
| Municipal Tax | |
| Income Tax | |
| Total Expenses (B) | |
| Total Cash Inflow (C = A + B) | |
| <u>Cash Outflow</u> | |
| Gross Capital | |
| Proposed Section 36.2 Funding | |
| Change in Working Capital | |
| Total Cash Outflow (D) | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | <u>1.00</u> |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | Net Present Value | |
|---|-------------------|--|
| Cash Inflow | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| Cash Outflow | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7Q-3
Enbridge Gas Community Expansion Project Proposal
Marks Township

Section 3.4 Marks Township

Total Forecasted Customers 89 Penetration Rate 65%

| Existing Fuel / Heating Type | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Oil | 19 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 24,149 | 6.6 | -2.4 | 123 | (45) |
| Electricity F/A | 8 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 4,028 | 0.5 | 3.6 | 4 | 29 |
| Electricity Baseboard | 11 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 5,371 | 0.5 | 3.6 | 6 | 38 |
| Propane | 39 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 4,553 | 5.1 | -1.0 | 200 | (38) |
| Wood | 8 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 4 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 89 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 38,101 | 12.7 | 3.8 | 332 | (17) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7Q-4
Enbridge Gas Community Expansion Project Proposal
Marks Township

Marks Township Community Expansion Project Pipeline Construction Schedule

| Task Name | 2022 | | | | | | | | | | | | 2023 | | | | | | | | | | | | 2024 | | | | | | | | | | | |
|---|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Environmental Assessments | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Permits & Approvals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Leave to Construct Application and Approval | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-Construction, Construction and Testing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| In Service | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Schedule 7R
Enbridge Gas Community Expansion Project Proposal
Markstay-Warren

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|---|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Markstay-Warren Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

Part III – Description of and Support for Project

3.1
Redacted

Provide a general overview of the project, which is to include the following: communities to be connected, including whether the project would serve any on-reserve Indigenous communities; existing population of each community by residential, commercial/institutional and industrial sectors; routing; length of pipeline; and nominal pipe size.

Enbridge Gas is proposing to expand gas distribution service within the Municipality of Markstay-Warren. The proposed facilities will provide access to natural gas to a forecasted 49 customers (42 residential, 6 commercial / institutional and 1 industrial).

The proposed tie-in point will be to an existing 10" steel pipeline near the intersection of _____ and _____. The proposed distribution system will extend _____ through the community of Hagar and approximately _____ of Hagar.

There will be no reinforcement required to accommodate additional loads for the system.

A new distribution station will be required along _____ of the intersection of _____ and _____.

The approximate length and size of the distribution pipelines required:

| Pipe Type | Diameter (NPS) | Length (m) |
|--------------|----------------|------------|
| Polyethylene | 2 | 5,365 |

Please refer to Schedule 7R-1 for Project Map.

3.2

Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.

Please refer to Schedule 7R-2, Table 3.2.

| | |
|-----|--|
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7R-2, Table 3.3.</p> |
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7R-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7R-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |

| | |
|----------------------------------|--|
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule 7R-6 for Enbridge's CPCN for the Municipality of Markstay-Warren (EB-2006-0286) which covers the majority of the proposed project. A CPCN will be required for facilities proposed in the Municipality of St. Charles.</p> |
| Part IV – Cost of Project | |
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7R-2, Table 4.2.</p> |

| 4.3 | <p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table border="1" style="margin: 10px auto; width: 80%;"> <tr> <th>Description</th> <th>Year 1</th> <th>Year 2...</th> <th>Year 10</th> <th>Total</th> </tr> <tr> <td>Revenue Requirement</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <table border="1" style="margin: 10px auto; width: 40%;"> <tr> <th>Description</th> <th>Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule 7R-2, Table 4.3.</p> | Description | Year 1 | Year 2... | Year 10 | Total | Revenue Requirement | | | | | Description | Year 10 | Closing Rate Base | |
|---------------------|--|-------------|---------|-----------|---------|-------|---------------------|--|--|--|--|-------------|---------|-------------------|--|
| Description | Year 1 | Year 2... | Year 10 | Total | | | | | | | | | | | |
| Revenue Requirement | | | | | | | | | | | | | | | |
| Description | Year 10 | | | | | | | | | | | | | | |
| Closing Rate Base | | | | | | | | | | | | | | | |

| Part V – Section 36.2 Funding | |
|--------------------------------------|---|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$2,163,390</p> <p>Please refer to Schedule 7R-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$44,151</p> <p>Please refer to Schedule 7R-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$9.80</p> <p>Please refer to Schedule 7R-2, Table 5.3.</p> |

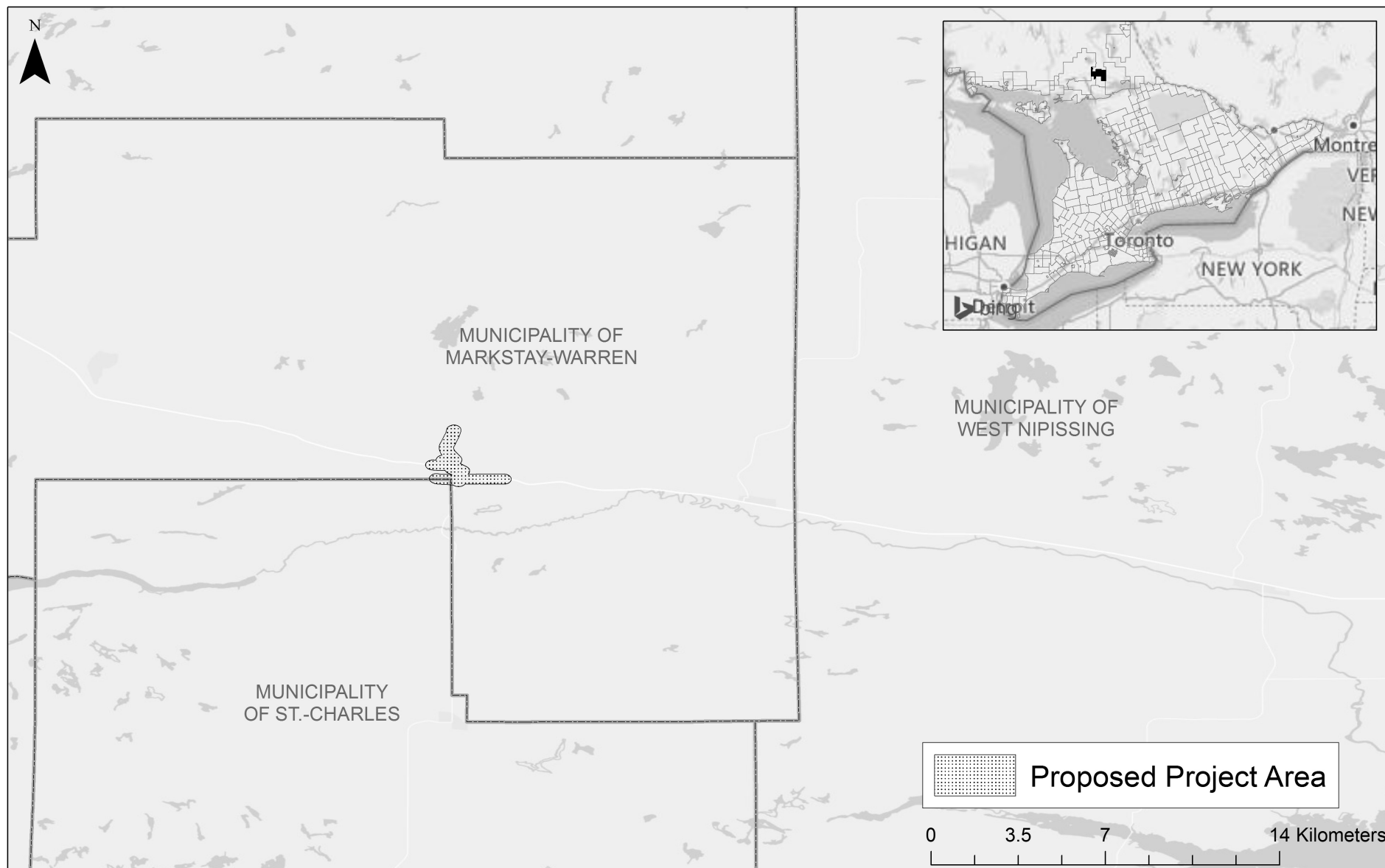
| Part VI – Distribution Charge | |
|--------------------------------------|--|
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7R-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7R-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7R-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|---|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • Certificate of Public Convenience and Necessity (St. Charles) • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7R-4.</p> |

Schedule 7R-1
Enbridge Gas Community Expansion Project Proposal
Markstay-Warren

Markstay-Warren



Schedule 7R-2
Enbridge Gas Community Expansion Project Proposal
Markstay-Warren

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|-----------|-----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| | 13 | 10 | 7 | 3 | 3 | 2 | 1 | 1 | 1 | 1 | 42 |
| | - | 4 | 1 | - | - | - | - | - | - | - | 5 |
| | - | - | - | - | - | - | - | - | - | - | - |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | <u>13</u> | <u>16</u> | <u>8</u> | <u>3</u> | <u>3</u> | <u>2</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> | <u>49</u> |
| | 13 | 29 | 37 | 40 | 43 | 45 | 46 | 47 | 48 | 49 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> | <u>Annual Volumes - m3</u> | | | | | | | | | | <u>Total</u> |
|----------------------|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 14,300 | 39,600 | 58,300 | 69,300 | 75,900 | 81,400 | 84,700 | 86,900 | 89,100 | 91,300 | 690,800 |
| Commercial | - | 7,200 | 16,900 | 19,400 | 19,400 | 19,400 | 19,400 | 19,400 | 19,400 | 19,400 | 159,900 |
| Institutional | - | - | - | - | - | - | - | - | - | - | - |
| Agricultural | - | 5,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 85,000 |
| Industrial | - | 50,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 850,000 |
| Total Volumes | <u>14,300</u> | <u>101,800</u> | <u>185,200</u> | <u>198,700</u> | <u>205,300</u> | <u>210,800</u> | <u>214,100</u> | <u>216,300</u> | <u>218,500</u> | <u>220,700</u> | <u>1,785,700</u> |

| <u>Customer Type</u> | <u>Cumulative Volumes - m3</u> | | | | | | | | | | |
|----------------------|--------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|--|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 14,300 | 53,900 | 112,200 | 181,500 | 257,400 | 338,800 | 423,500 | 510,400 | 599,500 | 690,800 | |
| Commercial | - | 7,200 | 24,100 | 43,500 | 62,900 | 82,300 | 101,700 | 121,100 | 140,500 | 159,900 | |
| Institutional | - | - | - | - | - | - | - | - | - | - | |
| Agricultural | - | 5,000 | 15,000 | 25,000 | 35,000 | 45,000 | 55,000 | 65,000 | 75,000 | 85,000 | |
| Industrial | - | 50,000 | 150,000 | 250,000 | 350,000 | 450,000 | 550,000 | 650,000 | 750,000 | 850,000 | |
| Total Volumes | <u>14,300</u> | <u>116,100</u> | <u>301,300</u> | <u>500,000</u> | <u>705,300</u> | <u>916,100</u> | <u>1,130,200</u> | <u>1,346,500</u> | <u>1,565,000</u> | <u>1,785,700</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| | |
|---------------------|----------------|
| Total Capital Costs | <u>Year 10</u> |
| | |

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| Revenue Requirement | | | | | | | | | | | |

| | |
|--|----------------|
| Closing Rate Base (net of proposed Section 36.2 funding) | <u>Year 10</u> |
| | |

Table 5.1 - Total Amount of Section 36.2 Funding

| | |
|--|--------------|
| Section 36.2 Funding Needed to Support the Project | \$ 2,163,390 |
|--|--------------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | |
|---|---|
| Section 36.2 Funding Amount Per Customer Served | <u>Year 10</u> \$ 44,151 |
|---|---|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | |
|---|---|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | <u>Year 10</u> \$ 9.80 |
|---|---|

Table 6.1 - Distribution Charge

| | Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|---------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-----------------------|
| Distribution Revenue | \$ | 3,012 | 13,901 | 23,755 | 26,427 | 27,817 | 28,975 | 29,670 | 30,134 | 30,597 | 31,060 | \$ 245,348 |
| SES Revenue | | 3,289 | 23,414 | 42,596 | 45,701 | 47,219 | 48,484 | 49,243 | 49,749 | 50,255 | 50,761 | 410,711 |
| Total Distribution Charge | \$ | <u>6,301</u> | <u>37,315</u> | <u>66,351</u> | <u>72,128</u> | <u>75,036</u> | <u>77,459</u> | <u>78,913</u> | <u>79,883</u> | <u>80,852</u> | <u>81,821</u> | <u>\$ 656,059</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

Cash Inflow

Revenue:

Distribution Revenue

System Expansion Surcharge (SES) Revenue

Total Revenue (A)

Expenses:

O&M Expense

Municipal Tax

Income Tax

Total Expenses (B)

Total Cash Inflow (C = A + B)

Cash Outflow

Gross Capital

Proposed Section 36.2 Funding

Change in Working Capital

Total Cash Outflow (D)

Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D)

Net Present Value

1.00

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | <u>Net Present Value</u> | |
|---|--------------------------|--|
| <u>Cash Inflow</u> | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| <u>Cash Outflow</u> | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7R-3
Enbridge Gas Community Expansion Project Proposal
Markstay-Warren

Section 3.4 Markstay-Warren

Total Forecasted Customers 49 Penetration Rate 63%

| Existing Fuel / Heating Type | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Oil | 10 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 13,296 | 6.6 | -2.4 | 67 | (25) |
| Electricity F/A | 4 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 2,218 | 0.5 | 3.6 | 2 | 16 |
| Electricity Baseboard | 6 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 2,957 | 0.5 | 3.6 | 3 | 21 |
| Propane | 22 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 2,507 | 5.1 | -1.0 | 110 | (21) |
| Wood | 4 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 2 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 49 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 20,977 | 12.7 | 3.8 | 183 | (9) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7R-4
Enbridge Gas Community Expansion Project Proposal
Markstay-Warren

Markstay-Warren Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7R-6
Enbridge Gas Community Expansion Project Proposal
Markstay-Warren

EB-2006-0286

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

approval under section 8 of the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

Municipality of Markstay - Warren

This certificate replaces the certificates of the former townships that are now within the Municipality of Markstay - Warren.

DATED at Toronto, February 2, 2007

ONTARIO ENERGY BOARD

Original signed by

Mark C. Garner
Managing Director, Market Operations

Schedule 7S
Enbridge Gas Community Expansion Project Proposal

Massey, Webbwood, McKerrow
(Sables-Spanish Rivers and Baldwin)

Enbridge Gas Inc.
Potential Projects to Expand Access to Natural Gas Distribution

| | |
|---|--|
| Part I – Name of Proponent | |
| Name of Proponent: Enbridge Gas Inc. | File No: EB-2019-0255 |
| Project Name: Massey, Webbwood and McKerrow Community Expansion Project | |
| Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1 | Telephone Number: 519-436-4600 |
| Name of Individual to Contact: Patrick McMahon | Office Telephone Number: 519-436-5325 |
| | Cell Phone Number: 519-437-0759 |
| | Email Address: patrick.mcmahon@enbridge.com |

| |
|---|
| Part II – Description of Proponent’s Technical Expertise and Financial Capability |
| <p><i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i></p> <p><i>A proponent that is not currently rate-regulated as a natural gas distributor by the OEB and that has multiple proposed projects is only required to provide the information in this Part once, unless the proponent has different organizational or financial structure approaches for its projects. In that case, the information in this Part must be provided for each different organizational or financing structure.</i></p> |

| Part II – Description of Proponent’s Technical Expertise and Financial Capability | |
|--|--|
| 2.1 | <p>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</p> <p>N/A</p> |
| 2.2 | <p>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</p> <ul style="list-style-type: none"> • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. <p>New entrants that cannot provide the information identified in this section should explain why that is the case and provide the best information that they have available.</p> <p>N/A</p> |

3.1

Redacted

Enbridge Gas is proposing to expand gas distribution service to areas around the communities of Massey and Webbwood within the Township of Sables-Spanish Rivers and areas around the community of McKerrow within the Township of Baldwin. The proposed facilities will provide access to natural gas to a forecasted 664 customers (588 residential, 70 commercial / institutional and 6 industrial).

McKerrow Area (in Baldwin)

Webbwood Area (in Sables-Spanish Rivers)

Massey Area (in Sables-Spanish Rivers)

There are 3 distribution stations that will be required. The first station will be required to be installed at the intersection of _____ and _____ in the Town of Espanola. The second station will be required to be installed at the intersection of _____ and _____ in the Township of Sables-Spanish Rivers. The third station will be required to be installed at the intersection of _____ and _____ in the Township of Sables-Spanish Rivers.

| | | | | | | | | | | | | | | | | |
|--------------|---|------------|----------------|------------|--------------|---|--------|--------------|---|-------|-------|---|-------|-------|---|--------|
| | <p>The approximate length and size of the distribution pipelines required:</p> <table><tr><td>Pipe Type</td><td>Diameter (NPS)</td><td>Length (m)</td></tr><tr><td>Polyethylene</td><td>2</td><td>34,516</td></tr><tr><td>Polyethylene</td><td>4</td><td>6,197</td></tr><tr><td>Steel</td><td>4</td><td>5,813</td></tr><tr><td>Steel</td><td>6</td><td>24,804</td></tr></table> <p>Please refer to Schedule 7S-1 for Project Map.</p> | Pipe Type | Diameter (NPS) | Length (m) | Polyethylene | 2 | 34,516 | Polyethylene | 4 | 6,197 | Steel | 4 | 5,813 | Steel | 6 | 24,804 |
| Pipe Type | Diameter (NPS) | Length (m) | | | | | | | | | | | | | | |
| Polyethylene | 2 | 34,516 | | | | | | | | | | | | | | |
| Polyethylene | 4 | 6,197 | | | | | | | | | | | | | | |
| Steel | 4 | 5,813 | | | | | | | | | | | | | | |
| Steel | 6 | 24,804 | | | | | | | | | | | | | | |
| 3.2 | <p>Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.</p> <p>Please refer to Schedule 7S-2, Table 3.2.</p> | | | | | | | | | | | | | | | |
| 3.3 | <p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule 7S-2, Table 3.3.</p> | | | | | | | | | | | | | | | |

| | |
|-----|--|
| 3.4 | <p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule 7S-3, Table 3.4.</p> |
| 3.5 | <p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule 7S-4 for Proposed Construction Schedule.</p> |
| 3.6 | <p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>No letter of support has been provided by the local government in time for this project submission.</p> |
| 3.7 | <p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule 7S-6 for Enbridge's CPCNs for the Township of Baldwin (EBC 99) and the Town of Espanola (EB-2008-0363) which cover part of the area of the proposed project. A CPCN will be required for facilities proposed in the Township of Sables-Spanish Rivers.</p> |

| Part IV – Cost of Project | | | | | | | | | | | | | | | |
|---------------------------|---|-------------|---------|-----------|---------|-------|---------------------|--|--|--|--|-------------|---------|-------------------|--|
| 4.1 | <p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p> | | | | | | | | | | | | | | |
| 4.2 | <p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule 7S-2, Table 4.2.</p> | | | | | | | | | | | | | | |
| 4.3 | <p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Year 1</th> <th>Year 2...</th> <th>Year 10</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Revenue Requirement</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Description</th> <th>Year 10</th> </tr> </thead> <tbody> <tr> <td>Closing Rate Base</td> <td></td> </tr> </tbody> </table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule 7S-2, Table 4.3.</p> | Description | Year 1 | Year 2... | Year 10 | Total | Revenue Requirement | | | | | Description | Year 10 | Closing Rate Base | |
| Description | Year 1 | Year 2... | Year 10 | Total | | | | | | | | | | | |
| Revenue Requirement | | | | | | | | | | | | | | | |
| Description | Year 10 | | | | | | | | | | | | | | |
| Closing Rate Base | | | | | | | | | | | | | | | |

| Part V – Section 36.2 Funding | |
|--------------------------------------|--|
| 5.1 | <p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$39,464,372</p> <p>Please refer to Schedule 7S-2, Table 5.1.</p> |
| 5.2 | <p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$59,434</p> <p>Please refer to Schedule 7S-2, Table 5.2.</p> |
| 5.3 | <p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$16.94</p> <p>Please refer to Schedule 7S-2, Table 5.3.</p> |
| Part VI – Distribution Charge | |
| 6.1 | <p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule 7S-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p> |

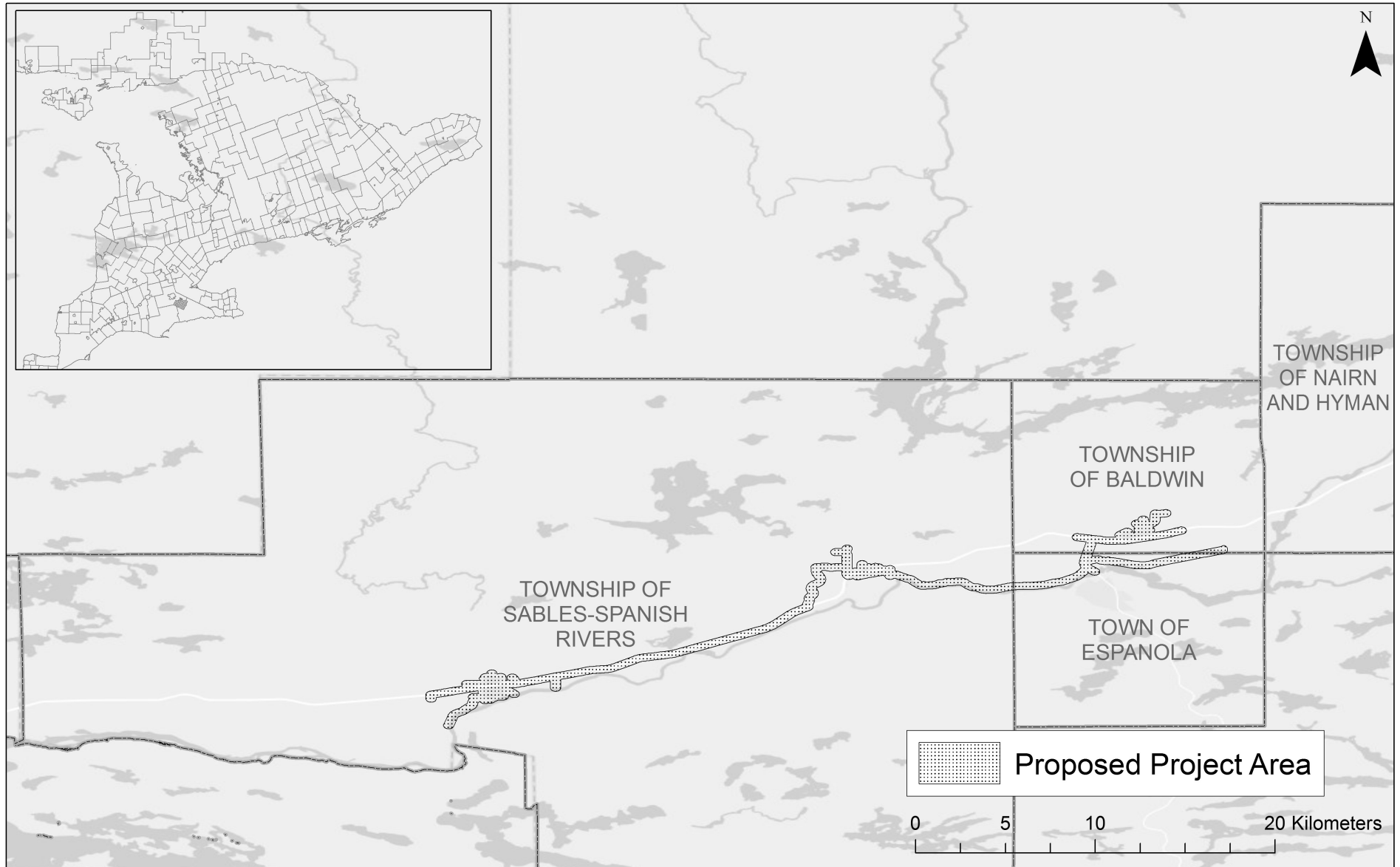
| Part VII – Profitability Index / Benefit to Cost Ratio | |
|---|---|
| 7.1 | <p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule 7S-2, Table 7.1.</p> |
| 7.2 | <p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule 7S-2, Table 7.2.</p> |

| Part VIII – OEB Approvals | |
|----------------------------------|---|
| 8.1 | <p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • Franchise Agreement and Certificate of Public Convenience and Necessity (Sables-Spanish Rivers) • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) |
| 8.2 | <p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule 7S-4.</p> |

Schedule 7S-1
Enbridge Gas Community Expansion Project Proposal

Massey, Webbwood, McKerrow
(Sables-Spanish Rivers and Baldwin)

Massey, Webbwood, McKerrow (Overview)



Schedule 7S-2
Enbridge Gas Community Expansion Project Proposal

Massey, Webbwood, McKerrow
(Sables-Spanish Rivers and Baldwin)

Table 3.2 - Customer Attachments Over The Rate Stability Period

| <u>Customer Type</u> | <u>Firm / IT</u> |
|----------------------|------------------|
| Residential | Firm |
| Commercial | Firm |
| Institutional | Firm |
| Agricultural | Firm |
| Industrial | Firm |
| Total Customers | |
| Cumulative Customers | |

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| | 181 | 136 | 91 | 45 | 45 | 18 | 18 | 18 | 18 | 18 | 588 |
| | - | 36 | 13 | 4 | 3 | 2 | 2 | 2 | 2 | 1 | 65 |
| | - | 2 | 1 | 1 | - | - | - | - | - | - | 4 |
| | - | 1 | - | - | - | - | - | - | - | - | 1 |
| | - | 2 | 1 | 1 | 1 | 1 | - | - | - | - | 6 |
| | <u>181</u> | <u>177</u> | <u>106</u> | <u>51</u> | <u>49</u> | <u>21</u> | <u>20</u> | <u>20</u> | <u>20</u> | <u>19</u> | <u>664</u> |
| | 181 | 358 | 464 | 515 | 564 | 585 | 605 | 625 | 645 | 664 | |

Table 3.3 - Annual and Cumulative Volumes Over The Rate Stability Period (m3)

| <u>Customer Type</u> | <u>Annual Volumes - m3</u> | | | | | | | | | | <u>Total</u> |
|----------------------|----------------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 196,216 | 539,788 | 785,642 | 932,998 | 1,030,716 | 1,099,055 | 1,138,014 | 1,176,973 | 1,215,932 | 1,254,891 | 9,370,221 |
| Commercial | - | 73,100 | 176,400 | 216,300 | 230,700 | 239,000 | 246,200 | 253,400 | 260,600 | 265,300 | 1,961,000 |
| Institutional | - | 50,000 | 125,000 | 175,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 1,550,000 |
| Agricultural | - | 5,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 85,000 |
| Industrial | - | 100,000 | 250,000 | 350,000 | 450,000 | 550,000 | 600,000 | 600,000 | 600,000 | 600,000 | 4,100,000 |
| Total Volumes | <u>196,216</u> | <u>767,888</u> | <u>1,347,042</u> | <u>1,684,298</u> | <u>1,921,416</u> | <u>2,098,055</u> | <u>2,194,214</u> | <u>2,240,373</u> | <u>2,286,532</u> | <u>2,330,191</u> | <u>17,066,221</u> |

| <u>Customer Type</u> | <u>Cumulative Volumes - m3</u> | | | | | | | | | | |
|----------------------|--------------------------------|----------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|--|
| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | |
| Residential | 196,216 | 736,003 | 1,521,645 | 2,454,643 | 3,485,359 | 4,584,413 | 5,722,427 | 6,899,399 | 8,115,331 | 9,370,221 | |
| Commercial | - | 73,100 | 249,500 | 465,800 | 696,500 | 935,500 | 1,181,700 | 1,435,100 | 1,695,700 | 1,961,000 | |
| Institutional | - | 50,000 | 175,000 | 350,000 | 550,000 | 750,000 | 950,000 | 1,150,000 | 1,350,000 | 1,550,000 | |
| Agricultural | - | 5,000 | 15,000 | 25,000 | 35,000 | 45,000 | 55,000 | 65,000 | 75,000 | 85,000 | |
| Industrial | - | 100,000 | 350,000 | 700,000 | 1,150,000 | 1,700,000 | 2,300,000 | 2,900,000 | 3,500,000 | 4,100,000 | |
| Total Volumes | <u>196,216</u> | <u>964,103</u> | <u>2,311,145</u> | <u>3,995,443</u> | <u>5,916,859</u> | <u>8,014,913</u> | <u>10,209,127</u> | <u>12,449,499</u> | <u>14,736,031</u> | <u>17,066,221</u> | |

Table 4.2 - Total Capital Costs At End Of The Rate Stability Period

| | |
|---------------------|----------------|
| Total Capital Costs | <u>Year 10</u> |
| | |

Table 4.3 - Revenue Requirement Over The Rate Stability Period

| <u>Project Year</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8</u> | <u>9</u> | <u>10</u> | <u>Total</u> |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------|
| Revenue Requirement | | | | | | | | | | | |

| | |
|--|----------------|
| Closing Rate Base (net of proposed Section 36.2 funding) | <u>Year 10</u> |
| | |

Table 5.1 - Total Amount of Section 36.2 Funding

| | |
|--|---------------|
| Section 36.2 Funding Needed to Support the Project | \$ 39,464,372 |
|--|---------------|

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

| | |
|---|--|
| Section 36.2 Funding Amount Per Customer Served | <u><u>Year 10</u></u> \$ 59,434 |
|---|--|

Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

| | |
|---|---|
| Section 36.2 Funding Amount Per Year 10 Volume (m3) | <u><u>Year 10</u></u> \$ 16.94 |
|---|---|

Table 6.1 - Distribution Charge

| | Project Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Total |
|---------------------------|------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-----------------------|
| Distribution Revenue | \$ | 41,666 | 138,539 | 225,110 | 274,267 | 307,063 | 330,612 | 343,886 | 353,342 | 362,797 | 371,897 | \$ 2,749,178 |
| SES Revenue | | 45,130 | 176,614 | 309,820 | 387,389 | 441,926 | 482,553 | 504,669 | 515,286 | 525,902 | 535,944 | 3,925,231 |
| Total Distribution Charge | \$ | <u>86,796</u> | <u>315,153</u> | <u>534,929</u> | <u>661,656</u> | <u>748,988</u> | <u>813,165</u> | <u>848,555</u> | <u>868,627</u> | <u>888,699</u> | <u>907,840</u> | <u>\$ 6,674,409</u> |

Table 7.1 - Profitability Index (PI) Inclusive of Section 36.2 Funding

| | |
|--|--------------------------|
| | <u>Net Present Value</u> |
| <u>Cash Inflow</u> | |
| Revenue: | |
| Distribution Revenue | |
| System Expansion Surcharge (SES) Revenue | |
| Total Revenue (A) | |
| Expenses: | |
| O&M Expense | |
| Municipal Tax | |
| Income Tax | |
| Total Expenses (B) | |
| Total Cash Inflow (C = A + B) | |
| <u>Cash Outflow</u> | |
| Gross Capital | |
| Proposed Section 36.2 Funding | |
| Change in Working Capital | |
| Total Cash Outflow (D) | |
| Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D) | <u>1.00</u> |

Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

| | <u>Net Present Value</u> | |
|---|--------------------------|--|
| <u>Cash Inflow</u> | | |
| Revenue: | | |
| Distribution Revenue | | |
| System Expansion Surcharge (SES) Revenue | | |
| Total Revenue (A) | | |
| Expenses: | | |
| O&M Expense | | |
| Municipal Tax | | |
| Income Tax | | |
| Total Expenses (B) | | |
| Total Cash Inflow (C = A + B) | | |
| <u>Cash Outflow</u> | | |
| Gross Capital | | |
| Change in Working Capital | | |
| Total Cash Outflow (D) | | |
| Profitability Index (PI) Without Section 36.2 Funding (C / D) | | |

Schedule 7S-3
Enbridge Gas Community Expansion Project Proposal

Massey, Webbwood, McKerrow
(Sables-Spanish Rivers and Baldwin)

Section 3.4 Massey, Webbwood, McKerrow

Total Forecasted Customers 664 Penetration Rate 65%

| | Number of Customers | Current proportion of customer ¹ | Estimated Conversion Cost ² | Estimated Annual Energy Costs (existing fuel) | Estimated Annual Energy Costs (natural gas) | Estimated Annual Savings per customer | Estimated Annual Savings | Estimated Annual GHG per customer Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e) | Estimated Annual GHG - Total Community - Existing Fuel (tCO2e) | Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e) |
|------------------------------|---------------------|---|--|---|---|---------------------------------------|--------------------------|---|---|--|--|
| Existing Fuel / Heating Type | | | | | | | | | | | |
| Oil | 139 | 21% | \$ 5,000 | \$ 2,787 | \$ 1,495 | \$ 1,292 | \$ 180,169 | 6.6 | -2.4 | 914 | (339) |
| Electricity F/A | 60 | 9% | \$ 5,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 30,051 | 0.5 | 3.6 | 32 | 215 |
| Electricity Baseboard | 80 | 12% | \$ 12,000 | \$ 1,998 | \$ 1,495 | \$ 503 | \$ 40,068 | 0.5 | 3.6 | 42 | 286 |
| Propane | 292 | 44% | \$ 600 | \$ 1,611 | \$ 1,495 | \$ 116 | \$ 33,967 | 5.1 | -1.0 | 1,491 | (287) |
| Wood | 60 | 9% | \$ 3,500 | N/A | N/A | \$ - | N/A | N/A | N/A | N/A | N/A |
| Other | 33 | 5% | \$ 5,000 | N/A | N/A | \$ - | N/A | | | | |
| Total | 664 | 100% | \$ 31,100 | \$ 8,395 | \$ 5,981 | \$ 2,414 | \$ 284,256 | 12.7 | 3.8 | 2,480 | (125) |

¹ Fuel shares were estimated based on the average fuel share distribution observed in other potential expansion areas. Specifically, the fuel share distribution from 27 prospective expansion areas surveyed in 2018 and 2020 were averaged, with weights based number of homes in each area. Fuel percentages may not add up to 100% due to rounding error.

² Based on Market Research gathered information. All of the costs are installed costs, so the cost of new equipment + the cost of having it installed.

| | Emission Factors | | | | |
|-------------|------------------|------------|------------|-------------|------------|
| | CO2 | CH4 | N2O | CO2e | Units |
| Natural Gas | 1863 g/m3 | 0.037 g/m3 | 0.035 g/m3 | 0.001874355 | tonnes/m3 |
| Heating Oil | 2725 g/L | 0.006 g/L | 0.031 g/L | 0.002734388 | tonnes/L |
| Propane | 1510 g/L | 0.024 g/L | 0.108 g/L | 0.001542784 | tonnes/L |
| Electricity | 30 g/kWh | - | - | 0.00003 | tonnes/kWh |
| Wood | - | - | - | - | - |

Emission Factor Sources:

Natural gas, heating oil and propane CO2 factors: Guideline for Quantification, Reporting and Verification of GHG Emissions - Ontario Ministry of Environment, Conservation and Parks

Natural gas, heating oil and propane CH4 and N2O factors: Canada's Greenhouse Gas Quantification Requirements, December 2019 - Environment and Climate Change Canada

Electricity factors: 2020 National Inventory Report (Part 3) - Environment and Climate Change Canada (using 2018 consumption intensity for Ontario)

Estimated Annual GHG (tCO2e) = Emission Factors x Consumption Equivalent

Estimated Annual GHG Change (tCO2e) = Estimated Annual GHG For Natural Gas - Estimated Annual GHG For Existing Fuel (tCO2e)

| Rate 01 (Community Expansion, Non-FN) | | | | | |
|---------------------------------------|-----|-------|-------------------|--------|-------|
| Consumption Equivalent | | | Price per Unit | | |
| Gas | m3 | 2200 | Gas (incl. fixed) | \$/m3 | 0.680 |
| Heating oil | L | 2397 | Heating oil | \$/L | 1.163 |
| Electricity | kWh | 17778 | Electricity | \$/kWh | 0.112 |
| Propane | L | 3309 | Propane | \$/L | 0.487 |

Notes:

Gas prices correspond to EGI (Union Gas North East) April 2020 rates, including 23 cents per m3 SES charge.

Heating Oil Prices correspond to the latest available Toronto retail prices (February 2019)

Electricity prices correspond to Hydro One (Med Density - R1) distribution rates implemented January 1, 2020 and includes the new Ontario Electricity Rebate (OER)

The calculated annual savings vs electricity do not reflect the COVID-19 Emergency pricing which is effective for 45 days

Propane prices are currently unavailable for the Union North Rate zones.

Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule 7S-4
Enbridge Gas Community Expansion Project Proposal

Massey, Webbwood, McKerrow
(Sables-Spanish Rivers and Baldwin)

Massey, Webbwood, McKerrow Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule 7S-6
Enbridge Gas Community Expansion Project Proposal

Massey, Webbwood, McKerrow
(Sables-Spanish Rivers and Baldwin)

2. AND THIS BOARD DOTH FURTHER ORDER THAT the Certificate of Public Convenience and Necessity be and the same is hereby granted to Northern and Central Gas Corporation Limited for the supply of natural gas only to the E. B. Eddy Plant in the Town of Espanola.

This proceeding is adjourned pending further application by the applicant for a revision of the Certificate herein granted in the event it receives a franchise to permit it to serve all inhabitants of the town.

3. AND THIS BOARD DOTH FURTHER ORDER THAT the Certificate of Public Convenience and Necessity hereby granted may be assigned by Northern and Central Gas Corporation Limited to Montreal Trust Company, as trustee and to such person, firm or corporation to whom Montreal Trust Company, as trustee, may assign such Certificate in execution of the trusts under the said deed of trust and mortgage, together with, on each case, all rights and powers, statutory or otherwise, which flow from or are evidenced by such Certificate.

4. AND THIS BOARD FURTHER DOTH ORDER THAT the costs of this hearing are fixed at \$25.00 and shall be paid forthwith by the Applicant to the Board.

DATED at Toronto this 9th day of October, 1974.

ONTARIO ENERGY BOARD


Board Secretary

EB-2008-0363

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

Approval under section 8 of the Municipal Franchise Act, R.S.O. 1990, c. M.55, as amended, to construct works to supply gas to the

Town of Espanola

This Certificate of Public Convenience and Necessity replaces Certificate E.B.C. 106 for the Town of Espanola.

DATED at Toronto, January 29, 2009

ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications