

**Schedule 8I**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Ault Island**

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

<b>Part I – Name of Proponent</b>	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <a href="#">South Stormont (Ault Island) Community Expansion Project</a>	
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: <a href="mailto:patrick.mcmahon@enbridge.com">patrick.mcmahon@enbridge.com</a>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>
<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>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>	
2.1	<p><b>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</b></p> <p>N/A</p>
2.2	<p><b>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Current credit rating of the proponent, its parent or associated companies.</b></li> <li>• <b>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.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></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 service within the Township of South Stormont to the community of Ault Island. The proposed facilities will provide access to natural gas to a forecasted 145 customers (130 residential and 15 commercial / institutional).

The proposed project will tie-in to an existing 4" polyethylene pipeline in the community of Ingleside at the corner of \_\_\_\_\_ and \_\_\_\_\_. The proposed supply line will run \_\_\_\_\_ towards Ault Island, pass through \_\_\_\_\_ and end at \_\_\_\_\_ in the Township of South Dundas.

Facilities are also proposed along \_\_\_\_\_ and \_\_\_\_\_ in the Township of South Dundas.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	11,300
Polyethylene	4	13,200
Steel	4	750

Please refer to Schedule 8I-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 8I-2, Table 3.2.



3.3	<p><b>Provide the annual and cumulative forecast of volumes (in m<sup>3</sup>) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</b></p> <p><b>For the residential segment, the default value for the average consumption level is 2,200 m<sup>3</sup> 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.</b></p> <p>Please refer to Schedule 8I-2, Table 3.3.</p>
3.4	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8I-3, Table 3.4.</p>
3.5	<p><b>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</b></p> <p>Please refer to Schedule 8I-4 for Proposed Construction Schedule.</p>
3.6	<p><b>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.</b></p> <p>No letter of support has been provided by the local government in time for this project submission.</p>

3.7	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8I-6 for Enbridge's CPCNs for the Township of South Stormont (EB-2013-0259) and the Township of South Dundas (EB-2006-0142) which cover the entire area of the proposed project.</p>
<b>Part IV – Cost of Project</b>	
4.1	<p><b>Confirm that the proposed project includes a ten-year rate stability period.</b></p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p><b>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).</b></p> <p><b>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).</b></p> <p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8I-2, Table 4.2.</p>

4.3	<p><b>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&amp;A costs) and rate base amount at the end of year ten.</b></p> <p><b>Complete the tables below:</b></p> <p><b>Revenue Requirement</b></p> <table border="1" data-bbox="370 415 1403 489"> <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" data-bbox="370 520 886 590"> <tr> <th>Description</th> <th>Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p><b>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).</b></p> <p>Please refer to Schedule 8I-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															
<p><b>Part V – Section 36.2 Funding</b></p>															
5.1	<p><b>Provide the total amount of section 36.2 funding needed to support the project.</b></p> <p>\$15,927,671</p> <p>Please refer to Schedule 8I-2, Table 5.1.</p>														
5.2	<p><b>Provide the section 36.2 funding amount per customer number served in year ten of the project.</b></p> <p>\$109,846</p> <p>Please refer to Schedule 8I-2, Table 5.2.</p>														
5.3	<p><b>Provide the section 36.2 funding amount per volume (m<sup>3</sup>) in year ten of the project.</b></p> <p>\$48.22</p> <p>Please refer to Schedule 8I-2, Table 5.3.</p>														

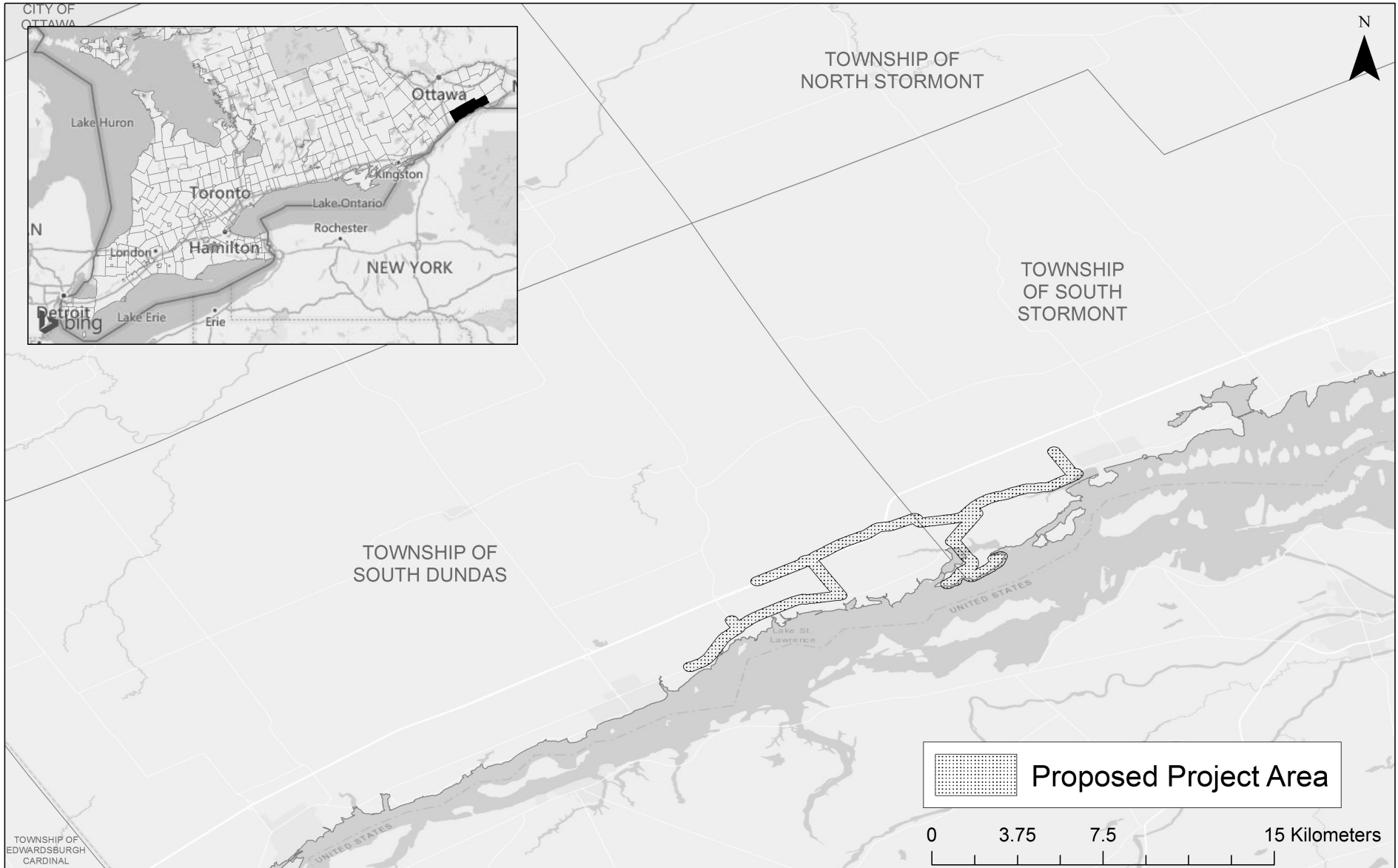
<b>Part VI – Distribution Charge</b>	
6.1	<p><b>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</b></p> <p><b>Provide a confirmation that there would be no material cross-subsidization between rate classes.</b></p> <p>Please refer to Schedule 8I-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

<b>Part VII – Profitability Index / Benefit to Cost Ratio</b>	
7.1	<p><b>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.</b></p> <p><b>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).</b></p> <p>Please refer to Schedule 8I-2, Table 7.1.</p>
7.2	<p><b>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.</b></p> <p>Please refer to Schedule 8I-2, Table 7.2.</p>

<b>Part VIII – OEB Approvals</b>	
8.1	<p><b>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).</b></p> <ul style="list-style-type: none"> <li>• Leave to Construct</li> <li>• System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)</li> </ul>
8.2	<p><b>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 <a href="#">website</a> and where applicable assume a written hearing process.</b></p> <p>Please refer to Schedule 8I-4.</p>

**Schedule 8I-1**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Ault Island**

# South Stormont (Ault Island)



**Schedule 8I-2**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Ault Island**



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>
	35	31	12	8	7	8	7	8	7	7	130
	-	7	2	2	1	1	-	-	-	-	13
	-	-	-	-	-	-	-	-	-	-	-
	-	1	1	-	-	-	-	-	-	-	2
	-	-	-	-	-	-	-	-	-	-	-
	<u>35</u>	<u>39</u>	<u>15</u>	<u>10</u>	<u>8</u>	<u>9</u>	<u>7</u>	<u>8</u>	<u>7</u>	<u>7</u>	<u>145</u>
	35	74	89	99	107	116	123	131	138	145	

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>
	38,500	111,100	158,400	180,400	196,900	213,400	229,900	246,400	262,900	278,300	1,916,200
	-	14,400	32,400	39,600	44,300	46,500	47,600	47,600	47,600	47,600	367,600
	-	-	-	-	-	-	-	-	-	-	-
	-	1,100	3,300	4,400	4,400	4,400	4,400	4,400	4,400	4,400	35,200
	-	-	-	-	-	-	-	-	-	-	-
	<u>38,500</u>	<u>126,600</u>	<u>194,100</u>	<u>224,400</u>	<u>245,600</u>	<u>264,300</u>	<u>281,900</u>	<u>298,400</u>	<u>314,900</u>	<u>330,300</u>	<u>2,319,000</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>	
	38,500	149,600	308,000	488,400	685,300	898,700	1,128,600	1,375,000	1,637,900	1,916,200	
	-	14,400	46,800	86,400	130,700	177,200	224,800	272,400	320,000	367,600	
	-	-	-	-	-	-	-	-	-	-	
	-	1,100	4,400	8,800	13,200	17,600	22,000	26,400	30,800	35,200	
	-	-	-	-	-	-	-	-	-	-	
	<u>38,500</u>	<u>165,100</u>	<u>359,200</u>	<u>583,600</u>	<u>829,200</u>	<u>1,093,500</u>	<u>1,375,400</u>	<u>1,673,800</u>	<u>1,988,700</u>	<u>2,319,000</u>	

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

Total Capital Costs
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Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

Revenue Requirement
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<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>
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Year 10

Closing Rate Base (net of proposed Section 36.2 funding)
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Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	\$ 15,927,671
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Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	<u><a href="#">Year 10</a></u> \$ 109,846
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Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

Section 36.2 Funding Amount Per Year 10 Volume (m3)	<u><a href="#">Year 10</a></u> \$ 48.22
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Table 6.1 - Distribution Charge

	<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
Distribution Revenue	\$	8,108	25,835	39,052	45,092	49,385	53,324	57,030	60,505	63,980	67,223	\$ 469,536
SES Revenue		8,855	29,118	44,643	51,612	56,488	60,789	64,837	68,632	72,427	75,969	533,370
Total Distribution Charge	\$	<u>16,963</u>	<u>54,953</u>	<u>83,695</u>	<u>96,704</u>	<u>105,873</u>	<u>114,113</u>	<u>121,867</u>	<u>129,137</u>	<u>136,407</u>	<u>143,192</u>	<u>\$ 1,002,906</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

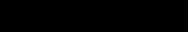
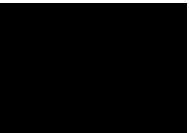
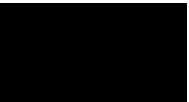


Table 7.2 - Profitability Index (PI) Without Section 36.2 Funding

	<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 8I-3**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Ault Island**

Section 3.4 South Stormont (Ault Island)

Total Forecasted Customers 145 Penetration Rate 65%

	Number of Customers	Current proportion of customer <sup>1</sup>	Estimated Conversion Cost <sup>2</sup>	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	30	21%	\$ 5,000	\$ 2,787	\$ 1,495	\$ 1,292	\$ 39,344	6.6	-2.4	200	(74)
Electricity F/A	13	9%	\$ 5,000	\$ 1,998	\$ 1,495	\$ 503	\$ 6,562	0.5	3.6	7	47
Electricity Baseboard	17	12%	\$ 12,000	\$ 1,998	\$ 1,495	\$ 503	\$ 8,750	0.5	3.6	9	62
Propane	64	44%	\$ 600	\$ 1,611	\$ 1,495	\$ 116	\$ 7,418	5.1	-1.0	326	(63)
Wood	13	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	7	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	145	100%	\$ 31,100	\$ 8,395	\$ 5,981	\$ 2,414	\$ 62,074	12.7	3.8	542	(27)

<sup>1</sup> 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.

<sup>2</sup> 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 8I-4**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Ault Island**

## South Stormont (Ault Island) 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 8I-6**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Ault Island**



**EB-2013-0259**

**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 in the geographic boundaries of the

**Township of South Stormont**

This certificate replaces the existing certificates held by Union for the former Township of Osnabruck (F.B.C. 215), and the former Township of Cornwall (F.B.C. 226).

**DATED** at Toronto, August 29, 2013

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**EB-2006-0142**

## **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, to  
construct works to supply gas to the

### **Corporation of the Township of South Dundas**

Dated at Toronto, August 9, 2006

**ONTARIO ENERGY BOARD**

*Original signed by*

Kirsten Walli  
Board Secretary

**Schedule 8J**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Newington**

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

<b>Part I – Name of Proponent</b>	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <a href="#">South Stormont (Newington) Community Expansion Project</a>	
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: <a href="mailto:patrick.mcmahon@enbridge.com">patrick.mcmahon@enbridge.com</a>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>
<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>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>	
2.1	<p><b>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</b></p> <p>N/A</p>
2.2	<p><b>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Current credit rating of the proponent, its parent or associated companies.</b></li> <li>• <b>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.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></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 service within the Township of South Stormont to the community of Newington. The proposed facilities will provide access to natural gas to a forecasted 107 customers (89 residential, 17 commercial / institutional and 1 industrial).

The proposed project will tie-in to an existing 2" polyethylene pipe near the intersection of \_\_\_\_\_ and \_\_\_\_\_ in the community of Finch. The proposed distribution system will extend \_\_\_\_\_ to \_\_\_\_\_ (\_\_\_\_\_) to Newington to include \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and will partially branch on to \_\_\_\_\_.

A reinforcement segment will be required along \_\_\_\_\_ and easement near the intersection of \_\_\_\_\_ and \_\_\_\_\_.

A small existing distribution station will require upsizing to feed Finch and Newington loads.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	5,700
Polyethylene	4	8,650

The approximate length and size of the reinforcement pipeline required:

Pipe Type	Diameter (NPS)	Length (m)
Steel	6	1,150

Please refer to Schedule 8J-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 8J-2, Table 3.2.

3.3	<p><b>Provide the annual and cumulative forecast of volumes (in m<sup>3</sup>) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</b></p> <p><b>For the residential segment, the default value for the average consumption level is 2,200 m<sup>3</sup> 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.</b></p> <p>Please refer to Schedule 8J-2, Table 3.3.</p>
3.4	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8J-3, Table 3.4.</p>
3.5	<p><b>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</b></p> <p>Please refer to Schedule 8J-4 for Proposed Construction Schedule.</p>
3.6	<p><b>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.</b></p> <p>No letter of support has been provided by the local government in time for this project submission.</p>

3.7	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8J-6 for Enbridge's CPCN for the Township of South Stormont (EB-2013-0259) which covers the entire area of the proposed project.</p>
<b>Part IV – Cost of Project</b>	
4.1	<p><b>Confirm that the proposed project includes a ten-year rate stability period.</b></p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p><b>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).</b></p> <p><b>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).</b></p> <p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8J-2, Table 4.2.</p>



4.3	<p><b>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&amp;A costs) and rate base amount at the end of year ten.</b></p> <p><b>Complete the tables below:</b></p> <p><b>Revenue Requirement</b></p> <table border="1" data-bbox="370 415 1404 489"> <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" data-bbox="370 520 886 590"> <tr> <th>Description</th> <th>Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p><b>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).</b></p> <p>Please refer to Schedule 8J-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															
<p><b>Part V – Section 36.2 Funding</b></p>															
5.1	<p><b>Provide the total amount of section 36.2 funding needed to support the project.</b></p> <p>\$7,785,571</p> <p>Please refer to Schedule 8J-2, Table 5.1.</p>														
5.2	<p><b>Provide the section 36.2 funding amount per customer number served in year ten of the project.</b></p> <p>\$72,762</p> <p>Please refer to Schedule 8J-2, Table 5.2.</p>														
5.3	<p><b>Provide the section 36.2 funding amount per volume (m<sup>3</sup>) in year ten of the project.</b></p> <p>\$22.50</p> <p>Please refer to Schedule 8J-2, Table 5.3.</p>														

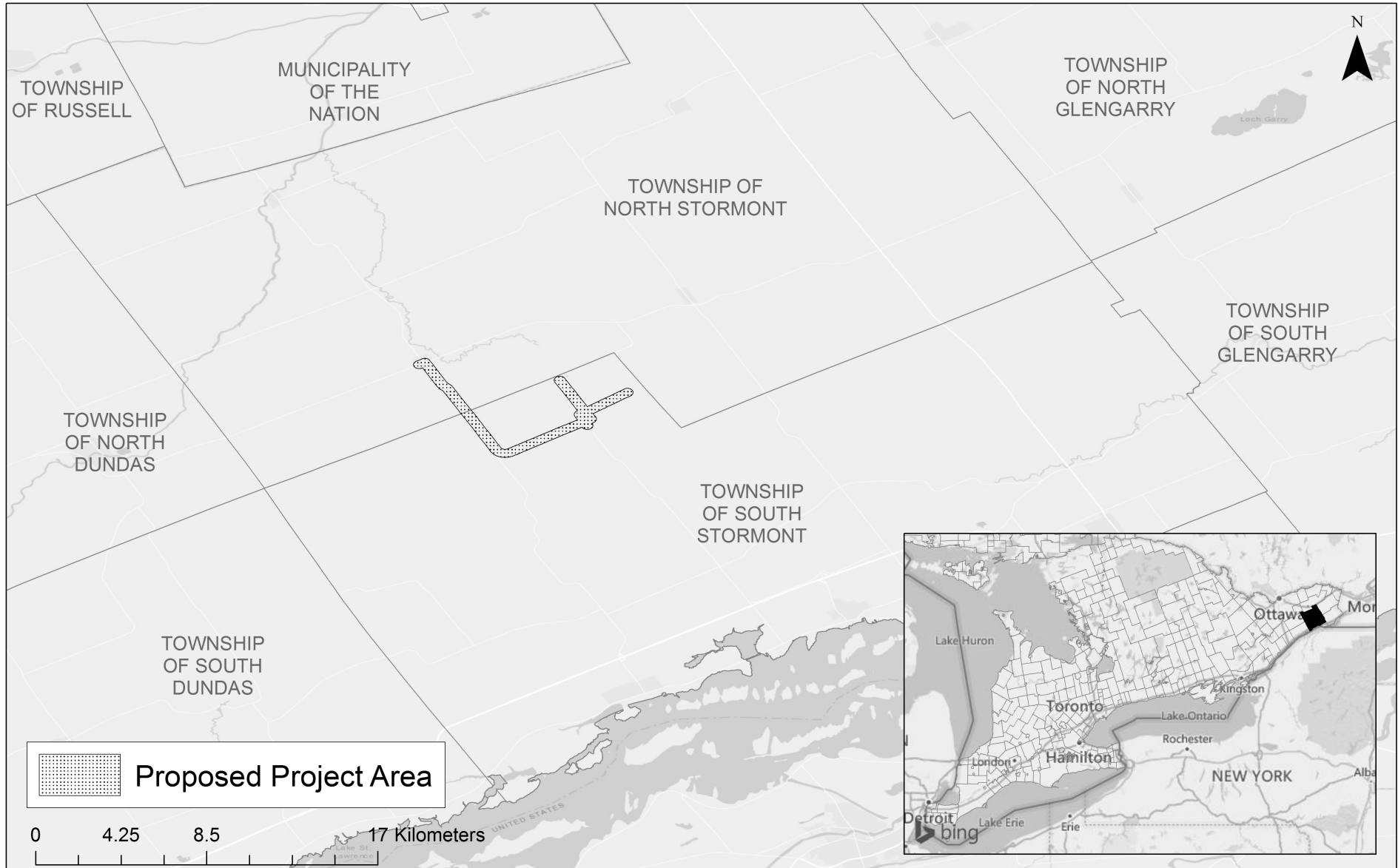
<b>Part VI – Distribution Charge</b>	
6.1	<p><b>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</b></p> <p><b>Provide a confirmation that there would be no material cross-subsidization between rate classes.</b></p> <p>Please refer to Schedule 8J-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

<b>Part VII – Profitability Index / Benefit to Cost Ratio</b>	
7.1	<p><b>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.</b></p> <p><b>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).</b></p> <p>Please refer to Schedule 8J-2, Table 7.1.</p>
7.2	<p><b>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.</b></p> <p>Please refer to Schedule 8J-2, Table 7.2.</p>

<b>Part VIII – OEB Approvals</b>	
8.1	<p><b>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).</b></p> <ul style="list-style-type: none"> <li>• Leave to Construct</li> <li>• System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)</li> </ul>
8.2	<p><b>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 <a href="#">website</a> and where applicable assume a written hearing process.</b></p> <p>Please refer to Schedule 8J-4.</p>

**Schedule 8J-1**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Newington**

# South Stormont (Newington)



**Schedule 8J-2**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Newington**

Table 3.2 - Customer Attachments Over The Rate Stability Period

<a href="#">Customer Type</a>	<a href="#">Firm / IT</a>
Residential	Firm
Commercial	Firm
Institutional	Firm
Agricultural	Firm
Industrial	Firm
Total Customers	
Cumulative Customers	

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
	27	20	13	7	7	3	3	3	3	3	89
	-	11	4	1	1	-	-	-	-	-	17
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	1	-	-	-	-	-	-	-	-	1
	<u>27</u>	<u>32</u>	<u>17</u>	<u>8</u>	<u>8</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>107</u>
	27	59	76	84	92	95	98	101	104	107	

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

<a href="#">Customer Type</a>
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">Annual Volumes - m3</a>		<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
	29,700	81,400	117,700	139,700	155,100	166,100	172,700	179,300	185,900	192,500	1,420,100
	-	18,800	43,400	50,300	52,500	53,600	53,600	53,600	53,600	53,600	433,000
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	50,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	850,000
	<u>29,700</u>	<u>150,200</u>	<u>261,100</u>	<u>290,000</u>	<u>307,600</u>	<u>319,700</u>	<u>326,300</u>	<u>332,900</u>	<u>339,500</u>	<u>346,100</u>	<u>2,703,100</u>

<a href="#">Customer Type</a>
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">Cumulative Volumes - m3</a>		<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	
	29,700	111,100	228,800	368,500	523,600	689,700	862,400	1,041,700	1,227,600	1,420,100	
	-	18,800	62,200	112,500	165,000	218,600	272,200	325,800	379,400	433,000	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	
	-	50,000	150,000	250,000	350,000	450,000	550,000	650,000	750,000	850,000	
	<u>29,700</u>	<u>179,900</u>	<u>441,000</u>	<u>731,000</u>	<u>1,038,600</u>	<u>1,358,300</u>	<u>1,684,600</u>	<u>2,017,500</u>	<u>2,357,000</u>	<u>2,703,100</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
---------------------

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
------------------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------	--------------------	-----------------------

[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	\$ 7,785,571
----------------------------------------------------	--------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	<a href="#">Year 10</a> \$ 72,762
-------------------------------------------------	--------------------------------------

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)	<a href="#">Year 10</a> \$ 22.50
-----------------------------------------------------	-------------------------------------

Table 6.1 - Distribution Charge

	<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
Distribution Revenue	\$	6,255	24,094	39,740	45,655	49,362	51,910	53,300	54,690	56,080	57,470	\$ 438,554
SES Revenue		6,831	34,546	60,053	66,700	70,748	73,531	75,049	76,567	78,085	79,603	621,713
Total Distribution Charge	\$	<u>13,086</u>	<u>58,640</u>	<u>99,793</u>	<u>112,355</u>	<u>120,110</u>	<u>125,441</u>	<u>128,349</u>	<u>131,257</u>	<u>134,165</u>	<u>137,073</u>	<u>\$ 1,060,267</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 8J-3**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Newington**

Section 3.4 South Stormont (Newington)

Total Forecasted Customers 107 Penetration Rate 66%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer <sup>1</sup>	Estimated Conversion Cost <sup>2</sup>	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	\$ 29,033	6.6	-2.4	147	(55)
Electricity F/A	10	9%	\$ 5,000	\$ 1,998	\$ 1,495	\$ 503	\$ 4,843	0.5	3.6	5	35
Electricity Baseboard	13	12%	\$ 12,000	\$ 1,998	\$ 1,495	\$ 503	\$ 6,457	0.5	3.6	7	46
Propane	47	44%	\$ 600	\$ 1,611	\$ 1,495	\$ 116	\$ 5,474	5.1	-1.0	240	(46)
Wood	10	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	107	100%	\$ 31,100	\$ 8,395	\$ 5,981	\$ 2,414	\$ 45,806	12.7	3.8	400	(20)

<sup>1</sup> 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.

<sup>2</sup> 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 8J-4**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Newington**

## South Stormont (Newington) Community Expansion Project Pipeline Construction Schedule

[illegible]

**Schedule 8J-6**  
**Enbridge Gas Community Expansion Project Proposal**  
**South Stormont - Newington**

**EB-2013-0259**

**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 in the geographic boundaries of the

**Township of South Stormont**

This certificate replaces the existing certificates held by Union for the former Township of Osnabruck (F.B.C. 215), and the former Township of Cornwall (F.B.C. 226).

**DATED** at Toronto, August 29, 2013

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**Schedule 8K**  
**Enbridge Gas Community Expansion Project Proposal**

**South Stormont - \_\_\_\_\_**



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

<b>Part I – Name of Proponent</b>	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <a href="#">South Stormont ( ) Community Expansion Project</a>	
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: <a href="mailto:patrick.mcmahon@enbridge.com">patrick.mcmahon@enbridge.com</a>

<b>Part II – Description of Proponent's Technical Expertise and Financial Capability</b>
<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>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>	
2.1	<p><b>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</b></p> <p>N/A</p>
2.2	<p><b>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Current credit rating of the proponent, its parent or associated companies.</b></li> <li>• <b>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.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></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 service within the Township of South Stormont on \_\_\_\_\_. The proposed facilities will provide access to natural gas to a forecasted 27 residential customers.

The proposed project will tie-in to an existing 4" steel pipe on \_\_\_\_\_ between \_\_\_\_\_ and \_\_\_\_\_. The proposed distribution system will extend \_\_\_\_\_ to cover unserved section of \_\_\_\_\_ that are located within South Stormont and the City of Cornwall.

There will be no reinforcement required to accommodate additional loads for the system. A new distribution station will be required at the tie-in location.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	1,400

Please refer to Schedule 8K-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 8K-2, Table 3.2.

3.3

**Provide the annual and cumulative forecast of volumes (in m<sup>3</sup>) 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 m<sup>3</sup> 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 8K-2, Table 3.3.

3.4	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8K-3, Table 3.4.</p>
3.5	<p><b>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</b></p> <p>Please refer to Schedule 8K-4 for Proposed Construction Schedule.</p>
3.6	<p><b>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.</b></p> <p>No letter of support has been provided by the local government in time for this project submission.</p>
3.7	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8K-6 for Enbridge's CPCNs for the Township of South Stormont (EB-2013-0259) and the City of Cornwall (FBC 91) which cover the entire area of the proposed project.</p>

Part IV – Cost of Project															
4.1	<p><b>Confirm that the proposed project includes a ten-year rate stability period.</b></p> <p>The proposed project does include a ten-year rate stability period.</p>														
4.2	<p><b>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).</b></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 8K-2, Table 4.2.</p>														
4.3	<p><b>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&amp;A costs) and rate base amount at the end of year ten.</b></p> <p><b>Complete the tables below:</b></p> <p><b>Revenue Requirement</b></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 8K-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															

<b>Part V – Section 36.2 Funding</b>	
5.1	<p><b>Provide the total amount of section 36.2 funding needed to support the project.</b></p> <p>\$883,628</p> <p>Please refer to Schedule 8K-2, Table 5.1.</p>
5.2	<p><b>Provide the section 36.2 funding amount per customer number served in year ten of the project.</b></p> <p>\$32,727</p> <p>Please refer to Schedule 8K-2, Table 5.2.</p>
5.3	<p><b>Provide the section 36.2 funding amount per volume (m<sup>3</sup>) in year ten of the project.</b></p> <p>\$15.16</p> <p>Please refer to Schedule 8K-2, Table 5.3.</p>

<b>Part VI – Distribution Charge</b>	
6.1	<p><b>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.</b></p> <p><b>Provide a confirmation that there would be no material cross-subsidization between rate classes.</b></p> <p>Please refer to Schedule 8K-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

<b>Part VII – Profitability Index / Benefit to Cost Ratio</b>	
7.1	<p><b>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.</b></p> <p><b>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).</b></p> <p>Please refer to Schedule 8K-2, Table 7.1.</p>
7.2	<p><b>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.</b></p> <p>Please refer to Schedule 8K-2, Table 7.2.</p>

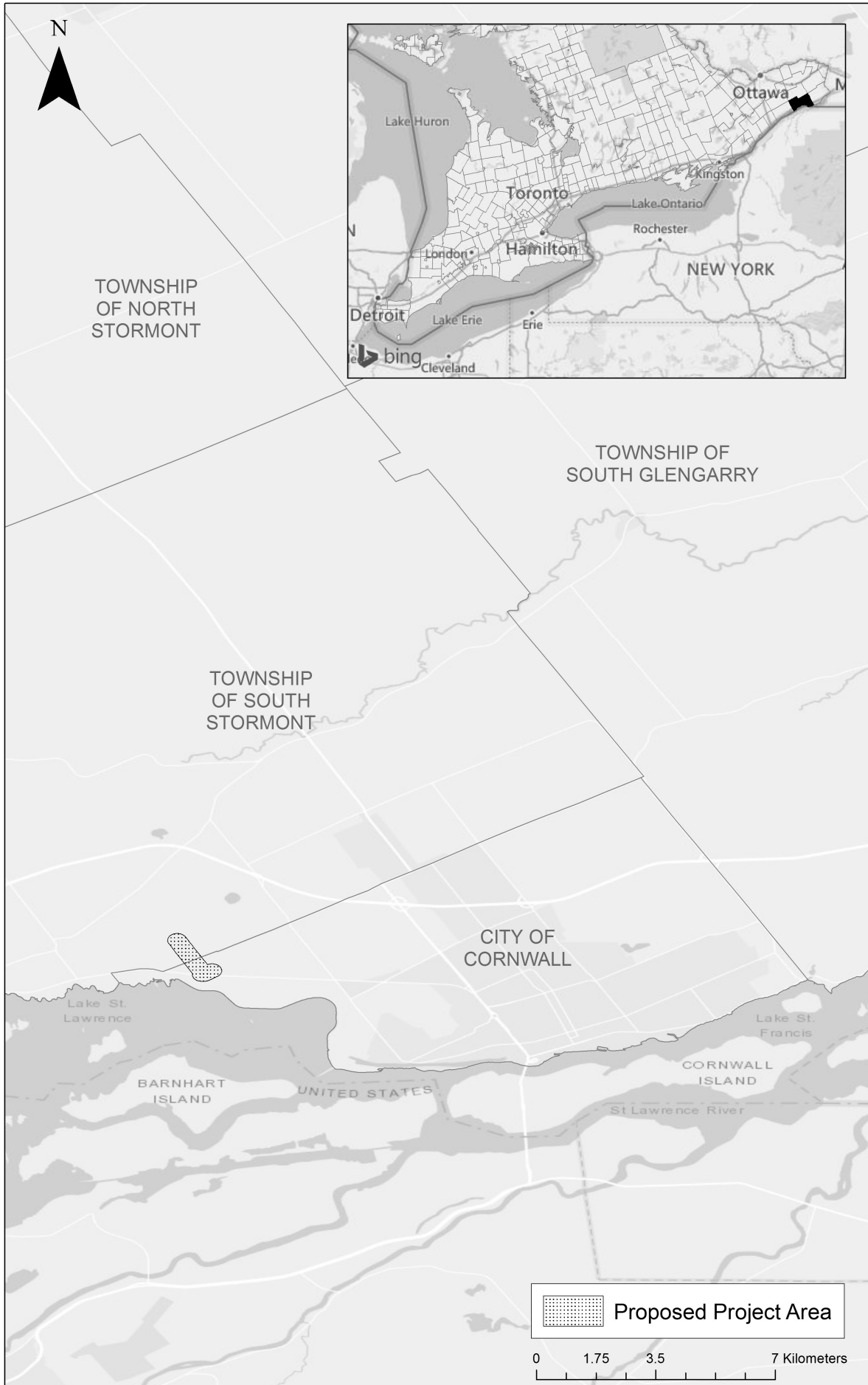
<b>Part VIII – OEB Approvals</b>	
8.1	<p><b>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</b></p> <ul style="list-style-type: none"> <li>• System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)</li> </ul>
8.2	<p><b>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 <a href="#">website</a> and where applicable assume a written hearing process.</b></p> <p>Please refer to Schedule 8K-4.</p>

**Schedule 8K-1**  
**Enbridge Gas Community Expansion Project Proposal**

**South Stormont - \_\_\_\_\_**



# South Stormont 1



**Schedule 8K-2**  
**Enbridge Gas Community Expansion Project Proposal**

**South Stormont - \_\_\_\_\_**

Table 3.2 - Customer Attachments Over The Rate Stability Period

<a href="#">Customer Type</a>	<a href="#">Firm / IT</a>
Residential	Firm
Commercial	Firm
Institutional	Firm
Agricultural	Firm
Industrial	Firm
Total Customers	
Cumulative Customers	

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
	8	6	4	2	2	1	1	1	1	1	27
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>8</u>	<u>6</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>27</u>
	8	14	18	20	22	23	24	25	26	27	

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

<a href="#">Customer Type</a>
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">Annual Volumes - m3</a>		<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
	8,800	24,200	35,200	41,800	46,200	49,500	51,700	53,900	56,100	58,300	425,700
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>8,800</u>	<u>24,200</u>	<u>35,200</u>	<u>41,800</u>	<u>46,200</u>	<u>49,500</u>	<u>51,700</u>	<u>53,900</u>	<u>56,100</u>	<u>58,300</u>	<u>425,700</u>

<a href="#">Customer Type</a>
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">Cumulative Volumes - m3</a>		<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	
	8,800	33,000	68,200	110,000	156,200	205,700	257,400	311,300	367,400	425,700	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	
	<u>8,800</u>	<u>33,000</u>	<u>68,200</u>	<u>110,000</u>	<u>156,200</u>	<u>205,700</u>	<u>257,400</u>	<u>311,300</u>	<u>367,400</u>	<u>425,700</u>	

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

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

[Year 10](#)  
[REDACTED]

Table 4.3 - Revenue Requirement Over The Rate Stability Period

Revenue Requirement
---------------------

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>

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

[Year 10](#)  
[REDACTED]

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	\$	883,628
----------------------------------------------------	----	---------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	\$	<a href="#">Year 10</a> <u>32,727</u>
-------------------------------------------------	----	------------------------------------------

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)	\$	<a href="#">Year 10</a> <u>15.16</u>
-----------------------------------------------------	----	-----------------------------------------

Table 6.1 - Distribution Charge

	<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
Distribution Revenue	\$	1,853	5,097	7,413	8,803	9,730	10,425	10,888	11,351	11,815	12,278	\$ 89,653
SES Revenue		2,024	5,566	8,096	9,614	10,626	11,385	11,891	12,397	12,903	13,409	97,911
Total Distribution Charge	\$	<u>3,877</u>	<u>10,663</u>	<u>15,509</u>	<u>18,417</u>	<u>20,356</u>	<u>21,810</u>	<u>22,779</u>	<u>23,748</u>	<u>24,718</u>	<u>25,687</u>	<u>\$ 187,564</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

	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 8K-3**  
**Enbridge Gas Community Expansion Project Proposal**

**South Stormont - \_\_\_\_\_**

Section 3.4 South Stormont ( )

Total Forecasted Customers 27 Penetration Rate 65%

	Number of Customers	Current proportion of customer <sup>1</sup>	Estimated Conversion Cost <sup>2</sup>	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	\$ 1,495	\$ 1,292	\$ 7,326	6.6	-2.4	37	(14)
Electricity F/A	2	9%	\$ 5,000	\$ 1,998	\$ 1,495	\$ 503	\$ 1,222	0.5	3.6	1	9
Electricity Baseboard	3	12%	\$ 12,000	\$ 1,998	\$ 1,495	\$ 503	\$ 1,629	0.5	3.6	2	12
Propane	12	44%	\$ 600	\$ 1,611	\$ 1,495	\$ 116	\$ 1,381	5.1	-1.0	61	(12)
Wood	2	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	1	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	27	100%	\$ 31,100	\$ 8,395	\$ 5,981	\$ 2,414	\$ 11,559	12.7	3.8	101	(5)

<sup>1</sup> 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.

<sup>2</sup> 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 8K-4**  
**Enbridge Gas Community Expansion Project Proposal**

**South Stormont - \_\_\_\_\_**



## South Stormont ( ) Community Expansion Project Pipeline Construction Schedule

[illegible]

**Schedule 8K-6**  
**Enbridge Gas Community Expansion Project Proposal**

**South Stormont - \_\_\_\_\_**

**EB-2013-0259**

**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 in the geographic boundaries of the

**Township of South Stormont**

This certificate replaces the existing certificates held by Union for the former Township of Osnabruck (F.B.C. 215), and the former Township of Cornwall (F.B.C. 226).

**DATED** at Toronto, August 29, 2013

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

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 Lakeland  
Natural Gas Limited for a certificate of Public  
Convenience and Necessity to construct works and  
to supply gas to the inhabitants of the City of  
Cornwall.

B E F O R E:

A. R. CROZIER, Chairman	)	TUESDAY, the 18th day
	)	
L. R. MacTAVISH, Q.C., Commissioner	)	of June, 1957.
	)	
W. R. HOWARD, Commissioner	)	

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 City of Cornwall 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 Cornwall on the 18th day of June, 1957, after due notice of such hearing had been given as directed by the Board, in the presence of counsel for the Applicant, and counsel for The Consumers' Gas Company of Toronto, 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 natural gas to the inhabitants of the City of Cornwall, 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 \$300.00 and shall be paid forthwith by the Applicant to the Board.

DATED at Toronto this 16th day of July, 1957.

ONTARIO FUEL BOARD

*A. R. Brown*  
Chairman

*L. R. McIntosh*  
Commissioner

*W. R. Howard*  
Commissioner

**Schedule 8L**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**

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

<b>Part I – Name of Proponent</b>	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <u>Sudbury ( )</u> <u>Community Expansion Project</u>	
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: <a href="mailto:patrick.mcmahon@enbridge.com">patrick.mcmahon@enbridge.com</a>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>
<i>Natural gas distributors that are currently rate-regulated by the OEB are not required to complete this Part.</i>
<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>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>	
2.1	<p><b>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</b></p> <p>N/A</p>
2.2	<p><b>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Current credit rating of the proponent, its parent or associated companies.</b></li> <li>• <b>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.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></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 service within the City of Greater Sudbury in the \_\_\_\_\_ and \_\_\_\_\_ area. The proposed facilities will provide access to natural gas to a forecasted 32 customers (31 residential and 1 commercial / institutional).

The proposed project will tie-in to an existing 2" steel pipe at the intersection of \_\_\_\_\_ and \_\_\_\_\_ near \_\_\_\_\_. The proposed distribution system will extend along \_\_\_\_\_ and \_\_\_\_\_ to provide access to residential properties.

An existing station will require upsizing to accommodate new loads onto the system.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	3,990

Please refer to Schedule 8L-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 8L-2, Table 3.2.

3.3

**Provide the annual and cumulative forecast of volumes (in m<sup>3</sup>) 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 m<sup>3</sup> 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 8L-2, Table 3.3.

3.4	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8L-3, Table 3.4.</p>
3.5	<p><b>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</b></p> <p>Please refer to Schedule 8L-4 for Proposed Construction Schedule.</p>
3.6	<p><b>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.</b></p> <p>No letter of support has been provided by the local government in time for this project submission.</p>
3.7	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8L-6 for Enbridge's CPCN for the City of Greater Sudbury (RP-2003-0122 / EB-2003-0165) which covers the entire area of the proposed project.</p>

Part IV – Cost of Project															
4.1	<p><b>Confirm that the proposed project includes a ten-year rate stability period.</b></p> <p>The proposed project does include a ten-year rate stability period.</p>														
4.2	<p><b>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).</b></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 8L-2, Table 4.2.</p>														
4.3	<p><b>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&amp;A costs) and rate base amount at the end of year ten.</b></p> <p><b>Complete the tables below:</b></p> <p><b>Revenue Requirement</b></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 8L-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															

<b>Part V – Section 36.2 Funding</b>	
5.1	<p><b>Provide the total amount of section 36.2 funding needed to support the project.</b></p> <p>\$2,568,396</p> <p>Please refer to Schedule 8L-2, Table 5.1.</p>
5.2	<p><b>Provide the section 36.2 funding amount per customer number served in year ten of the project.</b></p> <p>\$80,262</p> <p>Please refer to Schedule 8L-2, Table 5.2.</p>
5.3	<p><b>Provide the section 36.2 funding amount per volume (m<sup>3</sup>) in year ten of the project.</b></p> <p>\$37.06</p> <p>Please refer to Schedule 8L-2, Table 5.3.</p>

<b>Part VI – Distribution Charge</b>	
6.1	<p><b>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.</b></p> <p><b>Provide a confirmation that there would be no material cross-subsidization between rate classes.</b></p> <p>Please refer to Schedule 8L-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

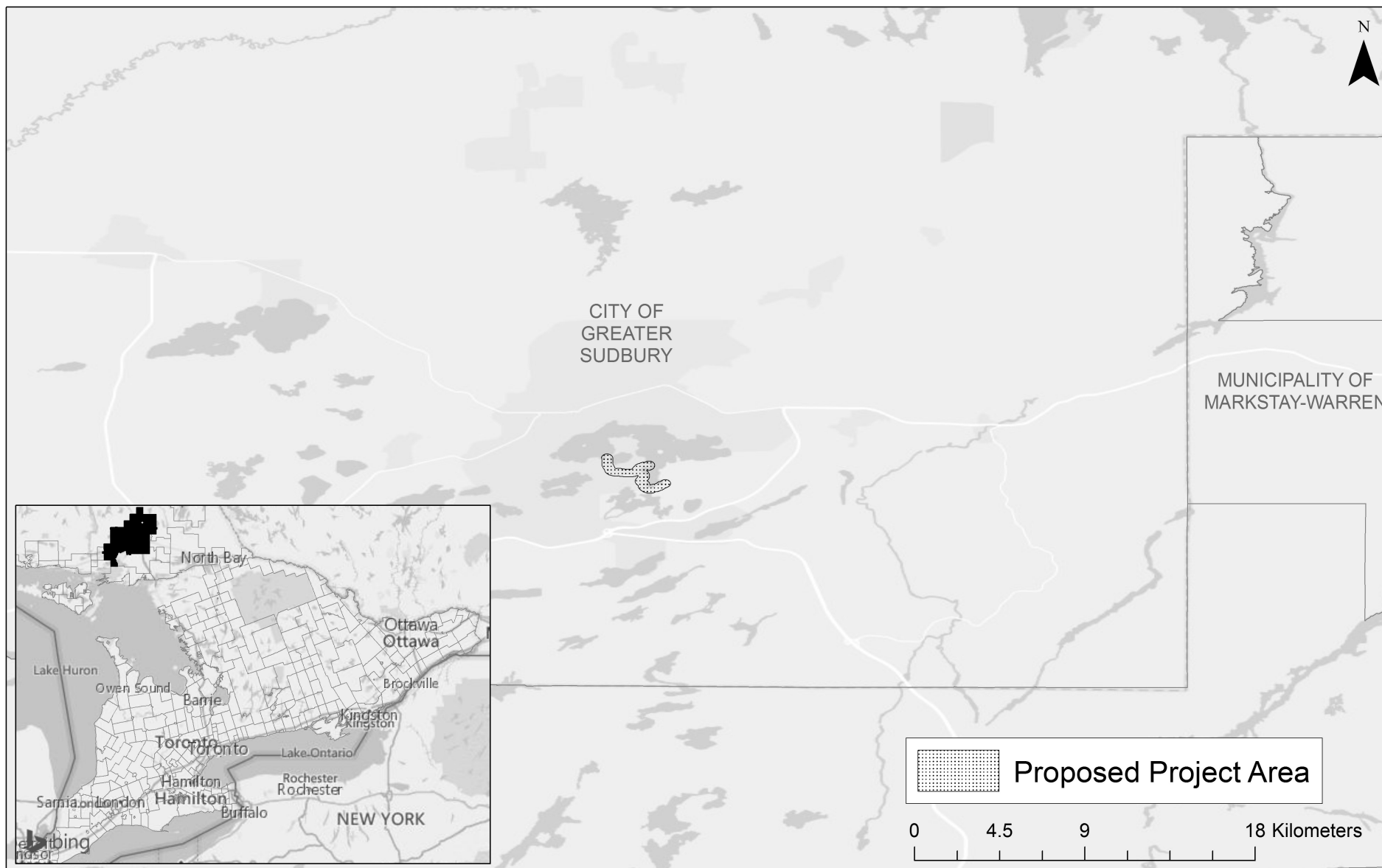
<b>Part VII – Profitability Index / Benefit to Cost Ratio</b>	
7.1	<p><b>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</b></p> <p><b>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).</b></p> <p>Please refer to Schedule 8L-2, Table 7.1.</p>
7.2	<p><b>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.</b></p> <p>Please refer to Schedule 8L-2, Table 7.2.</p>

<b>Part VIII – OEB Approvals</b>	
8.1	<p><b>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).</b></p> <ul style="list-style-type: none"> <li>• Leave to Construct</li> <li>• System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)</li> </ul>
8.2	<p><b>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 <a href="#">website</a> and where applicable assume a written hearing process.</b></p> <p>Please refer to Schedule 8L-4.</p>

**Schedule 8L-1**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**

# Greater Sudbury



**Schedule 8L-2**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**



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
	10	7	5	2	2	1	1	1	1	1	31
	-	1	-	-	-	-	-	-	-	-	1
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	10	8	5	2	2	1	1	1	1	1	32
	10	18	23	25	27	28	29	30	31	32	

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										
	<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>
	11,000	29,700	42,900	50,600	55,000	58,300	60,500	62,700	64,900	67,100	502,700
	-	1,100	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	18,700
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>11.000</u>	<u>30.800</u>	<u>45.100</u>	<u>52.800</u>	<u>57.200</u>	<u>60.500</u>	<u>62.700</u>	<u>64.900</u>	<u>67.100</u>	<u>69.300</u>	<u>521.400</u>

Customer Type
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

Cumulative Volumes - m3										
Project Year	1	2	3	4	5	6	7	8	9	10
	11,000	40,700	83,600	134,200	189,200	247,500	308,000	370,700	435,600	502,700
	-	1,100	3,300	5,500	7,700	9,900	12,100	14,300	16,500	18,700
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	11,000	41,800	86,900	139,700	196,900	257,400	320,100	385,000	452,100	521,400

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 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	\$    2,568,396
----------------------------------------------------	-----------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	<a href="#">Year 10</a> \$ <u>80,262</u>
-------------------------------------------------	---------------------------------------------

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)	<a href="#">Year 10</a> \$ <u>37.06</u>
-----------------------------------------------------	--------------------------------------------

Table 6.1 - Distribution Charge

	<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
Distribution Revenue	\$	2,317	6,487	9,498	11,120	12,046	12,741	13,205	13,668	14,131	14,595	\$   109,808
SES Revenue		2,530	7,084	10,373	12,144	13,156	13,915	14,421	14,927	15,433	15,939	119,922
Total Distribution Charge	\$	<u>4,847</u>	<u>13,571</u>	<u>19,871</u>	<u>23,264</u>	<u>25,202</u>	<u>26,656</u>	<u>27,626</u>	<u>28,595</u>	<u>29,564</u>	<u>30,534</u>	<u>\$   229,730</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

	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 8L-3**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**

Section 3.4 Sudbury ( )

Total Forecasted Customers 32 Penetration Rate 65%

	Number of Customers	Current proportion of customer <sup>1</sup>	Estimated Conversion Cost <sup>2</sup>	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	7	21%	\$ 5,000	\$ 2,787	\$ 1,495	\$ 1,292	\$ 8,683	6.6	-2.4	44	(16)
Electricity F/A	3	9%	\$ 5,000	\$ 1,998	\$ 1,495	\$ 503	\$ 1,448	0.5	3.6	2	10
Electricity Baseboard	4	12%	\$ 12,000	\$ 1,998	\$ 1,495	\$ 503	\$ 1,931	0.5	3.6	2	14
Propane	14	44%	\$ 600	\$ 1,611	\$ 1,495	\$ 116	\$ 1,637	5.1	-1.0	72	(14)
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	32	100%	\$ 31,100	\$ 8,395	\$ 5,981	\$ 2,414	\$ 13,699	12.7	3.8	120	(6)

<sup>1</sup> 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.

<sup>2</sup> 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 8L-4**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**

[illegible]

**Schedule 8L-6**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**



Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2003-0122

EB-2003-0165

## 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, to construct works to supply gas to the

**City of Greater Sudbury.**

This certificate replaces the certificates of the former municipalities that are now within the geographic area of the City of Greater Sudbury.

**DATED** at Toronto, October 2, 2003.

ONTARIO ENERGY BOARD

  
Peter H. O'Dell  
Assistant Secretary

**Schedule 8M**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**

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

<b>Part I – Name of Proponent</b>	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <a href="#">Sudbury ( ) Community Expansion Project</a>	
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: <a href="mailto:patrick.mcmahon@enbridge.com">patrick.mcmahon@enbridge.com</a>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>
<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>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>	
2.1	<p><b>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</b></p> <p>N/A</p>
2.2	<p><b>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Current credit rating of the proponent, its parent or associated companies.</b></li> <li>• <b>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.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></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 service within the City of Greater Sudbury in the \_\_\_\_\_ development area. The proposed facilities will provide access to natural gas to a forecasted 64 residential customers.

The proposed project will tie-in to an existing 4" polyethylene pipe near the intersection of \_\_\_\_\_ and \_\_\_\_\_. The proposed distribution system will extend \_\_\_\_\_ to \_\_\_\_\_ to \_\_\_\_\_ and up to \_\_\_\_\_.

An existing station will require upsizing.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	1,039

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	3,132

Please refer to Schedule 8M-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 8M-2, Table 3.2.

3.3	<p><b>Provide the annual and cumulative forecast of volumes (in m<sup>3</sup>) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</b></p> <p><b>For the residential segment, the default value for the average consumption level is 2,200 m<sup>3</sup> 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.</b></p> <p>Please refer to Schedule 8M-2, Table 3.3.</p>
3.4	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8M-3, Table 3.4.</p>
3.5	<p><b>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</b></p> <p>Please refer to Schedule 8M-4 for Proposed Construction Schedule.</p>
3.6	<p><b>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.</b></p> <p>No letter of support has been provided by the local government in time for this project submission.</p>

3.7	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8M-6 for Enbridge's CPCN for the City of Greater Sudbury (RP-2003-0122 / EB-2003-0165) which covers the entire area of the proposed project.</p>
<b>Part IV – Cost of Project</b>	
4.1	<p><b>Confirm that the proposed project includes a ten-year rate stability period.</b></p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p><b>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).</b></p> <p><b>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).</b></p> <p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8M-2, Table 4.2.</p>

4.3	<p><b>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&amp;A costs) and rate base amount at the end of year ten.</b></p> <p><b>Complete the tables below:</b></p> <p><b>Revenue Requirement</b></p> <table border="1" data-bbox="370 415 1403 489"> <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" data-bbox="370 520 886 590"> <tr> <th>Description</th> <th>Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p><b>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).</b></p> <p>Please refer to Schedule 8M-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															
<p><b>Part V – Section 36.2 Funding</b></p>															
5.1	<p><b>Provide the total amount of section 36.2 funding needed to support the project.</b></p> <p>\$2,619,026</p> <p>Please refer to Schedule 8M-2, Table 5.1.</p>														
5.2	<p><b>Provide the section 36.2 funding amount per customer number served in year ten of the project.</b></p> <p>\$ 40,922</p> <p>Please refer to Schedule 8M-2, Table 5.2.</p>														
5.3	<p><b>Provide the section 36.2 funding amount per volume (m<sup>3</sup>) in year ten of the project.</b></p> <p>\$18.90</p> <p>Please refer to Schedule 8M-2, Table 5.3.</p>														



<b>Part VI – Distribution Charge</b>	
6.1	<p><b>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.</b></p> <p><b>Provide a confirmation that there would be no material cross-subsidization between rate classes.</b></p> <p>Please refer to Schedule 8M-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

<b>Part VII – Profitability Index / Benefit to Cost Ratio</b>	
7.1	<p><b>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.</b></p> <p><b>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).</b></p> <p>Please refer to Schedule 8M-2, Table 7.1.</p>
7.2	<p><b>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.</b></p> <p>Please refer to Schedule 8M-2, Table 7.2.</p>

<b>Part VIII – OEB Approvals</b>	
8.1	<p><b>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).</b></p> <ul style="list-style-type: none"> <li>• Leave to Construct</li> <li>• System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)</li> </ul>
8.2	<p><b>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 <a href="#">website</a> and where applicable assume a written hearing process.</b></p> <p>Please refer to Schedule 8M-4.</p>

**Schedule 8M-1**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**

# Greater Sudbury 1

EB-2019-0255  
Schedule 8M-1  
Redacted



**Schedule 8M-2**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**

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>
	20	14	10	5	5	2	2	2	2	2	64
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>20</u>	<u>14</u>	<u>10</u>	<u>5</u>	<u>5</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>64</u>
	20	34	44	49	54	56	58	60	62	64	

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	22,000	59,400	85,800	102,300	113,300	121,000	125,400	129,800	134,200	138,600	1,031,800
Commercial	-	-	-	-	-	-	-	-	-	-	-
Institutional	-	-	-	-	-	-	-	-	-	-	-
Agricultural	-	-	-	-	-	-	-	-	-	-	-
Industrial	-	-	-	-	-	-	-	-	-	-	-
Total Volumes	<u>22,000</u>	<u>59,400</u>	<u>85,800</u>	<u>102,300</u>	<u>113,300</u>	<u>121,000</u>	<u>125,400</u>	<u>129,800</u>	<u>134,200</u>	<u>138,600</u>	<u>1,031,800</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	22,000	81,400	167,200	269,500	382,800	503,800	629,200	759,000	893,200	1,031,800	
Commercial	-	-	-	-	-	-	-	-	-	-	
Institutional	-	-	-	-	-	-	-	-	-	-	
Agricultural	-	-	-	-	-	-	-	-	-	-	
Industrial	-	-	-	-	-	-	-	-	-	-	
Total Volumes	<u>22,000</u>	<u>81,400</u>	<u>167,200</u>	<u>269,500</u>	<u>382,800</u>	<u>503,800</u>	<u>629,200</u>	<u>759,000</u>	<u>893,200</u>	<u>1,031,800</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	\$    2,619,026
----------------------------------------------------	-----------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	<u><a href="#">Year 10</a></u> \$    40,922
-------------------------------------------------	------------------------------------------------

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)	<u><a href="#">Year 10</a></u> \$    18.90
-----------------------------------------------------	-----------------------------------------------

Table 6.1 - Distribution Charge

	<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
Distribution Revenue	\$	4,633	12,510	18,070	21,545	23,861	25,483	26,410	27,336	28,263	29,190	\$   217,300
SES Revenue		5,060	13,662	19,734	23,529	26,059	27,830	28,842	29,854	30,866	31,878	237,314
Total Distribution Charge	\$	<u>9,693</u>	<u>26,172</u>	<u>37,804</u>	<u>45,074</u>	<u>49,920</u>	<u>53,313</u>	<u>55,252</u>	<u>57,190</u>	<u>59,129</u>	<u>61,068</u>	<u>\$   454,614</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 8M-3**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**

Section 3.4 Sudbury (\_\_\_\_\_)

Total Forecasted Customers 64 Penetration Rate 65%

	Number of Customers	Current proportion of customer <sup>1</sup>	Estimated Conversion Cost <sup>2</sup>	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	13	21%	\$ 5,000	\$ 2,787	\$ 1,495	\$ 1,292	\$ 17,366	6.6	-2.4	88	(33)
Electricity F/A	6	9%	\$ 5,000	\$ 1,998	\$ 1,495	\$ 503	\$ 2,897	0.5	3.6	3	21
Electricity Baseboard	8	12%	\$ 12,000	\$ 1,998	\$ 1,495	\$ 503	\$ 3,862	0.5	3.6	4	28
Propane	28	44%	\$ 600	\$ 1,611	\$ 1,495	\$ 116	\$ 3,274	5.1	-1.0	144	(28)
Wood	6	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	64	100%	\$ 31,100	\$ 8,395	\$ 5,981	\$ 2,414	\$ 27,398	12.7	3.8	239	(12)

<sup>1</sup> 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.

<sup>2</sup> 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 8M-4**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**

[illegible]

**Schedule 8M-6**  
**Enbridge Gas Community Expansion Project Proposal**

**Sudbury - \_\_\_\_\_**

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2003-0122

EB-2003-0165

## 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, to construct works to supply gas to the

**City of Greater Sudbury.**

This certificate replaces the certificates of the former municipalities that are now within the geographic area of the City of Greater Sudbury.

**DATED** at Toronto, October 2, 2003.

ONTARIO ENERGY BOARD

  
Peter H. O'Dell  
Assistant Secretary

**Schedule 8N**  
**Enbridge Gas Community Expansion Project Proposal**  
**Temagami**

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

<b>Part I – Name of Proponent</b>	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <a href="#">Temagami Community Expansion Project</a>	
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: <a href="mailto:patrick.mcmahon@enbridge.com">patrick.mcmahon@enbridge.com</a>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>
<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>



<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>	
2.1	<p><b>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</b></p> <p>N/A</p>
2.2	<p><b>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Current credit rating of the proponent, its parent or associated companies.</b></li> <li>• <b>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.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></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 service within the Municipality of Temagami in the Nipissing District. The proposed facilities will provide access to natural gas to a forecasted 11 residential customers.

The proposed project will tie-in to an existing 4" polyethylene pipe near the intersection of \_\_\_\_\_ and \_\_\_\_\_. The proposed distribution system will extend \_\_\_\_\_ to \_\_\_\_\_.

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	6,600

Please refer to Schedule 8N-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 8N-2, Table 3.2.

3.3

**Provide the annual and cumulative forecast of volumes (in m<sup>3</sup>) 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 m<sup>3</sup> 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 8N-2, Table 3.3.

3.4	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8N-3, Table 3.4.</p>
3.5	<p><b>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</b></p> <p>Please refer to Schedule 8N-4 for Proposed Construction Schedule.</p>
3.6	<p><b>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.</b></p> <p>No letter of support has been provided by the local government in time for this project submission.</p>
3.7	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8N-6 for Enbridge's CPCN for the Municipality of Temagami (EB-2013-0256) which covers the entire area of the proposed project.</p>

Part IV – Cost of Project															
4.1	<p><b>Confirm that the proposed project includes a ten-year rate stability period.</b></p> <p>The proposed project does include a ten-year rate stability period.</p>														
4.2	<p><b>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).</b></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 8N-2, Table 4.2.</p>														
4.3	<p><b>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&amp;A costs) and rate base amount at the end of year ten.</b></p> <p><b>Complete the tables below:</b></p> <p><b>Revenue Requirement</b></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 8N-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															

<b>Part V – Section 36.2 Funding</b>	
5.1	<p><b>Provide the total amount of section 36.2 funding needed to support the project.</b></p> <p>\$3,150,992</p> <p>Please refer to Schedule 8N-2, Table 5.1.</p>
5.2	<p><b>Provide the section 36.2 funding amount per customer number served in year ten of the project.</b></p> <p>\$286,454</p> <p>Please refer to Schedule 8N-2, Table 5.2.</p>
5.3	<p><b>Provide the section 36.2 funding amount per volume (m<sup>3</sup>) in year ten of the project.</b></p> <p>\$136.41</p> <p>Please refer to Schedule 8N-2, Table 5.3.</p>

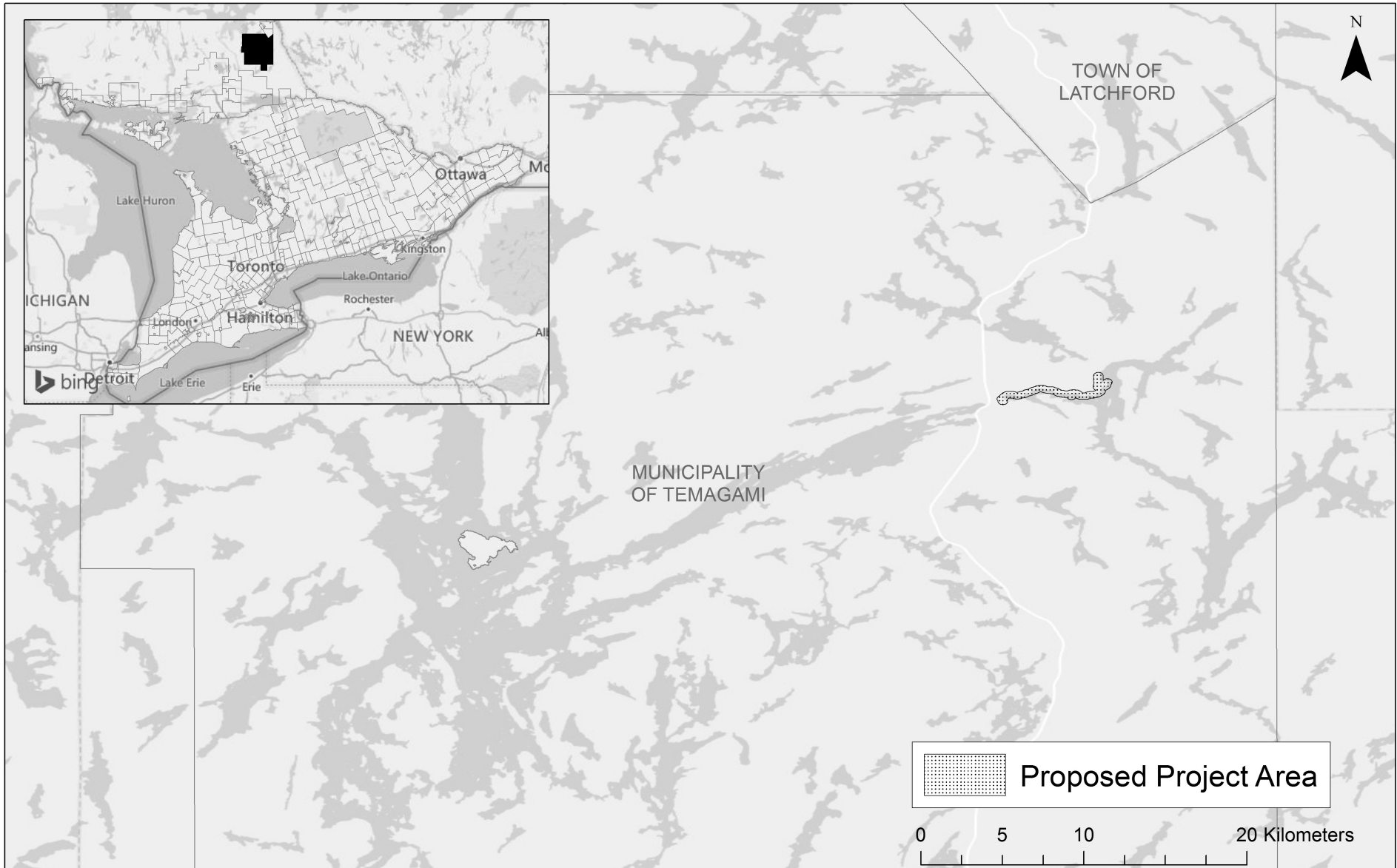
<b>Part VI – Distribution Charge</b>	
6.1	<p><b>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</b></p> <p><b>Provide a confirmation that there would be no material cross-subsidization between rate classes.</b></p> <p>Please refer to Schedule 8N-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

<b>Part VII – Profitability Index / Benefit to Cost Ratio</b>	
7.1	<p><b>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.</b></p> <p><b>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).</b></p> <p>Please refer to Schedule 8N-2, Table 7.1.</p>
7.2	<p><b>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.</b></p> <p>Please refer to Schedule 8N-2, Table 7.2.</p>

<b>Part VIII – OEB Approvals</b>	
8.1	<p><b>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).</b></p> <ul style="list-style-type: none"> <li>• Leave to Construct</li> <li>• System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)</li> </ul>
8.2	<p><b>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 <a href="#">website</a> and where applicable assume a written hearing process.</b></p> <p>Please refer to Schedule 8N-4.</p>

**Schedule 8N-1**  
**Enbridge Gas Community Expansion Project Proposal**  
**Temagami**

# Temagami





**Schedule 8N-2**  
**Enbridge Gas Community Expansion Project Proposal**  
**Temagami**

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>
	2	1	1	1	1	1	1	1	1	1	11
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>11</u>
	2	3	4	5	6	7	8	9	10	11	

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>
	2,200	5,500	7,700	9,900	12,100	14,300	16,500	18,700	20,900	23,100	130,900
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>2,200</u>	<u>5,500</u>	<u>7,700</u>	<u>9,900</u>	<u>12,100</u>	<u>14,300</u>	<u>16,500</u>	<u>18,700</u>	<u>20,900</u>	<u>23,100</u>	<u>130,900</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>	
	2,200	7,700	15,400	25,300	37,400	51,700	68,200	86,900	107,800	130,900	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	
	<u>2,200</u>	<u>7,700</u>	<u>15,400</u>	<u>25,300</u>	<u>37,400</u>	<u>51,700</u>	<u>68,200</u>	<u>86,900</u>	<u>107,800</u>	<u>130,900</u>	

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

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

Year 10  
[REDACTED]

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>
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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

Year 10  
[REDACTED]

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	\$ 3,150,992
----------------------------------------------------	--------------

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> \$ 286,454
-------------------------------------------------	-------------------------------------

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> \$ 136.41
-----------------------------------------------------	------------------------------------

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	\$	463	1,158	1,622	2,085	2,548	3,012	3,475	3,938	4,402	4,865	\$ 27,568
SES Revenue		506	1,265	1,771	2,277	2,783	3,289	3,795	4,301	4,807	5,313	30,107
Total Distribution Charge	\$	<u>969</u>	<u>2,423</u>	<u>3,393</u>	<u>4,362</u>	<u>5,331</u>	<u>6,301</u>	<u>7,270</u>	<u>8,239</u>	<u>9,209</u>	<u>10,178</u>	<u>\$ 57,675</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 8N-3**  
**Enbridge Gas Community Expansion Project Proposal**  
**Temagami**

Section 3.4 Temagami

Total Forecasted Customers 11 Penetration Rate 65%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer <sup>1</sup>	Estimated Conversion Cost <sup>2</sup>	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	2	21%	\$ 5,000	\$ 2,787	\$ 1,495	\$ 1,292	\$ 2,985	6.6	-2.4	15	(6)
Electricity F/A	1	9%	\$ 5,000	\$ 1,998	\$ 1,495	\$ 503	\$ 498	0.5	3.6	1	4
Electricity Baseboard	1	12%	\$ 12,000	\$ 1,998	\$ 1,495	\$ 503	\$ 664	0.5	3.6	1	5
Propane	5	44%	\$ 600	\$ 1,611	\$ 1,495	\$ 116	\$ 563	5.1	-1.0	25	(5)
Wood	1	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	1	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	11	100%	\$ 31,100	\$ 8,395	\$ 5,981	\$ 2,414	\$ 4,709	12.7	3.8	41	(2)

<sup>1</sup> 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.

<sup>2</sup> 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 8N-4**  
**Enbridge Gas Community Expansion Project Proposal**  
**Temagami**

## Temagami Community Expansion Project Pipeline Construction Schedule

[illegible]



**Schedule 8N-6**  
**Enbridge Gas Community Expansion Project Proposal**  
**Temagami**

**EB-2013-0256**

**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 in the geographic boundaries of the

**Municipality of Temagami**

This certificate replaces the existing certificate held by Union for the former Unorganized Township of Strathy (E.B.C. 36).

**DATED** at Toronto, August 29, 2013

**ONTARIO ENERGY BOARD**

*Original Signed By*

Kirsten Walli  
Board Secretary

**Schedule 80**  
**Enbridge Gas Community Expansion Project Proposal**  
**Thessalon First Nation**

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

<b>Part I – Name of Proponent</b>	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <a href="#">Thessalon First Nation Community Expansion Project</a>	
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: <a href="mailto:patrick.mcmahon@enbridge.com">patrick.mcmahon@enbridge.com</a>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>
<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>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>	
2.1	<p><b>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</b></p> <p>N/A</p>
2.2	<p><b>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Current credit rating of the proponent, its parent or associated companies.</b></li> <li>• <b>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.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></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 Thessalon Indian Reserve No. 12 and expand gas distribution service provided in the Municipality of Huron Shores. The proposed facilities will provide access to natural gas to a forecasted 63 customers (57 residential, 5 commercial / institutional and 1 agricultural farm).

The proposed project will tie-in to an existing 12" steel pipe near the intersection of \_\_\_\_\_ and \_\_\_\_\_.

For the Municipality of Huron Shores, proposed facilities will run \_\_\_\_\_ then \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ from the intersection with \_\_\_\_\_ to \_\_\_\_\_.

For the Thessalon Indian Reserve No. 12, proposed facilities will run \_\_\_\_\_, then \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_.

A new small distribution station will be required along \_\_\_\_\_ near the intersection of \_\_\_\_\_ and \_\_\_\_\_.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	5,020
Polyethylene	4	5,145

Please refer to Schedule 8O-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 8O-2, Table 3.2.

3.3	<p><b>Provide the annual and cumulative forecast of volumes (in m<sup>3</sup>) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</b></p> <p><b>For the residential segment, the default value for the average consumption level is 2,200 m<sup>3</sup> 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.</b></p> <p>Please refer to Schedule 8O-2, Table 3.3.</p>
3.4	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8O-3, Table 3.4.</p>
3.5	<p><b>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</b></p> <p>Please refer to Schedule 8O-4 for Proposed Construction Schedule.</p>
3.6	<p><b>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.</b></p> <p>No letter of support has been provided by the local government in time for this project submission.</p>

3.7	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8O-6 for Enbridge's CPCN for the Municipality of Huron Shores (RP-2004-0206 / EB-2004-0417) which covers the Huron Shores area of the proposed project.</p> <p>A Band Council Resolution and Section 28 Permit per the <i>Indian Act</i> will be required before construction can take place on the Thessalon Indian Reserve No. 12.</p>
<b>Part IV – Cost of Project</b>	
4.1	<p><b>Confirm that the proposed project includes a ten-year rate stability period.</b></p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p><b>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).</b></p> <p><b>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).</b></p> <p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8O-2, Table 4.2.</p>



4.3	<p><b>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&amp;A costs) and rate base amount at the end of year ten.</b></p> <p><b>Complete the tables below:</b></p> <p><b>Revenue Requirement</b></p> <table border="1" data-bbox="370 415 1403 489"> <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" data-bbox="370 520 886 590"> <tr> <th>Description</th> <th>Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p><b>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).</b></p> <p>Please refer to Schedule 8O-2, Table 4.3.</p>	Description	Year 1	Year 2...	Year 10	Total	Revenue Requirement					Description	Year 10	Closing Rate Base	
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Closing Rate Base															
<p><b>Part V – Section 36.2 Funding</b></p>															
5.1	<p><b>Provide the total amount of section 36.2 funding needed to support the project.</b></p> <p>\$5,079,693</p> <p>Please refer to Schedule 8O-2, Table 5.1.</p>														
5.2	<p><b>Provide the section 36.2 funding amount per customer number served in year ten of the project.</b></p> <p>\$80,630</p> <p>Please refer to Schedule 8O-2, Table 5.2.</p>														
5.3	<p><b>Provide the section 36.2 funding amount per volume (m<sup>3</sup>) in year ten of the project.</b></p> <p>\$ 33.66</p> <p>Please refer to Schedule 8O-2, Table 5.3.</p>														

<b>Part VI – Distribution Charge</b>	
6.1	<p><b>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.</b></p> <p><b>Provide a confirmation that there would be no material cross-subsidization between rate classes.</b></p> <p>Please refer to Schedule 8O-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

<b>Part VII – Profitability Index / Benefit to Cost Ratio</b>	
7.1	<p><b>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.</b></p> <p><b>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).</b></p> <p>Please refer to Schedule 8O-2, Table 7.1.</p>
7.2	<p><b>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.</b></p> <p>Please refer to Schedule 8O-2, Table 7.2.</p>

<b>Part VIII – OEB Approvals</b>	
8.1	<p><b>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).</b></p> <ul style="list-style-type: none"> <li>• Leave to Construct</li> <li>• System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)</li> </ul>
8.2	<p><b>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 <a href="#">website</a> and where applicable assume a written hearing process.</b></p> <p>Please refer to Schedule 8O-4.</p>

**Schedule 8O-1**  
**Enbridge Gas Community Expansion Project Proposal**  
**Thessalon First Nation**

# Thessalon FN



**Schedule 8O-2**  
**Enbridge Gas Community Expansion Project Proposal**  
**Thessalon First Nation**

Table 3.2 - Customer Attachments Over The Rate Stability Period

<a href="#">Customer Type</a>	<a href="#">Firm / IT</a>
Residential	Firm
Commercial	Firm
Institutional	Firm
Agricultural	Firm
Industrial	Firm
Total Customers	
Cumulative Customers	

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
	18	13	9	4	4	2	2	2	2	1	57
	-	3	2	-	-	-	-	-	-	-	5
	-	-	-	-	-	-	-	-	-	-	-
	-	1	-	-	-	-	-	-	-	-	1
	-	-	-	-	-	-	-	-	-	-	-
	<u>18</u>	<u>17</u>	<u>11</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>63</u>
	18	35	46	50	54	56	58	60	62	63	

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

<a href="#">Customer Type</a>
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">Annual Volumes - m3</a>		<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
	19,800	53,900	78,100	92,400	101,200	107,800	112,200	116,600	121,000	124,300	927,300
	-	4,700	13,000	16,600	16,600	16,600	16,600	16,600	16,600	16,600	133,900
	-	-	-	-	-	-	-	-	-	-	-
	-	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	85,000
	-	-	-	-	-	-	-	-	-	-	-
	<u>19,800</u>	<u>63,600</u>	<u>101,100</u>	<u>119,000</u>	<u>127,800</u>	<u>134,400</u>	<u>138,800</u>	<u>143,200</u>	<u>147,600</u>	<u>150,900</u>	<u>1,146,200</u>

<a href="#">Customer Type</a>
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">Cumulative Volumes - m3</a>		<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	
	19,800	73,700	151,800	244,200	345,400	453,200	565,400	682,000	803,000	927,300	
	-	4,700	17,700	34,300	50,900	67,500	84,100	100,700	117,300	133,900	
	-	-	-	-	-	-	-	-	-	-	
	-	5,000	15,000	25,000	35,000	45,000	55,000	65,000	75,000	85,000	
	-	-	-	-	-	-	-	-	-	-	
	<u>19,800</u>	<u>83,400</u>	<u>184,500</u>	<u>303,500</u>	<u>431,300</u>	<u>565,700</u>	<u>704,500</u>	<u>847,700</u>	<u>995,300</u>	<u>1,146,200</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

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>

[Year 10](#)

Closing Rate Base (net of proposed Section 36.2 funding)





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 8O-3**  
**Enbridge Gas Community Expansion Project Proposal**  
**Thessalon First Nation**

Section 3.4 Thessalon First Nation

EB-2019-0255  
Schedule 80-3

Total Forecasted Customers 63 Penetration Rate 65%

	Number of Customers	Current proportion of customer <sup>1</sup>	Estimated Conversion Cost <sup>2</sup>	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	13	21%	\$ 5,000	\$ 2,787	\$ 1,460	\$ 1,328	\$ 17,566	6.6	-2.4	87	(32)
Electricity F/A	6	9%	\$ 5,000	\$ 1,673	\$ 1,460	\$ 213	\$ 1,209	0.5	3.6	3	20
Electricity Baseboard	8	12%	\$ 12,000	\$ 1,673	\$ 1,460	\$ 213	\$ 1,611	0.5	3.6	4	27
Propane	28	44%	\$ 600	\$ 1,611	\$ 1,460	\$ 152	\$ 4,210	5.1	-1.0	142	(27)
Wood	6	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	63	100%	\$ 31,100	\$ 7,744	\$ 5,838	\$ 1,906	\$ 24,596	12.7	3.8	235	(12)

<sup>1</sup> 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.

<sup>2</sup> 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, 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	0.094
Propane	L	3309	Propane	\$/L	0.487

Notes:

Gas prices correspond to EGI (Union Gas Northwest) April 2020 rates, including 23 cents per m<sup>3</sup> 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.

Qualified First Nations (FN) rates excludes distribution charges per First Nations Delivery Credit.

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 8O-4**  
**Enbridge Gas Community Expansion Project Proposal**  
**Thessalon First Nation**

## Thessalon First Nation 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 8O-6**  
**Enbridge Gas Community Expansion Project Proposal**  
**Thessalon First Nation**

RP-2004-0206

EB-2004-0417

## 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,  
to construct works to supply gas to the

**Municipality of Huron Shores**

Dated at Toronto, October 22, 2004

ONTARIO ENERGY BOARD

A handwritten signature in black ink, appearing to read 'P. O'Dell', is written over a horizontal line.

Peter H. O'Dell

Assistant Board Secretary

**Schedule 8P**  
**Enbridge Gas Community Expansion Project Proposal**

**Timmins (\_\_\_\_)**



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

<b>Part I – Name of Proponent</b>	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <a href="#">Timmins ( ) Community Expansion Project</a>	
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: <a href="mailto:patrick.mcmahon@enbridge.com">patrick.mcmahon@enbridge.com</a>

<b>Part II – Description of Proponent's Technical Expertise and Financial Capability</b>
<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>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>	
2.1	<p><b>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</b></p> <p>N/A</p>
2.2	<p><b>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Current credit rating of the proponent, its parent or associated companies.</b></li> <li>• <b>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.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></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 service within the City of Timmins on \_\_\_\_\_. The proposed facilities will provide access to natural gas to a forecasted 4 customers (1 residential, 2 commercial / institutional and 1 industrial).

The proposed project will tie-in to an existing 4" steel pipeline \_\_\_\_\_ and the proposed distribution system will extend \_\_\_\_\_ until \_\_\_\_\_.

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

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	1,945

Please refer to Schedule 8P-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 8P-2, Table 3.2.

3.3

**Provide the annual and cumulative forecast of volumes (in m<sup>3</sup>) 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 m<sup>3</sup> 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 8P-2, Table 3.3.

3.4	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8P-3, Table 3.4.</p>
3.5	<p><b>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</b></p> <p>Please refer to Schedule 8P-4 for Proposed Construction Schedule.</p>
3.6	<p><b>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.</b></p> <p>No letter of support has been provided by the local government in time for this project submission.</p>
3.7	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8P-6 for Enbridge's CPCN for the City of Timmins (RP-2000-0008 / EB-2003-0085) which covers the entire area of the proposed project.</p>

Part IV – Cost of Project															
4.1	<p><b>Confirm that the proposed project includes a ten-year rate stability period.</b></p> <p>The proposed project does include a ten-year rate stability period.</p>														
4.2	<p><b>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).</b></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 8P-2, Table 4.2.</p>														
4.3	<p><b>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&amp;A costs) and rate base amount at the end of year ten.</b></p> <p><b>Complete the tables below:</b></p> <p><b>Revenue Requirement</b></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 8P-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															

<b>Part V – Section 36.2 Funding</b>	
5.1	<p><b>Provide the total amount of section 36.2 funding needed to support the project.</b></p> <p>\$936,593</p> <p>Please refer to Schedule 8P-2, Table 5.1.</p>
5.2	<p><b>Provide the section 36.2 funding amount per customer number served in year ten of the project.</b></p> <p>\$ 234,148</p> <p>Please refer to Schedule 8P-2, Table 5.2.</p>
5.3	<p><b>Provide the section 36.2 funding amount per volume (m<sup>3</sup>) in year ten of the project.</b></p> <p>\$8.79</p> <p>Please refer to Schedule 8P-2, Table 5.3.</p>

<b>Part VI – Distribution Charge</b>	
6.1	<p><b>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.</b></p> <p><b>Provide a confirmation that there would be no material cross-subsidization between rate classes.</b></p> <p>Please refer to Schedule 8P-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

<b>Part VII – Profitability Index / Benefit to Cost Ratio</b>	
7.1	<p><b>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.</b></p> <p><b>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).</b></p> <p>Please refer to Schedule 8P-2, Table 7.1.</p>
7.2	<p><b>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.</b></p> <p>Please refer to Schedule 8P-2, Table 7.2.</p>

<b>Part VIII – OEB Approvals</b>	
8.1	<p><b>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).</b></p> <ul style="list-style-type: none"> <li>• System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)</li> </ul>
8.2	<p><b>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 <a href="#">website</a> and where applicable assume a written hearing process.</b></p> <p>Please refer to Schedule 8P-4.</p>

**Schedule 8P-1**  
**Enbridge Gas Community Expansion Project Proposal**

**Timmins (\_\_\_\_)**



Timmins Area 2



**Schedule 8P-2**  
**Enbridge Gas Community Expansion Project Proposal**

**Timmins (\_\_\_\_)**

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
	1	-	-	-	-	-	-	-	-	-	1
	-	2	-	-	-	-	-	-	-	-	2
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	1	-	-	-	-	-	-	-	-	1
	1	3	=	=	=	=	=	=	=	=	4
	1	4	4	4	4	4	4	4	4	4	

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

Customer Type	Annual Volumes - m3										Total
Project Year	1	2	3	4	5	6	7	8	9	10	Total
Residential	1,100	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	20,900
Commercial	-	2,200	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	37,400
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	1,100	54,400	106,600	106,600	106,600	106,600	106,600	106,600	106,600	106,600	908,300

Customer Type	Cumulative Volumes - m3										Total
Project Year	1	2	3	4	5	6	7	8	9	10	Total
Residential	1,100	3,300	5,500	7,700	9,900	12,100	14,300	16,500	18,700	20,900	
Commercial	-	2,200	6,600	11,000	15,400	19,800	24,200	28,600	33,000	37,400	
Institutional	-	-	-	-	-	-	-	-	-	-	
Agricultural	-	-	-	-	-	-	-	-	-	-	
Industrial	-	50,000	150,000	250,000	350,000	450,000	550,000	650,000	750,000	850,000	
Total Volumes	1,100	55,500	162,100	268,700	375,300	481,900	588,500	695,100	801,700	908,300	

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

Total Capital Costs	Year 10
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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											

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

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project \$ 936,593

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served \$ Year 10  
234,148

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

Section 36.2 Funding Amount Per Year 10 Volume (m3) \$ Year 10  
8.79

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	\$	232	4,745	9,027	9,027	9,027	9,027	9,027	9,027	9,027	9,027	\$ 77,193
SES Revenue		253	12,512	24,518	24,518	24,518	24,518	24,518	24,518	24,518	24,518	208,909
Total Distribution Charge	\$	<u>485</u>	<u>17,257</u>	<u>33,545</u>	<u>33,545</u>	<u>33,545</u>	<u>33,545</u>	<u>33,545</u>	<u>33,545</u>	<u>33,545</u>	<u>33,545</u>	<u>\$ 286,102</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 8P-3**  
**Enbridge Gas Community Expansion Project Proposal**

**Timmins (\_\_\_\_)**

Section 3.4 Timmins ( )

Total Forecasted Customers 4 Penetration Rate 65%

	Number of Customers	Current proportion of customer <sup>1</sup>	Estimated Conversion Cost <sup>2</sup>	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	\$ 1,085	6.6	-2.4	6	(2)
Electricity F/A	0	9%	\$ 5,000	\$ 1,998	\$ 1,495	\$ 503	\$ 181	0.5	3.6	0	1
Electricity Baseboard	0	12%	\$ 12,000	\$ 1,998	\$ 1,495	\$ 503	\$ 241	0.5	3.6	0	2
Propane	2	44%	\$ 600	\$ 1,611	\$ 1,495	\$ 116	\$ 205	5.1	-1.0	9	(2)
Wood	0	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	4	100%	\$ 31,100	\$ 8,395	\$ 5,981	\$ 2,414	\$ 1,712	12.7	3.8	15	(1)

<sup>1</sup> 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.

<sup>2</sup> 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 8P-4**  
**Enbridge Gas Community Expansion Project Proposal**

**Timmins (\_\_\_\_)**



[illegible]

**Schedule 8P-6**  
**Enbridge Gas Community Expansion Project Proposal**

**Timmins (\_\_\_\_)**

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



RP-2000-0008

EB-2003-0085

### 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, to construct works to supply gas to the

**City of Timmins.**

This certificate replaces the certificates of the former municipalities that are now within the City of Timmins and gives approval to Union Gas to construct works to supply gas throughout the City of Timmins.

DATED at Toronto, October 20, 2003.

ONTARIO ENERGY BOARD

  
Peter H. O'Dell  
Assistant Secretary

**Schedule 8Q**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wabigoon First Nation**

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

<b>Part I – Name of Proponent</b>	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <a href="#">Wabigoon First Nation Community Expansion Project</a>	
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: <a href="mailto:patrick.mcmahon@enbridge.com">patrick.mcmahon@enbridge.com</a>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>
<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>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>	
2.1	<p><b>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</b></p> <p>N/A</p>
2.2	<p><b>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Current credit rating of the proponent, its parent or associated companies.</b></li> <li>• <b>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.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></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 Wabigoon Lake Indian Reserve No. 27 and unorganized areas in the District of Kenora north of the reserve. The proposed facilities will provide access to natural gas to a forecasted 73 customers (66 residential, 6 commercial / institutional and 1 industrial).

The proposed project will tie-in to TC Energy pipeline along \_\_\_\_\_, \_\_\_\_\_ to cross \_\_\_\_\_ to \_\_\_\_\_ and then follow \_\_\_\_\_ to reach Wabigoon Lake Indian Reserve 27.

A new TC Energy pipeline distribution station will be required along \_\_\_\_\_.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	5,460
Polyethylene	4	5,830

Please refer to Schedule 8Q-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 8Q-2, Table 3.2.

3.3	<p><b>Provide the annual and cumulative forecast of volumes (in m<sup>3</sup>) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</b></p> <p><b>For the residential segment, the default value for the average consumption level is 2,200 m<sup>3</sup> 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.</b></p> <p>Please refer to Schedule 8Q-2, Table 3.3.</p>
3.4	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8Q-3, Table 3.4.</p>
3.5	<p><b>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</b></p> <p>Please refer to Schedule 8Q-4 for Proposed Construction Schedule.</p>
3.6	<p><b>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.</b></p> <p>No letter of support has been provided by the local government in time for this project submission.</p>



3.7	<p><b>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.</b></p> <p><b>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.</b></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 Kenora District in which this project is proposed. Enbridge Gas does have franchise agreements and CPCNs for adjacent municipalities including the City of Dryden and the Township of Ignace.</p> <p>Enbridge does have a CPCN (EB-2017-0114) for part of the unincorporated / unsurveyed Kenora District south of Ear Falls.</p> <p>A Band Council Resolution and Section 28 Permit per the <i>Indian Act</i> will be required before construction can take place on the Wabigoon Lake Indian Reserve No. 27.</p>
<b>Part IV – Cost of Project</b>	
4.1	<p><b>Confirm that the proposed project includes a ten-year rate stability period.</b></p> <p>The proposed project does include a ten-year rate stability period.</p>

4.2

**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).**

**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).**

**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.**

**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.**

Please refer to Schedule 8Q-2, Table 4.2.

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 8Q-2, Table 4.3.

<b>Part V – Section 36.2 Funding</b>	
5.1	<p><b>Provide the total amount of section 36.2 funding needed to support the project.</b></p> <p>\$6,065,771</p> <p>Please refer to Schedule 8Q-2, Table 5.1.</p>
5.2	<p><b>Provide the section 36.2 funding amount per customer number served in year ten of the project.</b></p> <p>\$83,093</p> <p>Please refer to Schedule 8Q-2, Table 5.2.</p>
5.3	<p><b>Provide the section 36.2 funding amount per volume (m<sup>3</sup>) in year ten of the project.</b></p> <p>\$22.83</p> <p>Please refer to Schedule 8Q-2, Table 5.3.</p>

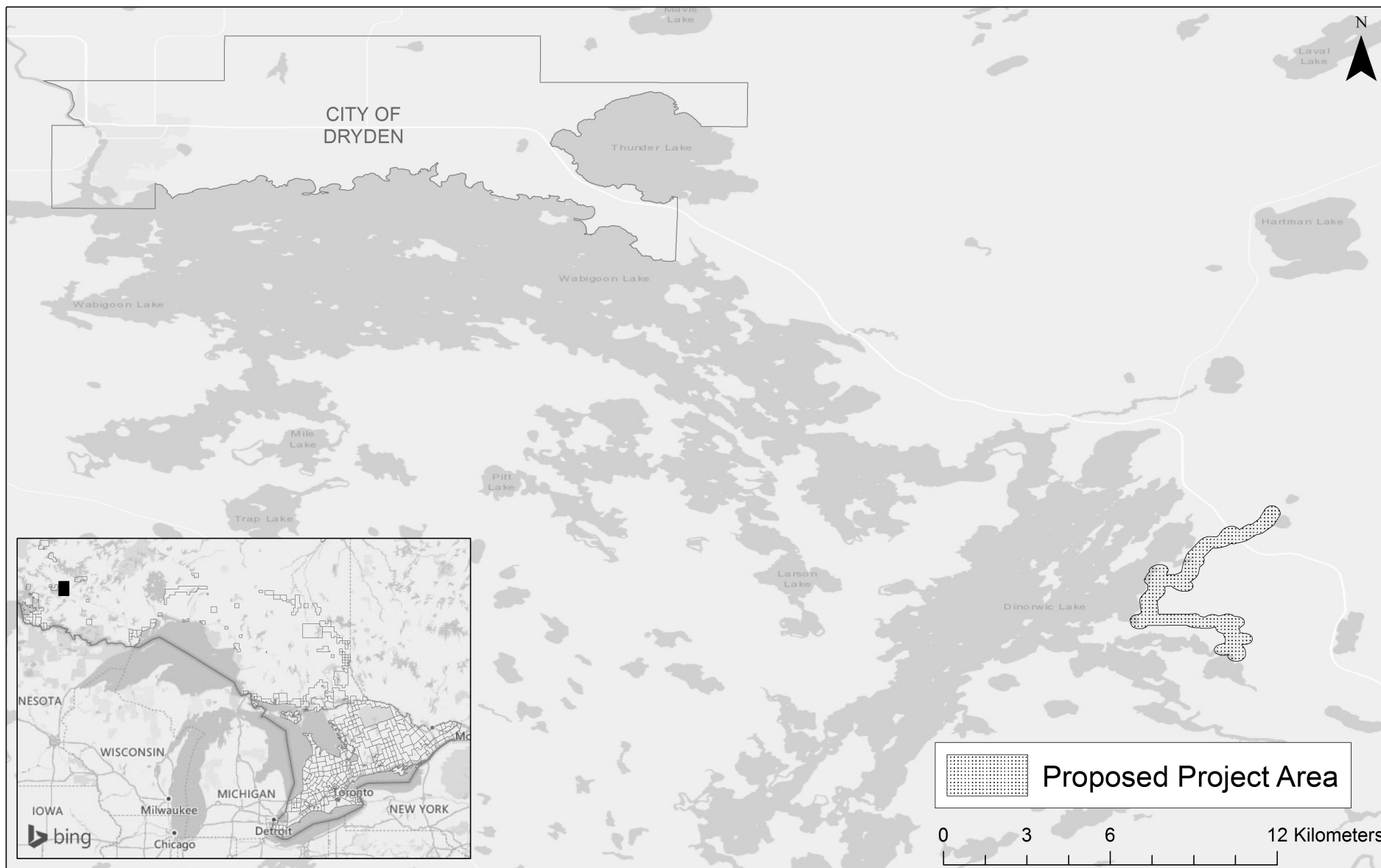
<b>Part VI – Distribution Charge</b>	
6.1	<p><b>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</b></p> <p><b>Provide a confirmation that there would be no material cross-subsidization between rate classes.</b></p> <p>Please refer to Schedule 8Q-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

<b>Part VII – Profitability Index / Benefit to Cost Ratio</b>	
7.1	<p><b>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.</b></p> <p><b>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).</b></p> <p>Please refer to Schedule 8Q-2, Table 7.1.</p>
7.2	<p><b>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.</b></p> <p>Please refer to Schedule 8Q-2, Table 7.2.</p>

<b>Part VIII – OEB Approvals</b>	
8.1	<p><b>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).</b></p> <ul style="list-style-type: none"> <li>• Leave to Construct</li> <li>• Certificate of Public Convenience and Necessity</li> <li>• System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)</li> </ul>
8.2	<p><b>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 <a href="#">website</a> and where applicable assume a written hearing process.</b></p> <p>Please refer to Schedule 8Q-4.</p>

**Schedule 8Q-1**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wabigoon First Nation**

# Wabigoon First Nation



**Schedule 8Q-2**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wabigoon First Nation**

Table 3.2 - Customer Attachments Over The Rate Stability Period

<a href="#">Customer Type</a>	<a href="#">Firm / IT</a>
Residential	Firm
Commercial	Firm
Institutional	Firm
Agricultural	Firm
Industrial	Firm
Total Customers	
Cumulative Customers	

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
	18	16	6	4	3	4	4	4	4	3	66
	-	4	1	1	-	-	-	-	-	-	6
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	1	-	-	-	-	-	-	-	-	1
	<u>18</u>	<u>21</u>	<u>7</u>	<u>5</u>	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>73</u>
	18	39	46	51	54	58	62	66	70	73	

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

<a href="#">Customer Type</a>
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">Annual Volumes - m3</a>		<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
	19,800	57,200	81,400	92,400	100,100	107,800	116,600	125,400	134,200	141,900	976,800
	-	9,700	20,500	22,700	23,800	23,800	23,800	23,800	23,800	23,800	195,700
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	50,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	850,000
	<u>19,800</u>	<u>116,900</u>	<u>201,900</u>	<u>215,100</u>	<u>223,900</u>	<u>231,600</u>	<u>240,400</u>	<u>249,200</u>	<u>258,000</u>	<u>265,700</u>	<u>2,022,500</u>

<a href="#">Customer Type</a>
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">Cumulative Volumes - m3</a>		<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	
	19,800	77,000	158,400	250,800	350,900	458,700	575,300	700,700	834,900	976,800	
	-	9,700	30,200	52,900	76,700	100,500	124,300	148,100	171,900	195,700	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	
	-	50,000	150,000	250,000	350,000	450,000	550,000	650,000	750,000	850,000	
	<u>19,800</u>	<u>136,700</u>	<u>338,600</u>	<u>553,700</u>	<u>777,600</u>	<u>1,009,200</u>	<u>1,249,600</u>	<u>1,498,800</u>	<u>1,756,800</u>	<u>2,022,500</u>	

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

Total Capital Costs
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[Year 10](#)

Table 4.3 - Revenue Requirement Over The Rate Stability Period

Revenue Requirement
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<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>

[Year 10](#)

Closing Rate Base (net of proposed Section 36.2 funding)
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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 8Q-3**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wabigoon First Nation**

Section 3.4 Wabigoon First Nation

EB-2019-0255  
Schedule 8Q-3

Total Forecasted Customers 73 Penetration Rate 67%

	Number of Customers	Current proportion of customer <sup>1</sup>	Estimated Conversion Cost <sup>2</sup>	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	15	21%	\$ 5,000	\$ 2,787	\$ 1,460	\$ 1,328	\$ 20,354	6.6	-2.4	100	(37)
Electricity F/A	7	9%	\$ 5,000	\$ 1,673	\$ 1,460	\$ 213	\$ 1,400	0.5	3.6	4	24
Electricity Baseboard	9	12%	\$ 12,000	\$ 1,673	\$ 1,460	\$ 213	\$ 1,867	0.5	3.6	5	31
Propane	32	44%	\$ 600	\$ 1,611	\$ 1,460	\$ 152	\$ 4,879	5.1	-1.0	164	(32)
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	73	100%	\$ 31,100	\$ 7,744	\$ 5,838	\$ 1,906	\$ 28,500	12.7	3.8	273	(14)

<sup>1</sup> 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.

<sup>2</sup> 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, 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	0.094
Propane	L	3309	Propane	\$/L	0.487

Notes:

Gas prices correspond to EGI (Union Gas Northwest) April 2020 rates, including 23 cents per m<sup>3</sup> 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.

Qualified First Nations (FN) rates excludes distribution charges per First Nations Delivery Credit.

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 8Q-4**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wabigoon First Nation**

## Wabigoon First Nation Community Expansion Project Pipeline Construction Schedule

[illegible]

**Schedule 8R**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wauzhushk Onigum Nation**

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

<b>Part I – Name of Proponent</b>	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <a href="#">Wauzhushk Onigum Nation Community Expansion Project</a>	
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: <a href="mailto:patrick.mcmahon@enbridge.com">patrick.mcmahon@enbridge.com</a>

<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>
<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>



<b>Part II – Description of Proponent’s Technical Expertise and Financial Capability</b>	
2.1	<p><b>Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system.</b></p> <p>N/A</p>
2.2	<p><b>Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following:</b></p> <ul style="list-style-type: none"> <li>• <b>Current credit rating of the proponent, its parent or associated companies.</b></li> <li>• <b>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.</b></li> <li>• <b>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.</b></li> </ul> <p><b>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.</b></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 Wauzhushk Onigum Nation on the Kenora Indian Reserve 38B and areas north of the reserve in the City of Kenora. The proposed facilities will provide access to natural gas to a forecasted 63 customers (57 residential and 6 commercial / institutional).

The proposed project will tie-in to an existing 4" polyethylene pipe along \_\_\_\_\_,

The proposed facilities will run \_\_\_\_\_ to \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	4,700
Polyethylene	4	2,300

Please refer to Schedule 8R-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 8R-2, Table 3.2.

3.3

**Provide the annual and cumulative forecast of volumes (in m<sup>3</sup>) 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 m<sup>3</sup> 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 8R-2, Table 3.3.

3.4	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8R-3, Table 3.4.</p>
3.5	<p><b>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</b></p> <p>Please refer to Schedule 8R-4 for Proposed Construction Schedule.</p>
3.6	<p><b>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.</b></p> <p>No letter of support has been provided by the local government in time for this project submission.</p>
3.7	<p><b>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.</b></p> <p><b>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.</b></p> <p>Please refer to Schedule 8R-6 for Enbridge's CPCN for the City of Kenora (RP-2004-0199 / EB-2004-0401) which covers a portion of the area of the proposed project.</p>

	A Band Council Resolution and Section 28 Permit per the <i>Indian Act</i> will be required before construction can take place on the Kenora Indian Reserve 38B.
<b>Part IV – Cost of Project</b>	
4.1	<p><b>Confirm that the proposed project includes a ten-year rate stability period.</b></p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p><b>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).</b></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 8R-2, Table 4.2.</p>

4.3	<p><b>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&amp;A costs) and rate base amount at the end of year ten.</b></p> <p><b>Complete the tables below:</b></p> <p><b>Revenue Requirement</b></p> <table border="1" data-bbox="370 415 1403 487"> <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" data-bbox="370 516 886 588"> <tr> <th>Description</th> <th>Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p><b>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).</b></p> <p>Please refer to Schedule 8R-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															
<p><b>Part V – Section 36.2 Funding</b></p>															
5.1	<p><b>Provide the total amount of section 36.2 funding needed to support the project.</b></p> <p>\$2,981,129</p> <p>Please refer to Schedule 8R-2, Table 5.1.</p>														
5.2	<p><b>Provide the section 36.2 funding amount per customer number served in year ten of the project.</b></p> <p>\$47,320</p> <p>Please refer to Schedule 8R-2, Table 5.2.</p>														
5.3	<p><b>Provide the section 36.2 funding amount per volume (m<sup>3</sup>) in year ten of the project.</b></p> <p>\$20.43</p> <p>Please refer to Schedule 8R-2, Table 5.3.</p>														

<b>Part VI – Distribution Charge</b>	
6.1	<p><b>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.</b></p> <p><b>Provide a confirmation that there would be no material cross-subsidization between rate classes.</b></p> <p>Please refer to Schedule 8R-2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

<b>Part VII – Profitability Index / Benefit to Cost Ratio</b>	
7.1	<p><b>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.</b></p> <p><b>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).</b></p> <p>Please refer to Schedule 8R-2, Table 7.1.</p>
7.2	<p><b>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.</b></p> <p>Please refer to Schedule 8R-2, Table 7.2.</p>

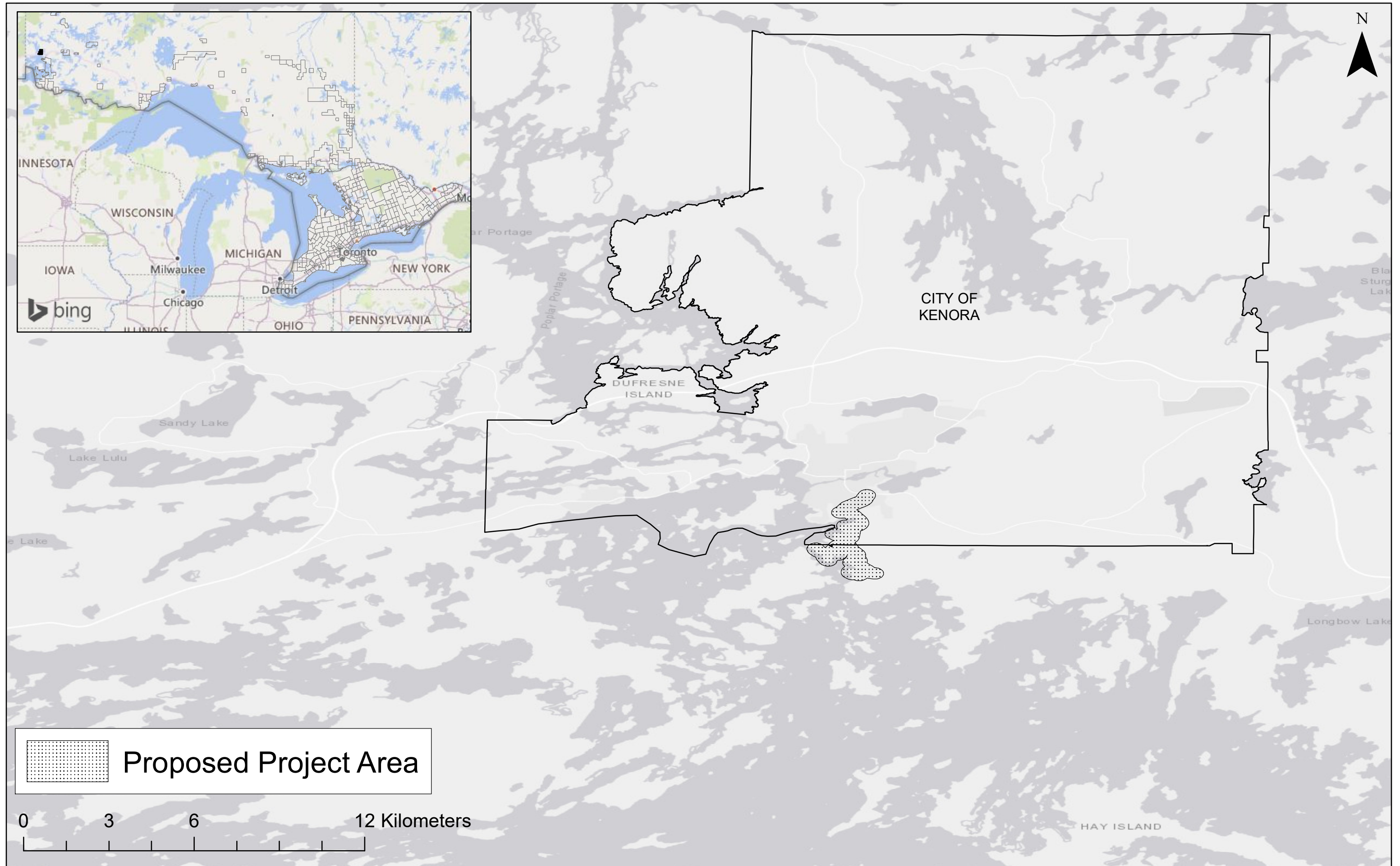
<b>Part VIII – OEB Approvals</b>	
8.1	<p><b>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</b></p> <ul style="list-style-type: none"> <li>• Leave to Construct</li> <li>• System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)</li> </ul>
8.2	<p><b>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 <a href="#">website</a> and where applicable assume a written hearing process.</b></p> <p>Please refer to Schedule 8R-4.</p>

**Schedule 8R-1**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wauzhushk Onigum Nation**



# Wauzhushk Onigum Nation

EB-2019-0255  
Schedule 8R-1  
Redacted



**Schedule 8R-2**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wauzhushk Onigum Nation**

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>
	18	13	9	4	4	2	2	2	2	1	57
	-	4	2	-	-	-	-	-	-	-	6
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>18</u>	<u>17</u>	<u>11</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>63</u>
	18	35	46	50	54	56	58	60	62	63	

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	19,800	53,900	78,100	92,400	101,200	107,800	112,200	116,600	121,000	124,300	927,300
Commercial	-	7,200	18,000	21,600	21,600	21,600	21,600	21,600	21,600	21,600	176,400
Institutional	-	-	-	-	-	-	-	-	-	-	-
Agricultural	-	-	-	-	-	-	-	-	-	-	-
Industrial	-	-	-	-	-	-	-	-	-	-	-
Total Volumes	<u>19,800</u>	<u>61,100</u>	<u>96,100</u>	<u>114,000</u>	<u>122,800</u>	<u>129,400</u>	<u>133,800</u>	<u>138,200</u>	<u>142,600</u>	<u>145,900</u>	<u>1,103,700</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	19,800	73,700	151,800	244,200	345,400	453,200	565,400	682,000	803,000	927,300	
Commercial	-	7,200	25,200	46,800	68,400	90,000	111,600	133,200	154,800	176,400	
Institutional	-	-	-	-	-	-	-	-	-	-	
Agricultural	-	-	-	-	-	-	-	-	-	-	
Industrial	-	-	-	-	-	-	-	-	-	-	
Total Volumes	<u>19,800</u>	<u>80,900</u>	<u>177,000</u>	<u>291,000</u>	<u>413,800</u>	<u>543,200</u>	<u>677,000</u>	<u>815,200</u>	<u>957,800</u>	<u>1,103,700</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	\$ 2,981,129
----------------------------------------------------	--------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	<u><a href="#">Year 10</a></u> \$ 47,320
-------------------------------------------------	---------------------------------------------

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)	<u><a href="#">Year 10</a></u> \$ 20.43
-----------------------------------------------------	--------------------------------------------

Table 6.1 - Distribution Charge

	<a href="#">Project Year</a>	<a href="#">1</a>	<a href="#">2</a>	<a href="#">3</a>	<a href="#">4</a>	<a href="#">5</a>	<a href="#">6</a>	<a href="#">7</a>	<a href="#">8</a>	<a href="#">9</a>	<a href="#">10</a>	<a href="#">Total</a>
Distribution Revenue	\$	4,170	12,526	19,384	22,983	24,836	26,226	27,152	28,079	29,006	29,701	\$ 224,062
SES Revenue		4,554	14,053	22,103	26,220	28,244	29,762	30,774	31,786	32,798	33,557	253,851
Total Distribution Charge	\$	<u>8,724</u>	<u>26,579</u>	<u>41,487</u>	<u>49,203</u>	<u>53,080</u>	<u>55,988</u>	<u>57,926</u>	<u>59,865</u>	<u>61,804</u>	<u>63,258</u>	<u>\$ 477,913</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

	<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 8R-3**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wauzhushk Onigum Nation**

Section 3.4 Wauzhushk Onigum Nation

EB-2019-0255  
Schedule 8R-3

Total Forecasted Customers

63

Penetration Rate

65%

	Number of Customers	Current proportion of customer <sup>1</sup>	Estimated Conversion Cost <sup>2</sup>	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	13	21%	\$ 5,000	\$ 2,787	\$ 1,460	\$ 1,328	\$ 17,566	6.6	-2.4	87	(32)
Electricity F/A	6	9%	\$ 5,000	\$ 1,673	\$ 1,460	\$ 213	\$ 1,209	0.5	3.6	3	20
Electricity Baseboard	8	12%	\$ 12,000	\$ 1,673	\$ 1,460	\$ 213	\$ 1,611	0.5	3.6	4	27
Propane	28	44%	\$ 600	\$ 1,611	\$ 1,460	\$ 152	\$ 4,210	5.1	-1.0	142	(27)
Wood	6	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	63	100%	\$ 31,100	\$ 7,744	\$ 5,838	\$ 1,906	\$ 24,596	12.7	3.8	235	(12)

<sup>1</sup> 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.

<sup>2</sup> 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, 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	0.094
Propane	L	3309	Propane	\$/L	0.487

Notes:

Gas prices correspond to EGI (Union Gas Northwest) April 2020 rates, including 23 cents per m<sup>3</sup> 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.

Qualified First Nations (FN) rates excludes distribution charges per First Nations Delivery Credit.

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 8R-4**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wauzhushk Onigum Nation**



## Wauzhushk Onigum Nation Community Expansion Project Pipeline Construction Schedule

[illegible]

**Schedule 8R-6**  
**Enbridge Gas Community Expansion Project Proposal**  
**Wauzhushk Onigum Nation**

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



**RP-2004-0199**

**EB-2004-0401**

## **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, to construct works to supply gas to the

**City of Kenora.**

This certificate replaces the certificates of the former municipalities that are now within the City of Kenora.

**DATED** at Toronto, September 2, 2004.

ONTARIO ENERGY BOARD

John Zych  
Board Secretary