

Schedule CC
Enbridge Gas Community Expansion Project Proposal
Burk's Falls

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 serve additional areas in the Village of Burk's Falls. The proposed facilities will provide access to natural gas to a forecasted 41 customers (39 residential and 2 commercial / institutional).

There are two proposed tie-ins. The first tie-in will be near the intersection of _____ and _____ connecting to 1 1/4" polyethylene pipe to supply to the next subdivision for future customers. The second tie-in is located along _____ connecting to an existing 2" polyethylene pipe. The proposed distribution pipeline will consist of 2,469 m of 2" polyethylene pipe and extend from _____ along _____ to _____. The proposed system is also designed to provide additional natural gas supply to existing customers as requested by the community.

There will be no reinforcement required to accommodate additional loads for the system.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	2,469

Please refer to Schedule CC1 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 CC2, Table 3.2.

3.3	Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default. Please refer to Schedule CC2, Table 3.3.
3.4	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. 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. Please refer to Schedule CC3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule CC4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule CC5.

3.7	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. 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. Please refer to Schedule A6 for Enbridge's CPCN for the Village of Burk's Falls (EBC 114) which covers the entire area of the proposed project.
Part IV – Cost of Project	
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.
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 CC2, 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 CC2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$1,237,071 Please refer to Schedule CC2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$30,172 Please refer to Schedule CC2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$14.19 Please refer to Schedule CC2, Table 5.3.

Part VI – Distribution Charge	
6.1	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. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule CC2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule CC2, Table 7.1.
7.2	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. Please refer to Schedule CC2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process. Please refer to Schedule CC4.

Schedule CC1
Enbridge Gas Community Expansion Project Proposal
Burk's Falls

Burk's Falls



Schedule CC2
Enbridge Gas Community Expansion Project Proposal
Burk's Falls

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	\$ 1,237,071
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Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	<u>Year 10</u> \$ 30,172
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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>Year 10</u> \$ 14.19
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Table 6.1 - Distribution Charge

	<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
Distribution Revenue	\$	2,716	8,736	13,180	14,996	16,127	16,804	17,249	17,695	18,140	18,585	\$ 144,228
SES Revenue		2,875	9,453	14,375	16,307	17,503	18,216	18,676	19,136	19,596	20,056	156,193
Total Distribution Charge	\$	<u>5,591</u>	<u>18,189</u>	<u>27,555</u>	<u>31,303</u>	<u>33,630</u>	<u>35,020</u>	<u>35,925</u>	<u>36,831</u>	<u>37,736</u>	<u>38,641</u>	<u>\$ 300,421</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 CC3
Enbridge Gas Community Expansion Project Proposal
Burk's Falls

Section 3.4 Burk's Falls

Total Forecasted Customers 41 Penetration Rate 65%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	9	21%	\$ 5,000	\$ 2,787	\$ 1,460	\$ 1,328	\$ 11,432	6.6	-2.4	56	(21)
Electricity F/A	4	9%	\$ 5,000	\$ 1,998	\$ 1,460	\$ 538	\$ 1,987	0.5	3.6	2	13
Electricity Baseboard	5	12%	\$ 12,000	\$ 1,998	\$ 1,460	\$ 538	\$ 2,649	0.5	3.6	3	18
Propane	18	44%	\$ 600	\$ 1,611	\$ 1,460	\$ 152	\$ 2,740	5.1	-1.0	92	(18)
Wood	4	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	2	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	41	100%	\$ 31,100	\$ 8,395	\$ 5,838	\$ 2,557	\$ 18,808	12.7	3.8	153	(8)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule CC4
Enbridge Gas Community Expansion Project Proposal
Burk's Falls

Burk's Falls Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule CC5
Enbridge Gas Community Expansion Project Proposal
Burk's Falls



The Municipality of the
VILLAGE OF BURK'S FALLS

172 Ontario Street • PO Box 160 • Burk's Falls ON P0A 1C0
P 705-382-3138 • F 705-382-2273 • www.burksfalls.net

March 24, 2020

Enbridge Gas Inc. operating as Union Gas
1211 Amber Dr.
Thunder Bay ON P7B 6M6

RE: Natural Gas Expansion Program

To Whom it may concern:

In December 2019 the Government of Ontario announced plans to further increase access to natural gas by making financial support available for new service expansion projects. This Expansion Program will assist in expanding natural gas services to new areas that are not economically feasible without the support. Burk's fall is one such area.

On behalf of the Village of Burk's Falls, I would like to formally express our interest to have the [REDACTED] included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board for consideration for financial support through the Natural Gas Expansion Program. [REDACTED]

[REDACTED] These projects are important to our community as we work with our Regional Community Economic Development Committee administered with [REDACTED] to grow Burk's Falls. We do not have information on heating systems for properties within the Village so we are not able to provide you with details on which property is already connected and potential new clients.

Natural gas is the most common, affordable heating fuel in Ontario. We fully support the efforts of Enbridge Gas Inc., the OEB and the Ministry of Energy, North Development and Mines. Burk's Falls has two large projects that will bring economic development to the area and free up expenses to create new jobs. Natural gas expansion will be critical to the growth of our community. We look forward to working together to expand natural gas access in our community to attract new opportunities, help create jobs and lower monthly costs.

We look forward to working with you.

Sincerely,

Cathy Still
Mayor

Schedule CC6
Enbridge Gas Community Expansion Project Proposal
Burk's Falls

Was Page 1. See Image [\[OEB:113BH-0:1\]](#)

E.B.C. 114

IN THE MATTER OF The Municipal Franchises Act, R.S.O.
1970, Chapter 289, Section 8 and amendments thereto;

AND IN THE MATTER OF an application by Northern and
Central Gas Corporation Limited for a Certificate of Public
Convenience and Necessity to construct works and to supply gas
to the inhabitants of the Village of Burk's Falls in the District of
Parry Sound.

BEFORE: S. J. Wychowanec, Vice Chairman and Presiding Member

J. R. Dunn, Member

June 20, 1980

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON the application of Northern and Central Gas Corporation Limited dated March 21, 1980, for a
certificate of public convenience and necessity to construct works and to supply gas in the Village of
Burk's Falls;

AND UPON the application having been heard at Toronto on May 6, 1980, in the presence of counsel for
the Applicant and for the Board, no one else appearing, and Reasons for Decision having been delivered
on June 20, 1980:

Was Page 2. See Image [\[OEB:113BH-0:2\]](#)

1. IT IS ORDERED that a certificate of public convenience and necessity is hereby granted to
Northern and Central Gas Corporation Limited to construct works to supply and to supply gas in
the Village of Burk's Falls.
2. AND IT IS ORDERED that the Certificate of Public Convenience and Necessity hereby granted
may be assigned by Northern and Central Gas Corporation Limited to Montreal Trust Company,
as trustee, and to such person, firm or corporation to whom Montreal Trust Company, as trustee,
may assign such Certificate in execution of the trusts under a deed of trust and mortgage,
together with in each case all rights and powers, statutory or otherwise, which flow from or are
evidenced by such Certificate.
3. AND IT IS ORDERED that the Board's costs are fixed at \$154.18 to be now paid by the
Applicant.

ISSUED at Toronto this 25th day of September, 1980.

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ONTARIO ENERGY BOARD

14

<signed>

15

S. A. C. Thomas

Secretary to the Board

Schedule DD
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

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

Part I – Name of Proponent	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <u>Caledon () 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: patrick.mcmahon@enbridge.com

Part II – Description of Proponent's Technical Expertise and Financial Capability
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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 service within the Town of Caledon along _____. The proposed facilities will provide access to natural gas to a forecasted 100 customers (94 residential, 2 commercial / institutional and 4 industrial).

The proposed project will tie-in to an existing NPS 8 steel XHP pipeline on _____ and _____. A station is proposed at the tie-in location to cut the pressure down to distribution levels. Proposed facilities run _____ along _____ to _____. Distribution facilities will also run along _____, _____, _____ and _____.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	4,035
Polyethylene	4	9,235

Please refer to Schedule DD1 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 DD2 Table 3.2.

3.3

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

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

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3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule DD4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule DD5.
3.7	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. 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. Please refer to Schedule DD6 for Enbridge's CPCN for the Town of Caledon (EB-2008-0410) which covers the entire area of the proposed project.

Part IV – Cost of Project															
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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 <table><tr><td>Description</td><td>Year 1</td><td>Year 2...</td><td>Year 10</td><td>Total</td></tr><tr><td>Revenue Requirement</td><td></td><td></td><td></td><td></td></tr></table> <table><tr><td>Description</td><td>Year 10</td></tr><tr><td>Closing Rate Base</td><td></td></tr></table> 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 DD2, Table 4.3.	Description	Year 1	Year 2...	Year 10	Total	Revenue Requirement					Description	Year 10	Closing Rate Base	
Description	Year 1	Year 2...	Year 10	Total											
Revenue Requirement															
Description	Year 10														
Closing Rate Base															

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$5,048,975 Please refer to Schedule DD2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$50,490 Please refer to Schedule DD2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$8.09 Please refer to Schedule DD2, Table 5.3.

Part VI – Distribution Charge	
6.1	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. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule DD2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

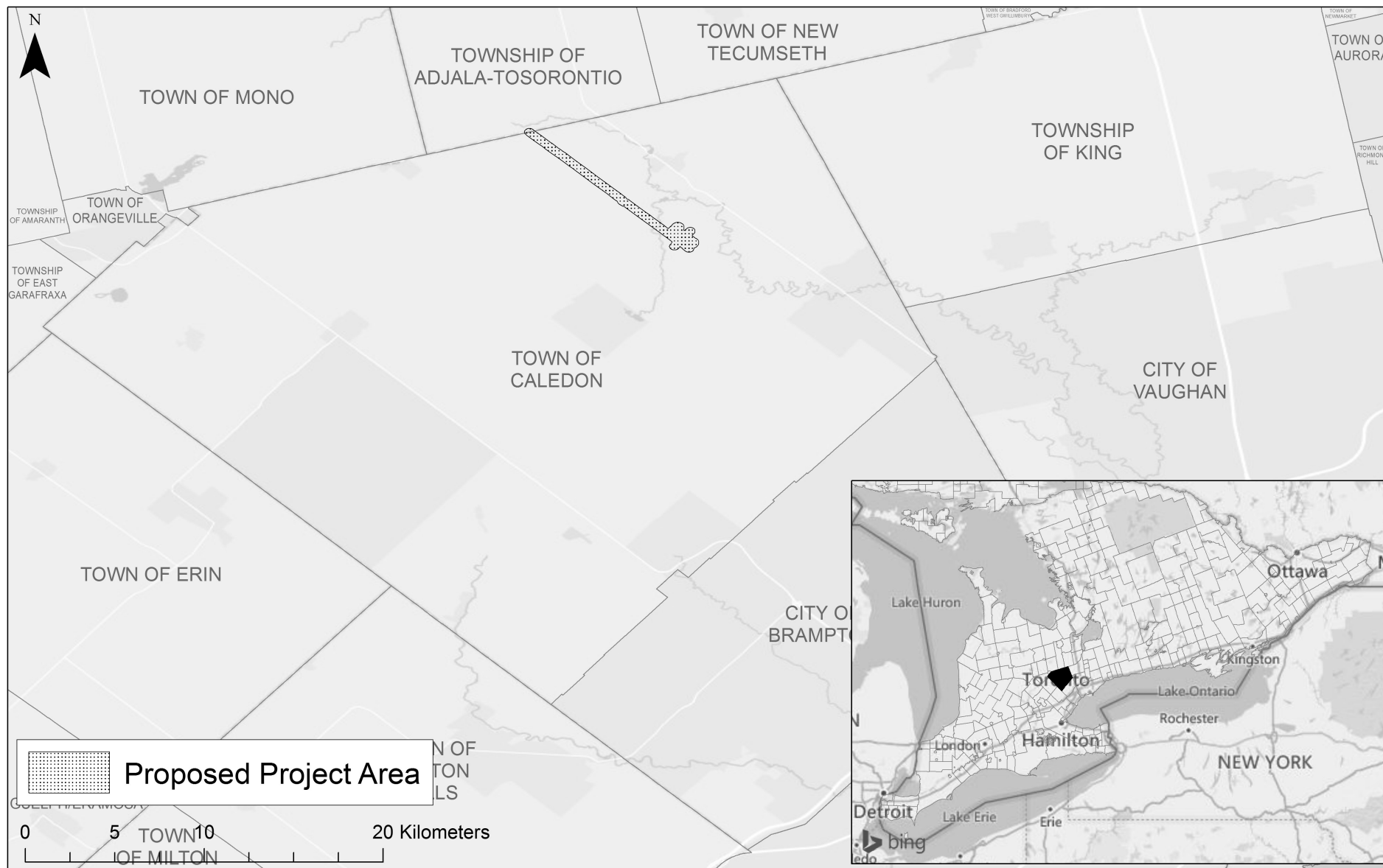
Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support. 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). Please refer to Schedule DD2, Table 7.1.
7.2	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. Please refer to Schedule DD2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process. Please refer to Schedule DD4.

Schedule DD1
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

Caledon 2



Schedule DD2
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

Table 3.2 - Customer Attachments Over The Rate Stability Period

<u>Customer Type</u>	<u>Firm / IT</u>	<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
Residential	Firm		25	22	9	6	5	6	5	6	5	5	94
Commercial	Firm		-	1	1	-	-	-	-	-	-	-	2
Institutional	Firm		-	-	-	-	-	-	-	-	-	-	-
Agricultural	Firm		-	-	-	-	-	-	-	-	-	-	-
Industrial	Firm		-	2	1	1	-	-	-	-	-	-	4
Total Customers			<u>25</u>	<u>25</u>	<u>11</u>	<u>7</u>	<u>5</u>	<u>6</u>	<u>5</u>	<u>6</u>	<u>5</u>	<u>5</u>	<u>100</u>
Cumulative Customers			25	50	61	68	73	79	84	90	95	100	

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

<u>Customer Type</u>	<u>Project Year</u>	<u>Annual Volumes - m3</u>										<u>Total</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		30,000	86,400	123,600	141,600	154,800	168,000	181,200	194,400	207,600	219,600	1,507,200
Commercial		-	1,200	3,600	4,800	4,800	4,800	4,800	4,800	4,800	4,800	38,400
Institutional		-	-	-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Industrial		-	100,000	250,000	350,000	400,000	400,000	400,000	400,000	400,000	400,000	3,100,000
Total Volumes		<u>30,000</u>	<u>187,600</u>	<u>377,200</u>	<u>496,400</u>	<u>559,600</u>	<u>572,800</u>	<u>586,000</u>	<u>599,200</u>	<u>612,400</u>	<u>624,400</u>	<u>4,645,600</u>

<u>Customer Type</u>	<u>Project Year</u>	<u>Cumulative Volumes - m3</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		30,000	116,400	240,000	381,600	536,400	704,400	885,600	1,080,000	1,287,600	1,507,200
Commercial		-	1,200	4,800	9,600	14,400	19,200	24,000	28,800	33,600	38,400
Institutional		-	-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-	-
Industrial		-	100,000	350,000	700,000	1,100,000	1,500,000	1,900,000	2,300,000	2,700,000	3,100,000
Total Volumes		<u>30,000</u>	<u>217,600</u>	<u>594,800</u>	<u>1,091,200</u>	<u>1,650,800</u>	<u>2,223,600</u>	<u>2,809,600</u>	<u>3,408,800</u>	<u>4,021,200</u>	<u>4,645,600</u>

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

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

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												

	<u>Year 10</u>
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

\$5,048,975

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$50,490

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

Section 36.2 Funding Amount Per Volume (m3)

Year 10

\$8.09

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	5,257	20,726	35,886	44,626	49,469	51,782	54,095	56,408	58,721	60,824	\$437,794
SES Revenue		6,900	43,148	86,756	114,172	128,708	131,744	134,780	137,816	140,852	143,612	1,068,488
Total Distribution Charge	\$	12,157	63,874	122,642	158,798	178,177	183,526	188,875	194,224	199,573	204,436	\$1,506,282

Table 7.1 - Profitability Index (PI) Inclusive of 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	
Proposed Section 36.2 Funding	
Change in Working Capital	
Total Cash Outflow (D)	
Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D)	1.00

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

	<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 DD3
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

Section 3.4 Caledon (_____)

Total Forecasted Customers 100 Penetration Rate 65%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	21	21%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 32,965	7.2	-2.7	151	(56)
Electricity F/A	9	9%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 6,358	0.6	3.9	5	35
Electricity Baseboard	12	12%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 8,477	0.6	3.9	7	47
Propane	44	44%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 12,466	5.6	-1.1	246	(48)
Wood	9	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	5	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	100	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 60,267	13.9	4.1	409	(22)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule DD4
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

[illegible]

Schedule DD5
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

Sent via E-Mail: webmaster-corp@enbridge.com

May 1, 2020

Al Monaco, President and Chief Executive Officer
Enbridge Inc.
Suite 3000
425 1st Street South-West
Calgary, Alberta T2P 3L8

RE: EXPRESSION OF SUPPORT FOR NATURAL GAS EXPANSION SUPPORT PROGRAM FOR TOWN OF CALEDON

In December 2019, the Government of Ontario announced plans to further increase access to natural gas by making financial support available for new service expansion projects. This Natural Gas Expansion Program will unlock financial support needed to expand natural gas service to new areas across Ontario that are not economically feasible without support.

The Town of Caledon is one such area, and we are eager to bring this affordable, reliable fuel source to our residents and businesses.

On April 28, 2020, Caledon Council adopted a resolution formally expressing interest to have the three underserved areas of [REDACTED] included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB).

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

For more information regarding this matter, please contact the undersigned.

Thank you for your attention to this matter.



Allan Thompson
Mayor

Sincerely,

Allan Thompson
Mayor

cc: The Honourable Greg Rickford, Minister of Energy, Northern Development and Mines
(greg.rickford@pc.ola.org)
The Honourable Bill Walker, Associate Minister of Energy
(bill.walker@pc.ola.org)
Mark Wilson, Sr. Advisor, Municipal & Stakeholder Relations, Enbridge Gas Inc.
(Mark.Wilson@enbridge.com)

Schedule DD6
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

EB-2008-0410

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Enbridge Gas Distribution Inc.

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

Town of Caledon

This Certificate of Public Convenience and Necessity cancels Certificates for the former Township of Albion (E.B.C. 47), the former Village of Bolton (E.B.C. 050), the former Township of Caledon (E.B.C. 65), the former Township of Chinguacousy (F.B.C. 3) and the former Village of East Caledon (E.B.C. 67) and replaces them with a single Certificate of Public Convenience and Necessity for the amalgamated Town of Caledon.

Dated at Toronto, March 13, 2009
Ontario Energy Board

Original Signed By

Neil McKay
Manager, Facilities Applications

Schedule EE
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

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

Part I – Name of Proponent	
Name of Proponent: Enbridge Gas Inc.	File No: EB-2019-0255
Project Name: <u>Caledon () 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: patrick.mcmahon@enbridge.com

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 service within the Town of Caledon along _____. The proposed facilities will provide access to natural gas to a forecasted 141 customers (124 residential, 15 commercial / institutional and 2 industrial).

The proposed project will tie-in to the existing system on _____ as well as on _____. Proposed distribution facilities will be installed along _____ between these two tie-in points as well as along _____ from _____ to _____ and along _____ and _____ of _____.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	7,707
Polyethylene	4	15,745

Please refer to Schedule EE1 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 EE2, Table 3.2.

3.3

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

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

Please refer to Schedule EE2, Table 3.3.

3.4	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. 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. Please refer to Schedule EE3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule EE4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule EE5.
3.7	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. 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. Please refer to Schedule EE6 for Enbridge's CPCN for the Town of Caledon (EB-2008-0410) which covers the entire area of the proposed project.

Part IV – Cost of Project															
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.														
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 EE2, 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 <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> 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 EE2, Table 4.3.	Description	Year 1	Year 2...	Year 10	Total	Revenue Requirement					Description	Year 10	Closing Rate Base	
Description	Year 1	Year 2...	Year 10	Total											
Revenue Requirement															
Description	Year 10														
Closing Rate Base															

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$8,620,777 Please refer to Schedule EE2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$61,140 Please refer to Schedule EE2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$15.55 Please refer to Schedule EE2, Table 5.3.

Part VI – Distribution Charge	
6.1	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. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule EE2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule EE2, Table 7.1.
7.2	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. Please refer to Schedule EE2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process. Please refer to Schedule EE4.

Schedule EE1
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

Caledon 3



Schedule EE2
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

Table 3.2 - Customer Attachments Over The Rate Stability Period

Customer Type	Firm / IT	Project Year	<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>	Total
Residential	Firm		33	30	11	8	6	8	7	8	7	6	124
Commercial	Firm		-	6	4	1	1	-	-	-	-	-	12
Institutional	Firm		-	-	-	-	-	-	-	-	-	-	-
Agricultural	Firm		-	2	1	-	-	-	-	-	-	-	3
Industrial	Firm		-	2	-	-	-	-	-	-	-	-	2
Total Customers			<u>33</u>	<u>40</u>	<u>16</u>	<u>9</u>	<u>7</u>	<u>8</u>	<u>7</u>	<u>8</u>	<u>7</u>	<u>6</u>	<u>141</u>
Cumulative Customers			33	73	89	98	105	113	120	128	135	141	

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

Customer Type	Project Year	Annual Volumes - m3										Total
		<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		39,600	115,200	164,400	187,200	204,000	220,800	238,800	256,800	274,800	290,400	1,992,000
Commercial		-	8,500	23,100	30,400	32,800	34,000	34,000	34,000	34,000	34,000	264,800
Institutional		-	-	-	-	-	-	-	-	-	-	-
Agricultural		-	10,000	25,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	245,000
Industrial		-	100,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,700,000
Total Volumes		<u>39,600</u>	<u>233,700</u>	<u>412,500</u>	<u>447,600</u>	<u>466,800</u>	<u>484,800</u>	<u>502,800</u>	<u>520,800</u>	<u>538,800</u>	<u>554,400</u>	<u>4,201,800</u>

Customer Type	Project Year	Cumulative 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>
Residential		39,600	154,800	319,200	506,400	710,400	931,200	1,170,000	1,426,800	1,701,600	1,992,000
Commercial		-	8,500	31,600	62,000	94,800	128,800	162,800	196,800	230,800	264,800
Institutional		-	-	-	-	-	-	-	-	-	-
Agricultural		-	10,000	35,000	65,000	95,000	125,000	155,000	185,000	215,000	245,000
Industrial		-	100,000	300,000	500,000	700,000	900,000	1,100,000	1,300,000	1,500,000	1,700,000
Total Volumes		<u>39,600</u>	<u>273,300</u>	<u>685,800</u>	<u>1,133,400</u>	<u>1,600,200</u>	<u>2,085,000</u>	<u>2,587,800</u>	<u>3,108,600</u>	<u>3,647,400</u>	<u>4,201,800</u>

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

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

Table 4.3 - Revenue Requirement Over The Rate Stability Period

	Project Year	<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>	Total
Revenue Requirement												

	<u>Year 10</u>
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	\$ 8,620,777
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Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	<u>Year 10</u> \$ 61,140
---	-----------------------------

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

Section 36.2 Funding Amount Per Volume (m3)	<u>Year 10</u> \$ 15.55
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Table 6.1 - Distribution Charge

	<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
Distribution Revenue	\$	6,939	30,025	51,445	58,926	62,922	66,391	69,545	72,700	75,854	78,587	\$ 573,334
SES Revenue		9,108	53,751	94,875	102,948	107,364	111,504	115,644	119,784	123,924	127,512	966,414
Total Distribution Charge	\$	<u>16,047</u>	<u>83,776</u>	<u>146,320</u>	<u>161,874</u>	<u>170,286</u>	<u>177,895</u>	<u>185,189</u>	<u>192,484</u>	<u>199,778</u>	<u>206,099</u>	\$ <u>1,539,748</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 EE3
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

Section 3.4 Caledon ()

Total Forecasted Customers 141 Penetration Rate 65%

	Number of Customers	Current proprtion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Existing Fuel / Heating Type											
Oil	30	21%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 46,480	7.2	-2.7	212	(79)
Electricity F/A	13	9%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 8,965	0.6	3.9	7	50
Electricity Baseboard	17	12%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 11,953	0.6	3.9	10	66
Propane	62	44%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 17,578	5.6	-1.1	347	(68)
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	141	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 84,976	13.9	4.1	576	(31)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule EE4
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

[illegible]

Schedule EE5
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

Sent via E-Mail: webmaster-corp@enbridge.com

May 1, 2020

Al Monaco, President and Chief Executive Officer
Enbridge Inc.
Suite 3000
425 1st Street South-West
Calgary, Alberta T2P 3L8

RE: EXPRESSION OF SUPPORT FOR NATURAL GAS EXPANSION SUPPORT PROGRAM FOR TOWN OF CALEDON

In December 2019, the Government of Ontario announced plans to further increase access to natural gas by making financial support available for new service expansion projects. This Natural Gas Expansion Program will unlock financial support needed to expand natural gas service to new areas across Ontario that are not economically feasible without support.

The Town of Caledon is one such area, and we are eager to bring this affordable, reliable fuel source to our residents and businesses.

On April 28, 2020, Caledon Council adopted a resolution formally expressing interest to have the three underserved areas of [REDACTED] included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB).

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

For more information regarding this matter, please contact the undersigned.

Thank you for your attention to this matter.



Allan Thompson
Mayor

Sincerely,

Allan Thompson
Mayor

cc: The Honourable Greg Rickford, Minister of Energy, Northern Development and Mines
(greg.rickford@pc.ola.org)
The Honourable Bill Walker, Associate Minister of Energy
(bill.walker@pc.ola.org)
Mark Wilson, Sr. Advisor, Municipal & Stakeholder Relations, Enbridge Gas Inc.
(Mark.Wilson@enbridge.com)

THE CORPORATION OF THE TOWN OF CALEDON

6311 Old Church Road, Caledon East, Caledon, ON, Canada L7C 1J6
T. 905.584.2272 | 1.888.225.3366 | F. 905.584.1444 | www.caledon.ca | allan.thompson@caledon.ca

Schedule EE6
Enbridge Gas Community Expansion Project Proposal

Caledon (_____)

EB-2008-0410

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Enbridge Gas Distribution Inc.

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

Town of Caledon

This Certificate of Public Convenience and Necessity cancels Certificates for the former Township of Albion (E.B.C. 47), the former Village of Bolton (E.B.C. 050), the former Township of Caledon (E.B.C. 65), the former Township of Chinguacousy (F.B.C. 3) and the former Village of East Caledon (E.B.C. 67) and replaces them with a single Certificate of Public Convenience and Necessity for the amalgamated Town of Caledon.

Dated at Toronto, March 13, 2009
Ontario Energy Board

Original Signed By

Neil McKay
Manager, Facilities Applications

Schedule FF
Enbridge Gas Community Expansion Project Proposal
Carlsbad Springs

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 serve the community of Carlsbad Springs in the City of Ottawa. The proposed facilities will provide access to natural gas to a forecasted 444 customers (401 residential, 31 commercial / institutional and 12 industrial).

The nearest existing gas infrastructure is on the corner of _____ and _____. A station is proposed to tie-in to the existing system at this location and reduce pressure for the distribution of gas to the community of Carlsbad Springs and surrounding area. The proposed supply line is approximately 13 km and runs _____ from the proposed station location along _____ to _____, _____ along _____ to _____, _____ from _____ along _____, and _____ along _____ to _____ off _____.

The proposed distribution system will provide access to natural gas to customers along _____, _____, _____, _____ (_____ of _____) and _____ (_____ of _____ up to _____).

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	24,342
Polyethylene	4	12,709

Please refer to Schedule FF1 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 FF2, Table 3.2.

3.3	Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default. Please refer to Schedule FF2, Table 3.3.
3.4	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. 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. Please refer to Schedule FF3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule FF4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule FF5.

3.7	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. 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. Enbridge Gas holds various Certificates of Public Convenience and Necessity related to specific areas within the City of Ottawa. Please refer to Schedule FF6 for Enbridge's CPCN (FBC 196) that covers all of the former Township of Cumberland within which Carlsbad Springs is located.
Part IV – Cost of Project	
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.
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 FF2, 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 FF2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$10,725,127 Please refer to Schedule FF2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$24,156 Please refer to Schedule FF2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$4.67 Please refer to Schedule FF2, Table 5.3.

Part VI – Distribution Charge	
6.1	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. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule FF2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule FF2, Table 7.1.
7.2	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. Please refer to Schedule FF2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process. Please refer to Schedule FF4.

Schedule FF1
Enbridge Gas Community Expansion Project Proposal
Carlsbad Springs

Carlsbad Springs



Schedule FF2
Enbridge Gas Community Expansion Project Proposal
Carlsbad Springs

Table 3.2 - Customer Attachments Over The Rate Stability Period

Customer Type	Firm / IT	Project Year	<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>	Total
Residential	Firm		108	96	36	26	20	25	22	25	22	21	401
Commercial	Firm		-	13	5	3	2	1	1	1	1	-	27
Institutional	Firm		-	1	-	-	-	-	-	-	-	-	1
Agricultural	Firm		-	2	1	-	-	-	-	-	-	-	3
Industrial	Firm		-	4	2	1	1	1	1	1	1	-	12
Total Customers			<u>108</u>	<u>116</u>	<u>44</u>	<u>30</u>	<u>23</u>	<u>27</u>	<u>24</u>	<u>27</u>	<u>24</u>	<u>21</u>	<u>444</u>
Cumulative Customers			108	224	268	298	321	348	372	399	423	444	

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

Customer Type	Project Year	Annual Volumes - m3										Total
		<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		129,600	374,400	532,800	607,200	662,400	716,400	772,800	829,200	885,600	937,200	6,447,600
Commercial		-	23,300	55,200	68,700	76,000	79,600	82,000	84,400	86,800	88,000	644,000
Institutional		-	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	425,000
Agricultural		-	6,200	17,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	180,400
Industrial		-	200,000	500,000	650,000	750,000	850,000	950,000	1,050,000	1,150,000	1,200,000	7,300,000
Total Volumes		<u>129,600</u>	<u>628,900</u>	<u>1,155,400</u>	<u>1,398,300</u>	<u>1,560,800</u>	<u>1,718,400</u>	<u>1,877,200</u>	<u>2,036,000</u>	<u>2,194,800</u>	<u>2,297,600</u>	<u>14,997,000</u>

Customer Type	Project Year	Cumulative 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>
Residential		129,600	504,000	1,036,800	1,644,000	2,306,400	3,022,800	3,795,600	4,624,800	5,510,400	6,447,600
Commercial		-	23,300	78,500	147,200	223,200	302,800	384,800	469,200	556,000	644,000
Institutional		-	25,000	75,000	125,000	175,000	225,000	275,000	325,000	375,000	425,000
Agricultural		-	6,200	23,600	46,000	68,400	90,800	113,200	135,600	158,000	180,400
Industrial		-	200,000	700,000	1,350,000	2,100,000	2,950,000	3,900,000	4,950,000	6,100,000	7,300,000
Total Volumes		<u>129,600</u>	<u>758,500</u>	<u>1,913,900</u>	<u>3,312,200</u>	<u>4,873,000</u>	<u>6,591,400</u>	<u>8,468,600</u>	<u>10,504,600</u>	<u>12,699,400</u>	<u>14,997,000</u>

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

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

Table 4.3 - Revenue Requirement Over The Rate Stability Period

Revenue Requirement	Project Year	<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>	Total

	<u>Year 10</u>
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

\$10,725,127

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$24,156

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

Section 36.2 Funding Amount Per Volume (m3)

Year 10

\$4.67

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	22,709	86,018	142,824	168,695	186,147	202,247	218,242	234,236	250,231	262,329	\$1,773,679
SES Revenue		29,808	144,647	265,742	321,609	358,984	395,232	431,756	468,280	504,804	528,448	3,449,310
Total Distribution Charge	\$	52,517	230,665	408,566	490,304	545,131	597,479	649,998	702,516	755,035	790,777	\$5,222,989

Table 7.1 - Profitability Index (PI) Inclusive of 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	
Proposed Section 36.2 Funding	
Change in Working Capital	
Total Cash Outflow (D)	
Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D)	1.00

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

	<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 FF3
Enbridge Gas Community Expansion Project Proposal
Carlsbad Springs

Section 3.4 Carlsbad Springs

Total Forecasted Customers 444 Penetration Rate 65%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	93	21%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 146,363	7.2	-2.7	669	(249)
Electricity F/A	40	9%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 28,230	0.6	3.9	23	156
Electricity Baseboard	53	12%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 37,640	0.6	3.9	31	209
Propane	195	44%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 55,351	5.6	-1.1	1,092	(213)
Wood	40	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	22	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	444	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 267,584	13.9	4.1	1,815	(97)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule FF4
Enbridge Gas Community Expansion Project Proposal
Carlsbad Springs

Carlsbad Springs Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule FF5
Enbridge Gas Community Expansion Project Proposal
Carlsbad Springs



Jim Watson
Mayor / Maire

**Office of the Mayor
City of Ottawa**
110 Laurier Avenue West
Ottawa, Ontario K1P 1J1
Tel.: (613) 580-2496
Fax: (613) 580-2509
E-mail: Jim.Watson@ottawa.ca

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Ottawa (Ontario) K1P 1J1
Tél.: (613) 580-2496
Télééc.: (613) 580-2509
Courriel : Jim.Watson@ottawa.ca

EB-2019-0255
Schedule FF5
Redacted

March 27, 2020

Mr. Ian Ross
Director - Eastern Region Operations
Enbridge Gas Inc.
400 Coventry Road
Ottawa, ON K1K 2C7

Dear Mr. Ross

Subject: Ottawa's Expression of Support for natural gas expansion in support of rural residents and businesses

Thank you for your letter dated February 11, which provided an update on the Government of Ontario's 2020 Natural Gas Expansion Program. The City is pleased that additional funding is available for new service expansion projects in areas that would not be feasible without this support. The City of Ottawa is interested in participating in the call for proposals, which will be submitted by Enbridge Gas. With your support, we would like to put forward the following rural projects for funding:

1. Dunrobin Shores (residential stream; Ward 5)
2. Carlsbad Springs, Sarsfield and surroundings (residential stream; Ward 19)
3. [REDACTED] (economic development stream; Ward 20)

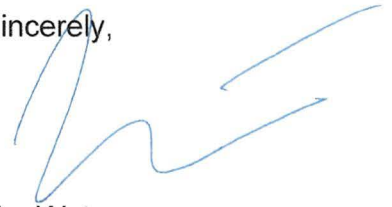
Based on the guidelines issued by the Ontario Energy Board (EB-2019-0255), we are aware that Enbridge Gas may be required to include support for the proposed projects from Council, as applicable, demonstrated through a written expression of support or a commitment to financial support in its project submissions. We look forward to engaging with you on next steps, as required, to secure this formal support from Ottawa's City Council.

[.../2]

We understand that natural gas is the most common and affordable heating fuel in Ontario. We fully support the efforts of Enbridge Gas, the OEB and the Ministry of Energy, Northern Development and Mines to bring this service to underserved rural communities. We look forward to working together to expand natural gas access in order to attract new opportunities, help create jobs and lower monthly costs for our residents living in Ottawa's rural communities.

I look forward to engaging further with you on this initiative to support greater access of natural gas for our residents and businesses in underserved communities.

Sincerely,



Jim Watson
Mayor
City of Ottawa

c.c.: Councillor Eli El-Chantiry, Ward 5
Councillor George Darouze, Ward 20
Steve Willis, GM, Planning, Infrastructure and Economic Development
Geraldine Wildman, Program Manager, Natural Systems & Rural Affairs
Sonia Fazari, Senior Advisor, Eastern Region, Enbridge Gas

Schedule FF6
Enbridge Gas Community Expansion Project Proposal
Carlsbad Springs

112
F.B.C. 196

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

EB-2019-0255
Schedule FF6

AND IN THE MATTER OF an Application
by The Consumers' Gas Company for a
certificate of public convenience and
necessity to construct works and to
supply natural gas to the Township of
Cumberland in the County of Prescott
and Russell

B E F O R E:

A. R. Crozier, Chairman } Friday, the 31st day
W. R. Howard, Commissioner } of January, 1958.

**CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

UPON THE APPLICATION of The Consumers' Gas Company
(hereinafter referred to as the "Applicant") for a certificate
pursuant to the provisions of The Municipal Franchises Act,
R. S. O. 1950 Chapter 249 and amendments thereto and upon
the hearing of such application by the Board in the City of
Toronto on the 31st day of January, 1958, after due notice of
such hearing had been given as directed by the Board, in the
presence of Counsel for the Applicant, no one else appearing,
upon consideration of the evidence and exhibits produced at the
hearing and upon hearing what was alleged by Counsel aforesaid,

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

2. The Board fixes the costs of this Application at
\$5.00 payable forthwith by the Applicant.

DATED at Toronto this 10th day of February 1958.

ONTARIO FUEL BOARD

.....
Chairman

.....
Commissioner

Schedule GG
Enbridge Gas Community Expansion Project Proposal
Cedar Valley

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 serve the community of Cedar Valley in the Town of Erin. The proposed facilities will provide access to natural gas to a forecasted 54 customers (53 residential and 1 commercial / institutional).

The proposed project will tie-in to the existing distribution system in the community of Hillsburgh on _____ and _____. Facilities head _____ along _____ to the distribution system within Cedar Valley.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	1,800
Polyethylene	4	2,950

Please refer to Schedule GG1 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 GG2, Table 3.2.

3.3

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

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

Please refer to Schedule GG2, Table 3.3.

3.4	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. 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. Please refer to Schedule GG3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule GG4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule GG5.
3.7	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. 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. Please refer to Schedule GG6 for Enbridge's CPCN for the Town of Erin (EB-2004-0482) which covers the entire area of the proposed project.

Part IV – Cost of Project															
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.														
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 GG2, 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 <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> 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 GG2, Table 4.3.	Description	Year 1	Year 2...	Year 10	Total	Revenue Requirement					Description	Year 10	Closing Rate Base	
Description	Year 1	Year 2...	Year 10	Total											
Revenue Requirement															
Description	Year 10														
Closing Rate Base															

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$2,132,768 Please refer to Schedule GG2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$39,496 Please refer to Schedule GG2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$16.93 Please refer to Schedule GG2, Table 5.3.

Part VI – Distribution Charge	
6.1	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. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule GG2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule GG2, Table 7.1.
7.2	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. Please refer to Schedule GG2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process. Please refer to Schedule GG4.

Schedule GG1
Enbridge Gas Community Expansion Project Proposal
Cedar Valley

Cedar Valley, Town of Erin



Schedule GG2
Enbridge Gas Community Expansion Project Proposal
Cedar Valley

Table 3.2 - Customer Attachments Over The Rate Stability Period

Customer Type	Firm / IT	Project Year	<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>	Total
Residential	Firm		14	13	5	3	3	3	3	3	3	3	53
Commercial	Firm		-	-	-	-	-	-	-	-	-	-	-
Institutional	Firm		-	-	-	-	-	-	-	-	-	-	-
Agricultural	Firm		-	1	-	-	-	-	-	-	-	-	1
Industrial	Firm		-	-	-	-	-	-	-	-	-	-	-
Total Customers			<u>14</u>	<u>14</u>	<u>5</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>54</u>
Cumulative Customers			14	28	33	36	39	42	45	48	51	54	

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

Customer Type	Project Year	<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>	Total
Residential		16,800	49,200	70,800	80,400	87,600	94,800	102,000	109,200	116,400	123,600	850,800
Commercial		-	-	-	-	-	-	-	-	-	-	-
Institutional		-	-	-	-	-	-	-	-	-	-	-
Agricultural		-	1,200	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	20,400
Industrial		-	-	-	-	-	-	-	-	-	-	-
Total Volumes		<u>16,800</u>	<u>50,400</u>	<u>73,200</u>	<u>82,800</u>	<u>90,000</u>	<u>97,200</u>	<u>104,400</u>	<u>111,600</u>	<u>118,800</u>	<u>126,000</u>	<u>871,200</u>

Customer Type	Project Year	<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		16,800	66,000	136,800	217,200	304,800	399,600	501,600	610,800	727,200	850,800
Commercial		-	-	-	-	-	-	-	-	-	-
Institutional		-	-	-	-	-	-	-	-	-	-
Agricultural		-	1,200	3,600	6,000	8,400	10,800	13,200	15,600	18,000	20,400
Industrial		-	-	-	-	-	-	-	-	-	-
Total Volumes		<u>16,800</u>	<u>67,200</u>	<u>140,400</u>	<u>223,200</u>	<u>313,200</u>	<u>410,400</u>	<u>514,800</u>	<u>626,400</u>	<u>745,200</u>	<u>871,200</u>

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

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

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>	Total
Revenue Requirement												

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

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project

\$2,132,768

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$39,496

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

Section 36.2 Funding Amount Per Volume (m3)

Year 10

\$16.93

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	2,944	9,147	13,458	15,140	16,401	17,663	18,925	20,186	21,448	22,710	\$158,022
SES Revenue		3,864	11,592	16,836	19,044	20,700	22,356	24,012	25,668	27,324	28,980	200,376
Total Distribution Charge	\$	6,808	20,739	30,294	34,184	37,101	40,019	42,937	45,854	48,772	51,690	\$358,398

Table 7.1 - Profitability Index (PI) Inclusive of 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	
Proposed Section 36.2 Funding	
Change in Working Capital	
Total Cash Outflow (D)	
Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D)	1.00

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

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

Schedule GG3
Enbridge Gas Community Expansion Project Proposal
Cedar Valley

Section 3.4 Cedar Valley (Town of Erin)

Total Forecasted Customers 54 Penetration Rate 65%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	11	21%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 17,801	7.2	-2.7	81	(30)
Electricity F/A	5	9%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 3,433	0.6	3.9	3	19
Electricity Baseboard	6	12%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 4,578	0.6	3.9	4	25
Propane	24	44%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 6,732	5.6	-1.1	133	(26)
Wood	5	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	3	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	54	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 32,544	13.9	4.1	221	(12)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule GG4
Enbridge Gas Community Expansion Project Proposal
Cedar Valley

Cedar Valley Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule GG5
Enbridge Gas Community Expansion Project Proposal
Cedar Valley

Town of Erin

5684 Trafalgar Rd.
Hillsburgh, Ontario
N0B 1Z0
www.erin.ca



Office of the Mayor

Tel: (519) 855-4407, Ext.232
Fax: (519) 855-4821
E-mail: Allan.Alls@erin.ca

April 21, 2020

Enbridge Gas Inc.
6 Colony Court
Brampton, ON
L6T 4E4

Dear Mr. Balkanci,

Re: Expression of Support for Natural Gas Expansion to Town of Erin/ Cedar Valley Natural Gas Expansion Project

In December 2019, the Government of Ontario announced plans to further increase access to natural gas by making financial support available for new service expansion projects. The Natural Gas Expansion Program will unlock financial support needed to expand natural gas service to new areas across Ontario. The Town of Erin is eager to bring this affordable, reliable fuel source to the hamlet of Cedar Valley to better service the residents of Erin.

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Allan Alls'.

Allan Alls
Mayor
Town of Erin

Schedule GG6
Enbridge Gas Community Expansion Project Proposal
Cedar Valley

EB-2004-0482

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Enbridge Gas Distribution Inc.

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

Town of Erin

This certificate replaces the certificates of the former municipalities that are now within the Town of Erin.

Dated at Toronto, February 10, 2005.

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

Schedule HH
Enbridge Gas Community Expansion Project Proposal
Charlton and Dack

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 services in additional areas in the Municipality of Charlton and Dack. The proposed facilities will provide access to natural gas to a forecasted 103 customers (90 residential and 13 commercial / institutional).

The proposed tie-in point for the distribution pipeline system will be on _____ connecting to an existing 2" polyethylene pipeline in the Town of Englehart ____ of _____. The proposed project will include _____, _____ and _____ in Charlton and Dack. There will be no reinforcement required to accommodate additional loads. A new distribution station will be required off TC Energy transmission.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	10,556

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	6,730

Please refer to Schedule HH1 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 HH2, Table 3.2.

3.3	Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default. Please refer to Schedule HH2, Table 3.3.
3.4	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. 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. Please refer to Schedule HH3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule HH4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule HH5.

3.7	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. 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. Please refer to Schedule HH6 for Enbridge's CPCN for the Municipality of Charlton and Dack (RB-2004-0212 / EB-2004-0430) which covers the entire area of the proposed project.
Part IV – Cost of Project	
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.
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 HH2, 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 HH2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$8,626,988 Please refer to Schedule HH2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$83,757 Please refer to Schedule HH2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$33.82 Please refer to Schedule HH2, Table 5.3.

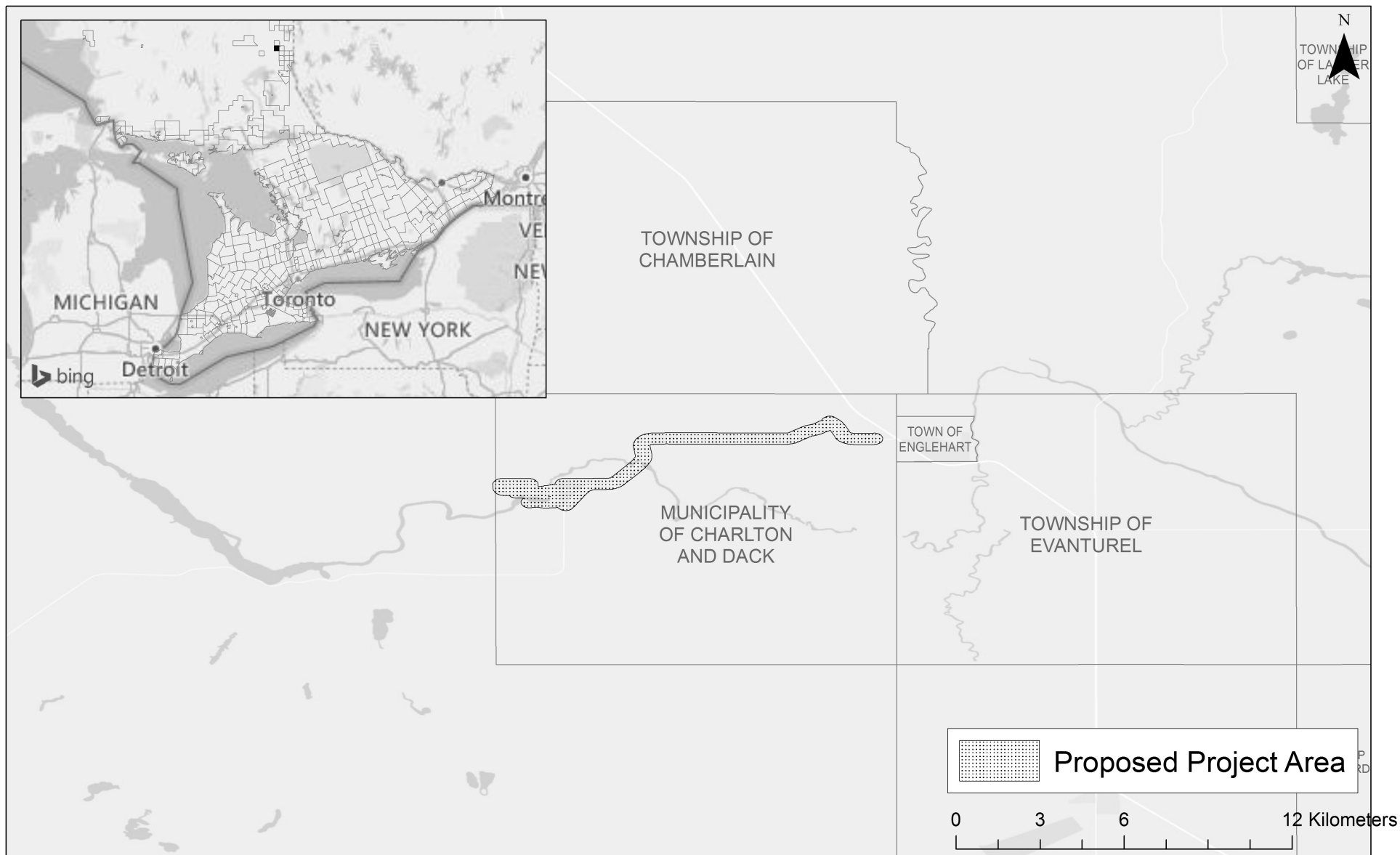
Part VI – Distribution Charge	
6.1	Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule HH2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule HH2, Table 7.1.
7.2	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. Please refer to Schedule HH2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process. Please refer to Schedule HH4.

Schedule HH1
Enbridge Gas Community Expansion Project Proposal
Charlton and Dack

Charlton & Dack



Schedule HH2
Enbridge Gas Community Expansion Project Proposal
Charlton and Dack

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>
	27	20	14	7	7	3	3	3	3	3	90
	-	7	2	1	1	-	-	-	-	-	11
	-	-	-	-	-	-	-	-	-	-	-
	-	2	-	-	-	-	-	-	-	-	2
	-	-	-	-	-	-	-	-	-	-	-
	<u>27</u>	<u>29</u>	<u>16</u>	<u>8</u>	<u>8</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>103</u>
	27	56	72	80	88	91	94	97	100	103	

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

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

<u>Annual Volumes - m3</u>											
<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
	29,700	81,400	118,800	141,900	157,300	168,300	174,900	181,500	188,100	194,700	1,436,600
	-	14,400	32,400	37,100	39,300	40,400	40,400	40,400	40,400	40,400	325,200
	-	-	-	-	-	-	-	-	-	-	-
	-	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	170,000
	-	-	-	-	-	-	-	-	-	-	-
	<u>29,700</u>	<u>105,800</u>	<u>171,200</u>	<u>199,000</u>	<u>216,600</u>	<u>228,700</u>	<u>235,300</u>	<u>241,900</u>	<u>248,500</u>	<u>255,100</u>	<u>1,931,800</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>	
	29,700	111,100	229,900	371,800	529,100	697,400	872,300	1,053,800	1,241,900	1,436,600	
	-	14,400	46,800	83,900	123,200	163,600	204,000	244,400	284,800	325,200	
	-	-	-	-	-	-	-	-	-	-	
	-	10,000	30,000	50,000	70,000	90,000	110,000	130,000	150,000	170,000	
	-	-	-	-	-	-	-	-	-	-	
	<u>29,700</u>	<u>135,500</u>	<u>306,700</u>	<u>505,700</u>	<u>722,300</u>	<u>951,000</u>	<u>1,186,300</u>	<u>1,428,200</u>	<u>1,676,700</u>	<u>1,931,800</u>	

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

Total Capital Costs

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

Revenue Requirement

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

\$ 8,626,988

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

[Year 10](#)
\$ 83,757

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)

[Year 10](#)
\$ 33.82

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	6,255	20,484	32,289	37,973	41,679	44,228	45,618	47,008	48,398	49,788	\$ 373,718
SES Revenue		6,831	24,334	39,376	45,770	49,818	52,601	54,119	55,637	57,155	58,673	444,314
Total Distribution Charge	\$	<u>13,086</u>	<u>44,818</u>	<u>71,665</u>	<u>83,743</u>	<u>91,497</u>	<u>96,829</u>	<u>99,737</u>	<u>102,645</u>	<u>105,553</u>	<u>108,461</u>	<u>\$ 818,032</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 HH3
Enbridge Gas Community Expansion Project Proposal
Charlton and Dack

Section 3.4 Charlton and Dack

Total Forecasted Customers 103 Penetration Rate 65%

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

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule HH4
Enbridge Gas Community Expansion Project Proposal
Charlton and Dack

Charlton and Dack Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule HH5
Enbridge Gas Community Expansion Project Proposal
Charlton and Dack



MUNICIPALITY OF CHARLTON AND DACK

Resolution of Council

MOVED BY: Jim Huff

MOTION NO: 20

SECONDED BY: Clem Yantha

DATE: April 6th, 2020

THAT the Council for the Municipality of Charlton and Dack support the submission of an Expression of Interest to the Natural Gas Expansion Support Program.

Certified to be a true copy from the Corporation
of the Municipality of Charlton and Dack, passed
in Council on the 6 day
of April, 2020.


Dan Thibeault, Clerk Treasurer CAO
Municipality of Charlton and Dack

☒	CARRIED
☐	DEFEATED
☐	DEFERRED

Signature of Presiding Officer:


For Debbie Veerman
Deputy Reeve

DIVISION VOTE

Position	Name	Yeas	Nays
Councillor	Sandra Parkin		
Councillor	Jim Huff		
Deputy Reeve	Debbie Veerman		
Councillor	Clem Yantha		
Reeve	Merrill Bond		

DECLARATION OF CONFLICT OF INTEREST

declared their interest, abstained from the discussion and did not vote on the question.

Schedule HH6
Enbridge Gas Community Expansion Project Proposal
Charlton and Dack

RP-2004-0212
EB-2004-0430

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

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

Municipality of Charlton and Dack.

This certificate replaces the certificate of the former municipality that is now within the Municipality of Charlton and Dack.

Dated at Toronto, November 16, 2004

Ontario Energy Board

Peter H. O'Dell
Assistant Board Secretary

Schedule II
Enbridge Gas Community Expansion Project Proposal
Chute-à-Blondeau

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 is proposing to serve the community of Chute-à-Blondeau in the Township of East Hawkesbury. The proposed facilities will provide access to natural gas to a forecasted 318 customers (299 residential, 16 commercial / institutional and 3 industrial).

The proposed project will tie-in to an existing NPS 4 polyethylene pipeline system ____ of the Town of Hawkesbury on ____ at _____. The proposed supply line runs ____ along _____ to Chute-à-Blondeau and includes customers along _____ and _____.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	1 ¼	3,175
Polyethylene	2	3,410
Polyethylene	4	9,000

Please refer to Schedule II1 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 II2, Table 3.2.

3.3

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

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

Please refer to Schedule II2, Table 3.3.

3.4	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. 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. Please refer to Schedule II3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule II4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule II5.
3.7	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. 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. Enbridge Gas does not currently have a franchise agreement with nor a Certificate of Public Convenience and Necessity for the Township of East Hawkesbury. Enbridge Gas does have franchise agreements and CPCNs for adjacent municipalities including the Town of Hawkesbury and the Township of Champlain.

Part IV – Cost of Project															
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.														
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 II2, 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 <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> 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 II2, Table 4.3.	Description	Year 1	Year 2...	Year 10	Total	Revenue Requirement					Description	Year 10	Closing Rate Base	
Description	Year 1	Year 2...	Year 10	Total											
Revenue Requirement															
Description	Year 10														
Closing Rate Base															

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$4,446,983 Please refer to Schedule II2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$13,984 Please refer to Schedule II2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$4.20 Please refer to Schedule II2, Table 5.3.

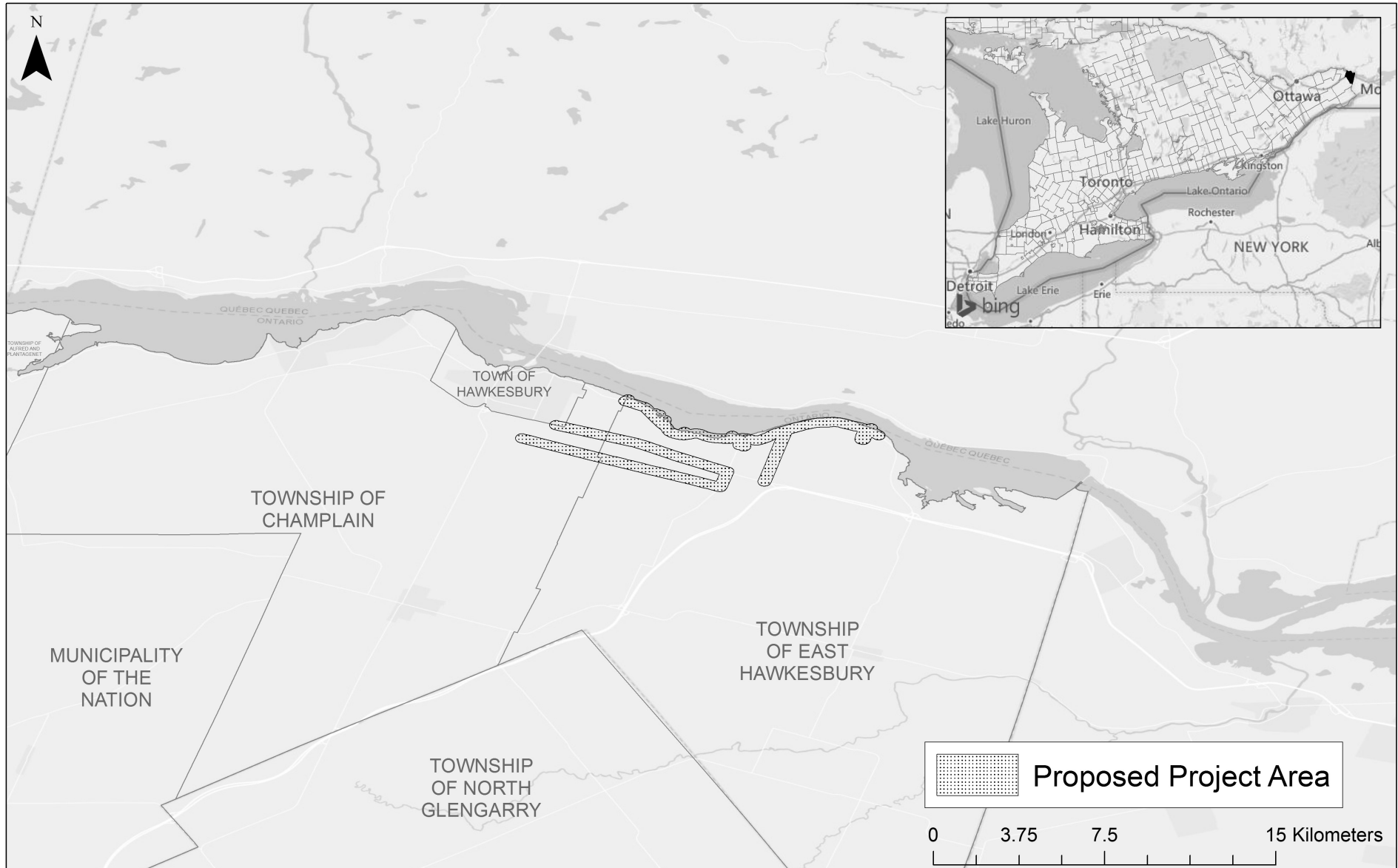
Part VI – Distribution Charge	
6.1	Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule II2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule II2, Table 7.1.
7.2	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. Please refer to Schedule II2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct • Franchise Agreement • Certificate of Public Convenience and Necessity
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process. Please refer to Schedule II4.

Schedule II1
Enbridge Gas Community Expansion Project Proposal
Chute-à-Blondeau

Chute-a-Blondeau



Schedule II2
Enbridge Gas Community Expansion Project Proposal
Chute-à-Blondeau

Table 3.2 - Customer Attachments Over The Rate Stability Period

Customer Type	Firm / IT	Project Year	<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>	Total
Residential	Firm		81	72	28	20	15	18	16	18	16	15	299
Commercial	Firm		-	10	3	1	1	-	-	-	-	-	15
Institutional	Firm		-	-	-	-	-	-	-	-	-	-	-
Agricultural	Firm		-	1	-	-	-	-	-	-	-	-	1
Industrial	Firm		-	2	1	-	-	-	-	-	-	-	3
Total Customers			<u>81</u>	<u>85</u>	<u>32</u>	<u>21</u>	<u>16</u>	<u>18</u>	<u>16</u>	<u>18</u>	<u>16</u>	<u>15</u>	<u>318</u>
Cumulative Customers			81	166	198	219	235	253	269	287	303	318	

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

Customer Type	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>
Residential		96,359	278,698	397,857	454,616	496,195	535,795	576,595	617,395	658,195	695,395	4,807,099
Commercial		-	19,700	44,300	50,400	52,800	54,000	54,000	54,000	54,000	54,000	437,200
Institutional		-	-	-	-	-	-	-	-	-	-	-
Agricultural		-	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	85,000
Industrial		-	100,000	250,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	2,450,000
Total Volumes		<u>96.359</u>	<u>403.398</u>	<u>702.157</u>	<u>815.016</u>	<u>858.995</u>	<u>899.795</u>	<u>940.595</u>	<u>981.395</u>	<u>1,022.195</u>	<u>1,059.395</u>	<u>7,779.299</u>

Customer Type	Project Year	Cumulative 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>
Residential		96,359	375,057	772,913	1,227,529	1,723,724	2,259,519	2,836,114	3,453,509	4,111,704	4,807,099
Commercial		-	19,700	64,000	114,400	167,200	221,200	275,200	329,200	383,200	437,200
Institutional		-	-	-	-	-	-	-	-	-	-
Agricultural		-	5,000	15,000	25,000	35,000	45,000	55,000	65,000	75,000	85,000
Industrial		-	100,000	350,000	650,000	950,000	1,250,000	1,550,000	1,850,000	2,150,000	2,450,000
Total Volumes		<u>96,359</u>	<u>499,757</u>	<u>1,201,913</u>	<u>2,016,929</u>	<u>2,875,924</u>	<u>3,775,719</u>	<u>4,716,314</u>	<u>5,697,709</u>	<u>6,719,904</u>	<u>7,779,299</u>

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

	Year 10
Total Capital Costs	

Table 4.3 - Revenue Requirement Over The Rate Stability Period[illegible]

	<u>Year 10</u>
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

\$4,446,983

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$13,984

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

Section 36.2 Funding Amount Per Volume (m3)

Year 10

\$4.20

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	16,974	60,655	97,419	112,177	120,559	128,024	135,173	142,322	149,472	155,990	\$1,118,764
SES Revenue		22,163	92,781	161,496	187,454	197,569	206,953	216,337	225,721	235,105	243,661	1,789,239
Total Distribution Charge	\$	39,136	153,436	258,915	299,631	318,128	334,977	351,510	368,043	384,576	399,651	\$2,908,003

Table 7.1 - Profitability Index (PI) Inclusive of 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	
Proposed Section 36.2 Funding	
Change in Working Capital	
Total Cash Outflow (D)	
Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D)	1.00

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

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

Schedule II3
Enbridge Gas Community Expansion Project Proposal
Chute-à-Blondeau

Section 3.4 Chute-à-Blondeau

Total Forecasted Customers 318 Penetration Rate 65%

	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Existing Fuel / Heating Type											
Oil	67	21%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 104,828	7.2	-2.7	479	(179)
Electricity F/A	29	9%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 20,219	0.6	3.9	17	112
Electricity Baseboard	38	12%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 26,958	0.6	3.9	22	149
Propane	140	44%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 39,643	5.6	-1.1	782	(152)
Wood	29	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	16	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	318	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 191,648	13.9	4.1	1,300	(70)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule II4
Enbridge Gas Community Expansion Project Proposal
Chute-à-Blondeau

Chute-à-Blondeau Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule II5
Enbridge Gas Community Expansion Project Proposal
Chute-à-Blondeau



**TOWNSHIP OF
EAST HAWKESBURY**

5151 County Road 14, P.O. Box 340
St-Eugène, Ontario, K0B 1P0
Tel.: 613 674-2170 Fax: 613 674-2989
www.easthawkesbury.ca

**CANTON DE
HAWKESBURY EST**

5151 Chemin de Comté 14, C.P. 340
St-Eugène, Ontario, K0B 1P0
Tél.: 613 674-2170 Téléc.: 613 674-2989
www.hawkesburyest.ca

March 16, 2020

Mr. Ian Ross
Director – Eastern Region Operations
Enbridge Gas Inc.
400 Coventry Road, Ottawa, On K1K 2C7

Dear Mr. Ross

Re: Expression of Support for Natural Gas Expansion to the Township of East Hawkesbury/ [REDACTED]

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

On behalf of the Township of East Hawkesbury, I would like to formally express our interest to have [REDACTED] included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Program.

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

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

Sincerely!

Robert Kirby
Mayor
Township of East Hawkesbury
613-674-2170 ext. 1006
llalonde@easthawkesbury.ca

Schedule JJ
Enbridge Gas Community Expansion Project Proposal

Conmee

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

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

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

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2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 serve the Township of Conmee in the Thunder Bay District. The proposed facilities will provide access to natural gas to a forecasted 126 customers (119 residential, 4 commercial / institutional and 3 industrial).

The proposed tie-in point will be in Kakabeka Falls on _____ connecting to an existing 2" polyethylene pipe. The proposed distribution pipeline will consist of 33,251 m of 2" polyethylene pipe and 7,363 m of 4" polyethylene pipe. The proposed distribution system will extend _____ along _____, _____ on _____ and _____ on _____ then _____ on _____, _____ and _____, _____, _____ and _____.

Two reinforcement segments are required to accommodate additional loads for the system - 2,140 m of 4" steel pipe is required to restore the system at the inlet of Kakabeka Falls and 375 m of 2" polyethylene pipe.

Two new stations are required to be installed to accommodate additional loads.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	33,251
Polyethylene	4	7,363

The approximate length and size of the reinforcement required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	375
Steel	4	2,140

Please refer to Schedule JJ1 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 JJ2, Table 3.2.

3.3	Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default. Please refer to Schedule JJ2, Table 3.3.
3.4	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. 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. Please refer to Schedule JJ3 Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule JJ4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule JJ5.

3.7	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. 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. Enbridge Gas does not currently have a franchise agreement with nor a Certificate of Public Convenience and Necessity for the Township of Conmee. Enbridge Gas does have franchise agreements and CPCNs for adjacent municipalities including the City of Thunder Bay and the Municipality of Oliver Paipoonge.
Part IV – Cost of Project	
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.
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 JJ2, 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 JJ2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$19,732,817 Please refer to Schedule JJ2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$156,610 Please refer to Schedule JJ2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$34.05 Please refer to Schedule JJ2, Table 5.3.

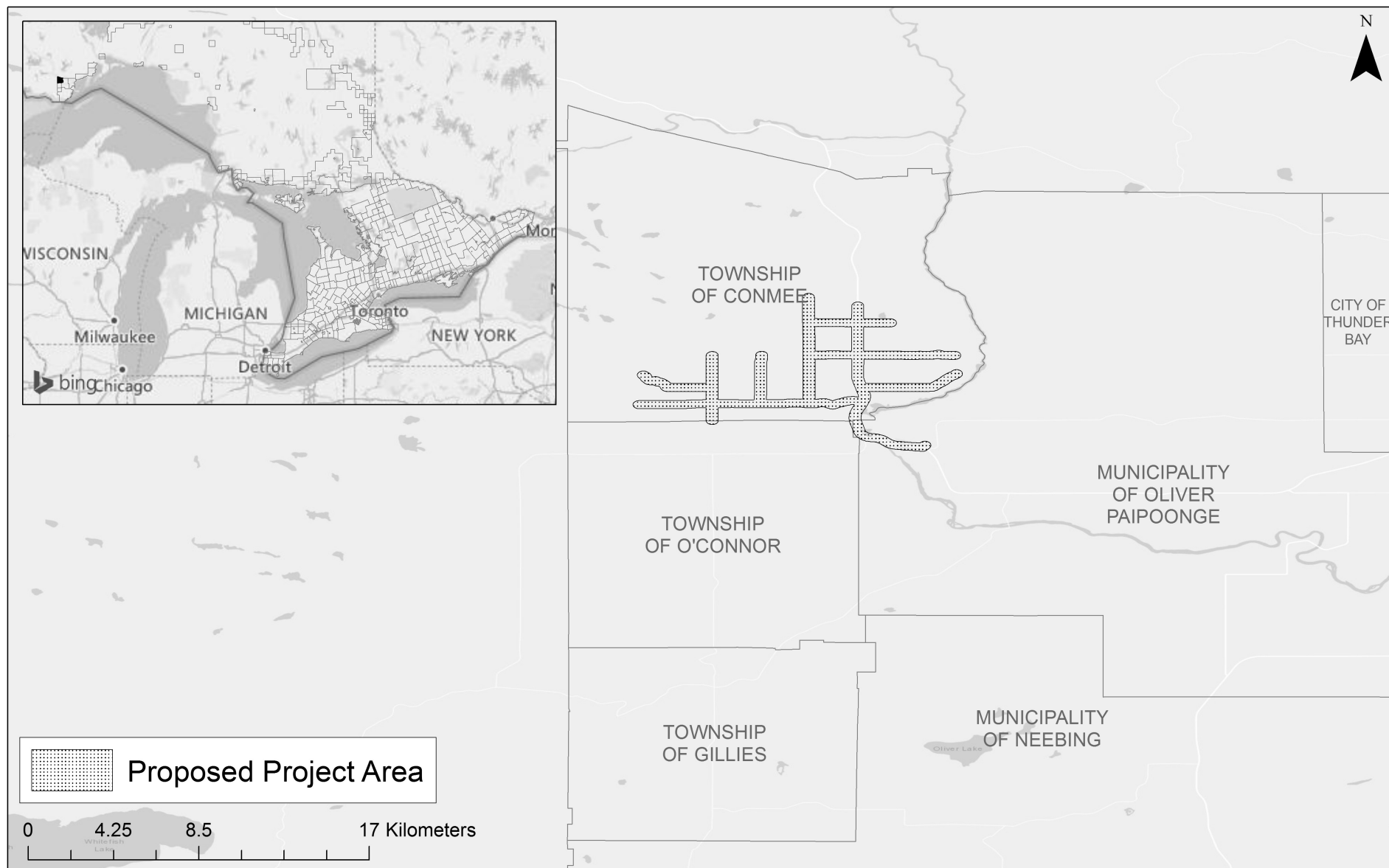
Part VI – Distribution Charge	
6.1	Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule JJ2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule JJ2, Table 7.1.
7.2	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. Please refer to Schedule JJ2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct • Franchise Agreement • Certificate of Public Convenience and Necessity • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process. Please refer to Schedule JJ4.

Schedule JJ1
Enbridge Gas Community Expansion Project Proposal
Conmee

Conmee (Outside Thunder Bay)



Schedule JJ2
Enbridge Gas Community Expansion Project Proposal
Conmee

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
	36	27	18	9	9	4	4	4	4	4	119
	-	2	1	-	-	-	-	-	-	-	3
	-	-	-	-	-	-	-	-	-	-	-
	-	1	-	-	-	-	-	-	-	-	1
	-	3	-	-	-	-	-	-	-	-	3
	<u>36</u>	<u>33</u>	<u>19</u>	<u>9</u>	<u>9</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>126</u>
	36	69	88	97	106	110	114	118	122	126	

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

Customer Type
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

Project Year	1	2	3	4	Annual Volumes - m3		7	8	9	10	Total
	39,600	108,900	158,400	188,100	207,900	222,200	231,000	239,800	248,600	257,400	1,901,900
	-	3,600	9,700	12,200	12,200	12,200	12,200	12,200	12,200	12,200	98,700
	-	-	-	-	-	-	-	-	-	-	-
	-	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	85,000
	-	150,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	2,550,000
	<u>39,600</u>	<u>267,500</u>	<u>478,100</u>	<u>510,300</u>	<u>530,100</u>	<u>544,400</u>	<u>553,200</u>	<u>562,000</u>	<u>570,800</u>	<u>579,600</u>	<u>4,635,600</u>

Customer Type
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

Project Year	1	2	3	4	Cumulative Volumes - m3		7	8	9	10	
	39,600	148,500	306,900	495,000	702,900	925,100	1,156,100	1,395,900	1,644,500	1,901,900	
	-	3,600	13,300	25,500	37,700	49,900	62,100	74,300	86,500	98,700	
	-	-	-	-	-	-	-	-	-	-	
	-	5,000	15,000	25,000	35,000	45,000	55,000	65,000	75,000	85,000	
	-	150,000	450,000	750,000	1,050,000	1,350,000	1,650,000	1,950,000	2,250,000	2,550,000	
	<u>39,600</u>	<u>307,100</u>	<u>785,200</u>	<u>1,295,500</u>	<u>1,825,600</u>	<u>2,370,000</u>	<u>2,923,200</u>	<u>3,485,200</u>	<u>4,056,000</u>	<u>4,635,600</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

Project Year	1	2	3	4	5	6	7	8	9	10	Total
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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	\$ <u>19,732,817</u>
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Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	\$ <u>Year 10</u> <u>156,610</u>
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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>Year 10</u> <u>34.05</u>
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Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	8,340	35,545	58,936	65,546	69,716	72,728	74,581	76,435	78,288	80,141	\$ 620,257
SES Revenue		9,108	61,525	109,963	117,369	121,923	125,212	127,236	129,260	131,284	133,308	1,066,188
Total Distribution Charge	\$	<u>17,448</u>	<u>97,070</u>	<u>168,899</u>	<u>182,915</u>	<u>191,639</u>	<u>197,940</u>	<u>201,817</u>	<u>205,695</u>	<u>209,572</u>	<u>213,449</u>	<u>\$ 1,686,445</u>

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

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

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

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

Schedule JJ3
Enbridge Gas Community Expansion Project Proposal
Conmee

Section 3.4 Conmee

Total Forecasted Customers 126 Penetration Rate 65%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	26	21%	\$ 5,000	\$ 2,787	\$ 1,460	\$ 1,328	\$ 35,131	6.6	-2.4	173	(64)
Electricity F/A	11	9%	\$ 5,000	\$ 1,998	\$ 1,460	\$ 538	\$ 6,107	0.5	3.6	6	41
Electricity Baseboard	15	12%	\$ 12,000	\$ 1,998	\$ 1,460	\$ 538	\$ 8,142	0.5	3.6	8	54
Propane	55	44%	\$ 600	\$ 1,611	\$ 1,460	\$ 152	\$ 8,421	5.1	-1.0	283	(54)
Wood	11	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	6	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	126	100%	\$ 31,100	\$ 8,395	\$ 5,838	\$ 2,557	\$ 57,801	12.7	3.8	471	(24)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule JJ4
Enbridge Gas Community Expansion Project Proposal
Conmee

Conmee Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule JJ5
Enbridge Gas Community Expansion Project Proposal
Conmee



19 Holland Rd W. RR.#1
Kakabeka Falls, ON POT 1W0

www.conmee.com

March 11, 2020

Submitted Via Email: wendy.landry@enbridge.com

Re: Expression of Support for Natural Gas Expansion to Conmee Township

Dear: REGIONAL DIRECTOR and WENDY LANDRY, Municipal Advisor

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

On behalf of the Corporation of the Township of Conmee, I would like to formally express our interest to have the [REDACTED] included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Program.

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

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

Sincerely,

Laura Bruni, CAO/Clerk
Township of Conmee
807-475-5229



Schedule KK
Enbridge Gas Community Expansion Project Proposal
Ear Falls

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 expanded natural gas service within the Township of Ear Falls. The proposed facilities will provide access to natural gas to a forecasted 9 customers (5 residential, 3 commercial / institutional and 1 industrial).

The proposed tie-in point will be near the intersection of _____ and _____ connecting to an existing 2" steel pipeline. The proposed distribution pipeline will consist of 3,010 m of 2" polyethylene pipe. The proposed distribution system will extend ____ via _____ to reach _____ and _____.

There will be no pipeline reinforcements required. A medium-sized station requires upsizing work to accommodate additional loads for the system.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	3,010

Please refer to Schedule KK1 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 KK2, Table 3.2.

3.3

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

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

Please refer to Schedule KK2, Table 3.3.

3.4	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. 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. Please refer to Schedule KK3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule KK4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule KK5.
3.7	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. 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. Please refer to Schedule KK6 for Enbridge's CPCN for the Township of Ear Falls (EBC 55) which covers the entire area of the proposed project.

Part IV – Cost of Project															
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.														
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 KK2, 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 <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> 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 KK2, Table 4.3.	Description	Year 1	Year 2...	Year 10	Total	Revenue Requirement					Description	Year 10	Closing Rate Base	
Description	Year 1	Year 2...	Year 10	Total											
Revenue Requirement															
Description	Year 10														
Closing Rate Base															

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$1,797,382 Please refer to Schedule KK2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$199,709 Please refer to Schedule KK2, Table 5.2
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$14.93 Please refer to Schedule KK2, Table 5.3.

Part VI – Distribution Charge	
6.1	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. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule KK2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule KK2, Table 7.1.
7.2	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. Please refer to Schedule KK2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process. Please refer to Schedule KK4.

Schedule KK1
Enbridge Gas Community Expansion Project Proposal
Ear Falls

Ear Falls



Schedule KK2
Enbridge Gas Community Expansion Project Proposal
Ear Falls

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>
	1	1	1	1	1	-	-	-	-	-	5
	-	3	-	-	-	-	-	-	-	-	3
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	1	-	-	-	-	-	-	-	-	1
	<u>1</u>	<u>5</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>
	1	6	7	8	9	9	9	9	9	9	

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>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	1,100	3,300	5,500	7,700	9,900	11,000	11,000	11,000	11,000	11,000	82,500
Commercial	-	4,700	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	79,900
Institutional	-	-	-	-	-	-	-	-	-	-	-
Agricultural	-	-	-	-	-	-	-	-	-	-	-
Industrial	-	50,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	850,000
Total Volumes	<u>1,100</u>	<u>58,000</u>	<u>114,900</u>	<u>117,100</u>	<u>119,300</u>	<u>120,400</u>	<u>120,400</u>	<u>120,400</u>	<u>120,400</u>	<u>120,400</u>	<u>1,012,400</u>

<u>Customer Type</u>	<u>Cumulative Volumes - m3</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	1,100	4,400	9,900	17,600	27,500	38,500	49,500	60,500	71,500	82,500	
Commercial	-	4,700	14,100	23,500	32,900	42,300	51,700	61,100	70,500	79,900	
Institutional	-	-	-	-	-	-	-	-	-	-	
Agricultural	-	-	-	-	-	-	-	-	-	-	
Industrial	-	50,000	150,000	250,000	350,000	450,000	550,000	650,000	750,000	850,000	
Total Volumes	<u>1,100</u>	<u>59,100</u>	<u>174,000</u>	<u>291,100</u>	<u>410,400</u>	<u>530,800</u>	<u>651,200</u>	<u>771,600</u>	<u>892,000</u>	<u>1,012,400</u>	

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

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

Table 4.3 - Revenue Requirement Over The Rate Stability Period

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>

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	\$ 1,797,382
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Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	<u>Year 10</u> \$ 199,709
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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>Year 10</u> \$ 14.93
---	----------------------------

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	5,332	10,433	10,896	11,360	11,591	11,591	11,591	11,591	11,591	\$ 96,209
SES Revenue		253	13,340	26,427	26,933	27,439	27,692	27,692	27,692	27,692	27,692	232,852
Total Distribution Charge	\$	<u>485</u>	<u>18,672</u>	<u>36,860</u>	<u>37,829</u>	<u>38,799</u>	<u>39,283</u>	<u>39,283</u>	<u>39,283</u>	<u>39,283</u>	<u>39,283</u>	<u>\$ 329,061</u>

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

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

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

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

Schedule KK3
Enbridge Gas Community Expansion Project Proposal
Ear Falls

Section 3.4 Ear Falls

Total Forecasted Customers 9 Penetration Rate 65%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	2	21%	\$ 5,000	\$ 2,787	\$ 1,460	\$ 1,328	\$ 2,509	6.6	-2.4	12	(5)
Electricity F/A	1	9%	\$ 5,000	\$ 1,998	\$ 1,460	\$ 538	\$ 436	0.5	3.6	0	3
Electricity Baseboard	1	12%	\$ 12,000	\$ 1,998	\$ 1,460	\$ 538	\$ 582	0.5	3.6	1	4
Propane	4	44%	\$ 600	\$ 1,611	\$ 1,460	\$ 152	\$ 601	5.1	-1.0	20	(4)
Wood	1	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	0	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	9	100%	\$ 31,100	\$ 8,395	\$ 5,838	\$ 2,557	\$ 4,129	12.7	3.8	34	(2)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

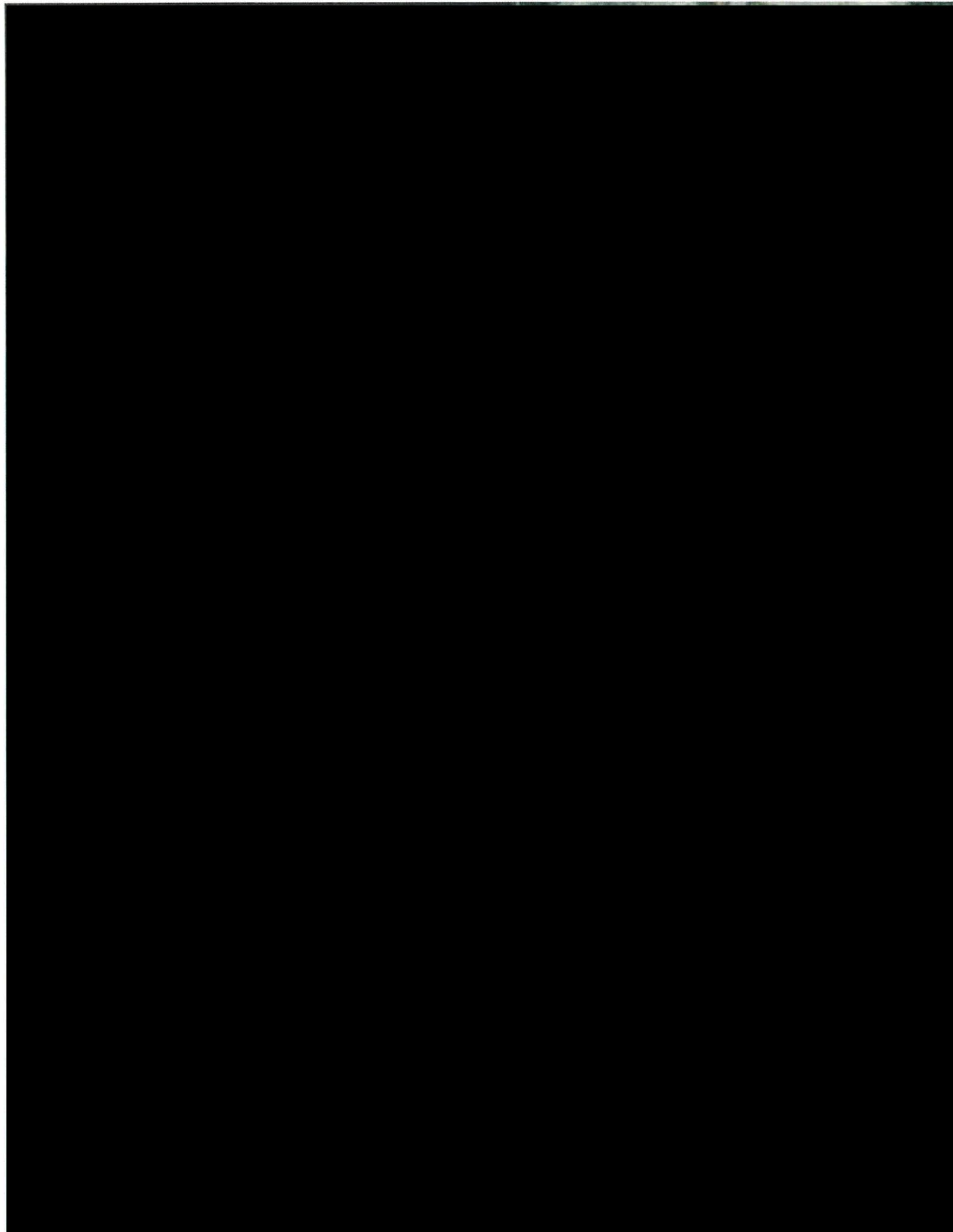
Schedule KK4
Enbridge Gas Community Expansion Project Proposal
Ear Falls

Ear Falls Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule KK5
Enbridge Gas Community Expansion Project Proposal
Ear Falls

DISTRIBUTION



Schedule KK6
Enbridge Gas Community Expansion Project Proposal
Ear Falls

*Bruce Lake
Griffith Mine*

E. B. C. 55

CNTARIO ENERGY BOARD

IN THE MATTER OF The Municipal Franchises Act, R. S. C. 1960, Chapter 255, Section 8 and amendments thereto;

EB-2019-0255
Schedule KK6

AND IN THE MATTER OF an Application by Twin City Gas Company Limited for a Certificate of Public Convenience and Necessity to construct works to supply gas to the Griffith Mine at Bruce Lake in the District of Kenora and to persons residing in the area adjacent thereto.

BEFORE:

A. R. CROZIER, Chairman) Monday, the 12th day of
A. B. JACKSON, Vice-Chairman) September, 1966.

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON THE APPLICATION of Twin City Gas Company Limited, (hereinafter referred to as the "Applicant") for a certificate pursuant to the provisions of The Municipal Franchises Act, R. S. O. 1960, Chapter 255, Section 8 and amendments thereto, after notice being duly given to the parties interested as directed by the Board and the matter coming on for hearing before the Board on the 12th day of September, 1966, in Toronto, Ontario, 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 Steel Company of Canada Ltd. and Counsel for Canadian National Railways, and upon hearing read the application and the proof of service thereof and upon hearing the evidence adduced and upon hearing Counsel aforesaid:

1. THIS BOARD DOTH ORDER that a Certificate of Public Convenience and Necessity be and the same is hereby granted to Twin City Gas Company Limited for the supply of natural gas to the inhabitants of the unorganized area within a radius of sixteen (16) miles of the Griffith Mine at Bruce Lake in the District of Kenora and for the construction of the works necessary therefor;

2. AND THIS BOARD DOTH FURTHER ORDER that the Certificate of Public Convenience and Necessity hereby granted may be assigned by Twin City Gas Company Limited to Montreal Trust Company, the trustee under the deed of trust and mortgage, dated as of June 1, 1958 as amended,

made between Twin City Gas Company Limited and Montreal Trust Company, as trustee and to such person, firm or corporation to whom Montreal Trust Company, as trustee, may assign such Certificate in execution of the trusts under the said deed of trust and mortgage, together with, in each case, all rights and powers, statutory or otherwise, which flow from or are evidenced by such Certificate.

3. AND THIS BOARD DOETH FURTHER ORDER that the costs of this hearing are fixed at \$25,00 and shall be paid forthwith by the Applicant to the Board.

DATED at Toronto, this *19th* day of September, 1966.

ONTARIO ENERGY BOARD

W. J. Seidler
Secretary

ONTARIO ENERGY BOARD

IN THE MATTER OF The Municipal
Franchises Act, R. S. O. 1960, Chapter
255, Section 8 and amendments thereto;

AND IN THE MATTER OF an Applica-
tion by Twin City Gas Company Limited
for a Certificate of Public Convenience
and Necessity to construct works to
supply gas to the Griffith Mine at Bruce
Lake in the District of Kenora and to
persons residing in the area adjacent
thereto.

CERTIFICATE

Twin City Gas Company Limited
170 University Avenue, Toronto, Ontario

Schedule LL
Enbridge Gas Community Expansion Project Proposal
Edwardsburgh Cardinal - _____ and Spencerville

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

Part III – Description of and Support for Project

3.1

Redacted

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

Enbridge Gas is proposing to expand gas distribution service within the communities of Spencerville and Cardinal in the Township of Edwardsburgh Cardinal as well as within the Township of Augusta. The proposed facilities will provide access to natural gas to a forecasted 527 customers (485 residential, 39 commercial / institutional and 3 industrial).

There are two distinct segments to this project.

For the first segment (see map Schedule LL1(a)), the proposed tie-in point is at the junction of _____ and _____ connecting to an existing 4" steel pipeline. The proposed distribution pipeline will consist of 17,800 m of 2" polyethylene pipe, 1,500 m of 4" polyethylene pipe, 1,050 m of 2" steel pipe and 10,000 m of 4" steel pipe.

In the Spencerville area, the proposed distribution system will extend from _____ to _____, _____, _____, _____, _____, _____ and other areas along the distribution network.

In the Township of Augusta (and some areas of Edwardsburgh Cardinal), the proposed distribution system will extend along _____ to _____ until _____. The main pipeline will extend to _____, _____, _____ and _____.

For the _____ segment in Edwardsburgh Cardinal (see map Schedule LL1(b)), there are 2 proposed tie-in points for the distribution pipeline system. The first will be in the community of Johnstown near _____ and the second tie-in will be at the junction of _____ and _____. The distribution pipeline will be installed from near _____ through to _____ to include _____, _____, _____, _____, _____, _____ and ending at _____ near second tie-in point. The proposed distribution pipeline along _____ will consist of 9,080 m of 2" polyethylene pipe and 2,250 m of 4" polyethylene pipe.

There will be no reinforcement required to accommodate additional loads for the systems.

There are 5 small and 1 medium sized distribution stations required for the proposed distribution system expansions. The 5 small distribution stations will be located at the intersection of _____ and _____ (Augusta Township), the intersection of _____ and _____ (Augusta Township), the intersection of _____ and _____ (Augusta Township), the intersection of _____ and _____ (Augusta Township) and the intersection of _____ and _____ (Edwardsburgh Cardinal). The medium sized station will be located at the intersection of _____ and _____ (Edwardsburgh Cardinal).

	The approximate length and size of the distribution pipelines required: <table><tr><td>Pipe Type</td><td>Diameter (NPS)</td><td>Length (m)</td></tr><tr><td>Polyethylene</td><td>2</td><td>26,880</td></tr></table> The approximate length and size of the supply laterals required: <table><tr><td>Pipe Type</td><td>Diameter (NPS)</td><td>Length (m)</td></tr><tr><td>Polyethylene</td><td>4</td><td>3,750</td></tr><tr><td>Steel</td><td>2</td><td>1,050</td></tr><tr><td>Steel</td><td>4</td><td>10,000</td></tr></table> Please refer to Schedules LL1(a) and LL1(b) for Project Maps.	Pipe Type	Diameter (NPS)	Length (m)	Polyethylene	2	26,880	Pipe Type	Diameter (NPS)	Length (m)	Polyethylene	4	3,750	Steel	2	1,050	Steel	4	10,000
Pipe Type	Diameter (NPS)	Length (m)																	
Polyethylene	2	26,880																	
Pipe Type	Diameter (NPS)	Length (m)																	
Polyethylene	4	3,750																	
Steel	2	1,050																	
Steel	4	10,000																	
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 LL2, Table 3.2.																		
3.3	Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default. Please refer to Schedule LL2, Table 3.3.																		

3.4	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. 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. Please refer to Schedule LL3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule LL4 for Proposed Construction Schedule.
3.6 Updated	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. Please refer to Schedules LL5(a) and LL5(b). In May 2020, the Township of Edwardsburgh Cardinal and the Township of Augusta conducted an Expression of Interest Survey of all the residences and businesses along the route of the proposed service expansion. The municipalities have provided Expression of Interest Forms from potential customers located within the area of the proposed project who are interested in switching to natural gas service. Please refer to Schedule LL5(c) and attachments.

3.7 Updated	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. 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. Please refer to Schedule LL6 for Enbridge's CPCNs for the Township of Edwardsburg Cardinal (EB-2007-0768) and the Township of Augusta (EBC 78) which cover the entire area of the proposed project.
Part IV – Cost of Project	
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.
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 LL2, 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 LL2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$19,118,445 Please refer to Schedule LL2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$36,278 Please refer to Schedule LL2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$12.64 Please refer to Schedule LL2, Table 5.3.

Part VI – Distribution Charge	
6.1	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. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule LL2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

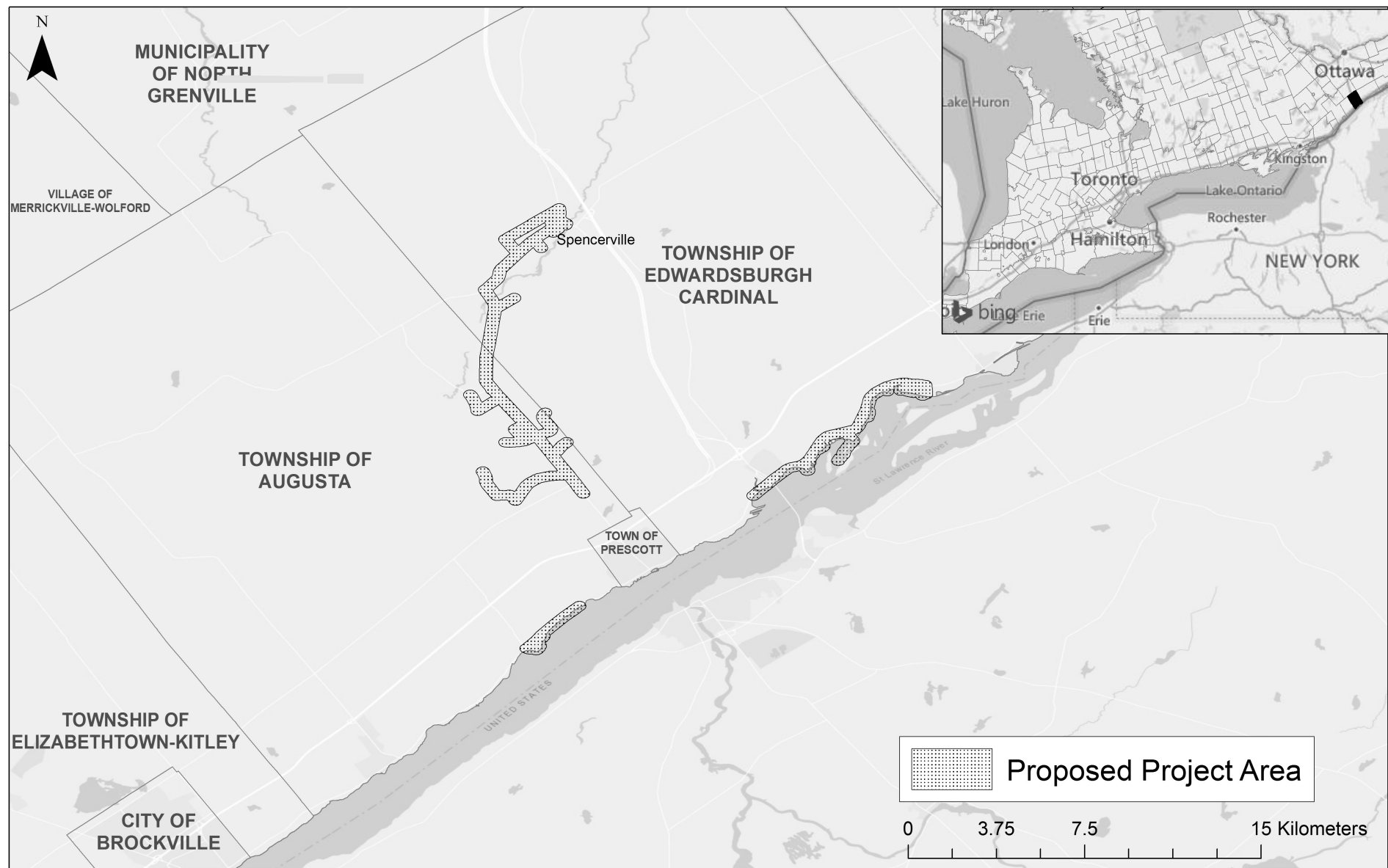
Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support. 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). Please refer to Schedule LL2, Table 7.1.
7.2	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. Please refer to Schedule LL2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process. Please refer to Schedule LL4.

Schedule LL1
Enbridge Gas Community Expansion Project Proposal

Edwardsburgh Cardinal - _____ and Spencerville

Edwardsburgh Cardinal, Augusta and Spencerville



Schedule LL2
Enbridge Gas Community Expansion Project Proposal
Edwardsburgh Cardinal - _____ and Spencerville

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>
	140	113	63	36	33	21	19	21	20	19	485
	-	18	7	2	2	1	1	1	1	1	34
	-	1	-	-	-	-	-	-	-	-	1
	-	4	-	-	-	-	-	-	-	-	4
	-	3	-	-	-	-	-	-	-	-	3
	<u>140</u>	<u>139</u>	<u>70</u>	<u>38</u>	<u>35</u>	<u>22</u>	<u>20</u>	<u>22</u>	<u>21</u>	<u>20</u>	<u>527</u>
	140	279	349	387	422	444	464	486	507	527	

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	147,493	413,943	599,468	703,749	776,396	833,385	875,295	917,205	960,215	1,001,025	7,228,173
Commercial	-	41,000	92,500	105,200	109,600	112,900	115,100	117,300	119,500	121,700	934,800
Institutional	-	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	425,000
Agricultural	-	20,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	340,000
Industrial	-	150,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	2,550,000
Total Volumes	<u>147,493</u>	<u>649,943</u>	<u>1,081,968</u>	<u>1,198,949</u>	<u>1,275,996</u>	<u>1,336,285</u>	<u>1,380,395</u>	<u>1,424,505</u>	<u>1,469,715</u>	<u>1,512,725</u>	<u>11,477,973</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	147,493	561,436	1,160,904	1,864,653	2,641,048	3,474,433	4,349,728	5,266,933	6,227,148	7,228,173	
Commercial	-	41,000	133,500	238,700	348,300	461,200	576,300	693,600	813,100	934,800	
Institutional	-	25,000	75,000	125,000	175,000	225,000	275,000	325,000	375,000	425,000	
Agricultural	-	20,000	60,000	100,000	140,000	180,000	220,000	260,000	300,000	340,000	
Industrial	-	150,000	450,000	750,000	1,050,000	1,350,000	1,650,000	1,950,000	2,250,000	2,550,000	
Total Volumes	<u>147,493</u>	<u>797,436</u>	<u>1,879,404</u>	<u>3,078,353</u>	<u>4,354,348</u>	<u>5,690,633</u>	<u>7,071,028</u>	<u>8,495,533</u>	<u>9,965,248</u>	<u>11,477,973</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	\$ <u>19,118,445</u>
--	----------------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	\$ <u>Year 10</u> <u>36,278</u>
---	--

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)	\$ <u>Year 10</u> <u>12.64</u>
---	---

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	31,833	111,309	175,164	200,006	216,617	229,600	239,137	248,674	258,443	267,748	\$ 1,978,531
SES Revenue		33,923	149,487	248,853	275,758	293,479	307,346	317,491	327,636	338,034	347,927	2,639,934
Total Distribution Charge	\$	<u>65,756</u>	<u>260,796</u>	<u>424,017</u>	<u>475,764</u>	<u>510,096</u>	<u>536,945</u>	<u>556,628</u>	<u>576,310</u>	<u>596,477</u>	<u>615,675</u>	<u>\$ 4,618,465</u>

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

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

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

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

Schedule LL3
Enbridge Gas Community Expansion Project Proposal

Edwardsburgh Cardinal - _____ and Spencerville

Section 3.4 Edwardsburgh Cardinal - _____ and Spencerville

Total Forecasted Customers

527

Penetration Rate

82%

EB-2019-0255
Schedule LL3
Redacted

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	46	9%	\$ 5,000	\$ 2,787	\$ 1,495	\$ 1,292	\$ 59,731	6.6	-2.4	303	(112)
Electricity F/A	9	2%	\$ 5,000	\$ 1,998	\$ 1,495	\$ 503	\$ 4,649	0.5	3.6	5	33
Electricity Baseboard	28	5%	\$ 12,000	\$ 1,998	\$ 1,495	\$ 503	\$ 13,948	0.5	3.6	15	100
Propane	398	75%	\$ 600	\$ 1,611	\$ 1,495	\$ 116	\$ 46,222	5.1	-1.0	2,030	(390)
Wood	0	0%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	46	9%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	527	100%	\$ 31,100	\$ 8,395	\$ 5,981	\$ 2,414	\$ 124,550	12.7	3.8	2,352	(370)

¹ Based on completed Market Research for this community. Fuel percentages may not add up to 100% due to rounding error.

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule LL4
Enbridge Gas Community Expansion Project Proposal
Edwardsburgh Cardinal - _____ and Spencerville

[illegible]

Schedule LL5
Enbridge Gas Community Expansion Project Proposal

Edwardsburgh Cardinal - _____ and Spencerville



EDWARDSBURGH CARDINAL

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K0E 1X0

March 2, 2020

Luke Skaarup
Director, Northern Region Operations
Enbridge Gas Inc.
36 Charles St.
North Bay, ON
P1B 8K7

RE: Natural Gas Expansion Program Update

Dear Mr. Skaarup,

Thank you for your letter dated February 24, 2020 concerning the December 2019 Government of Ontario announcement with respect to the next steps in the Ontario natural gas expansion/extension program.

The Township of Edwardsburgh Cardinal has been following this program closely and we have been working for the past four years with our previous franchise partner, Union Gas, to extend natural gas services to our residents on [REDACTED] and in the Village of Spencerville ([REDACTED] Spencerville project).

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

On behalf of the Township of Edwardsburgh Cardinal, I would like to formally express our interest to have the [REDACTED]/Spencerville Project included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Program.

Based on the draft guidelines issued by the OEB (EB-2019-0255) we are aware that Enbridge Gas may be required to include support for our proposed project. Please find enclosed our Council Resolution No: 2017-208, passed on June 26, 2017, wherein our Council agrees to making a financial contribution towards the proposed project in an amount equivalent to the property tax that would be recovered on the new natural gas infrastructure for a minimum of a ten (10) year period.



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18 Centre St.

Spencerville, Ontario

K0E 1X0

We are prepared to update this Council commitment, if required, as the present Township Council continues to support both the project scope and our financial contribution.

Your letter also outlines the anticipated submission requirements which may be required.

We believe all pertinent submission requirements for the [REDACTED] Spencerville project are available in the Kingston Office.

The full details for the [REDACTED] Spencerville project have been assembled as a result of our work with Peter Siemonsen, who has been extremely helpful during the past four years through his numerous local meetings and suggestions as we worked with Union Gas to prepare our Joint Submission under the previous Ontario Natural Gas Grant Program.

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

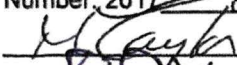
Sincerely,

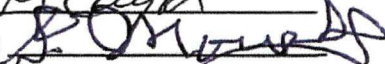
Pat Sayeau, Mayor
Township of Edwardsburgh Cardinal

TOWNSHIP OF EDWARDSBURGH CARDINAL

June 26, 2017

Resolution Number: 2017-208

Moved By: 

Seconded By: 

WHEREAS Union Gas is the long-time franchise partner providing natural gas services with the Township of Edwardsburgh/Cardinal under franchise agreements dating back more than twenty (20) years with the former Village of Cardinal and the former Township of Edwardsburgh; and

WHEREAS Union gas has previously explored expansion projects within the Township () and found them to lack public acceptance under the previous regulatory regime which required exorbitant up-front contributions to capital from prospective new subscribers; and

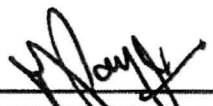
WHEREAS the Township of Edwardsburgh/Cardinal has supported the Union Gas application to the Ontario Energy Board (OEB) for changes to the regulatory regime by means of council resolutions and a presentation at the April 2016 OEB hearings; and

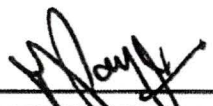
WHEREAS the OEB has ordered changes to the regulatory regime which will both stimulate and enable the expansion and extension of natural gas service throughout rural Ontario; and

WHEREAS the Ontario Provincial government has announced the availability of grant funding to assist with the capital cost financing of expansion projects in rural Ontario; and

WHEREAS access to natural gas infrastructure is limited in parts of the Township of Edwardsburgh/Cardinal and increased access will provided more affordable and reliable energy; and

☒ Carried ☐ Defeated ☒ Unanimous

Mayor: 

RECORDED VOTE REQUESTED BY: 

NAME	YEA	NAY
Councillor M. Barrett		
Councillor G. Morrell		
Councillor K. Smail		
Deputy Mayor P. Taylor		
Mayor Sayeau		
TOTAL		

TOWNSHIP OF EDWARDSBURGH CARDINAL

June 26, 2017

Resolution Number: 2017

Moved By: 

Seconded By: 

WHEREAS expanding access to natural gas within the Township of Edwardsburgh/Cardinal is a key strategic priority supported by council; and

WHEREAS access to natural gas for residents, farms and business will provide an economic advantage; and

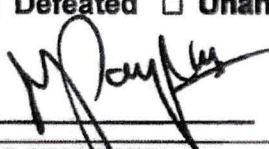
WHEREAS natural gas access can provide residents on higher-emitting fuels with a lower carbon energy source that will help reduce greenhouse gas emissions;

THEREFORE BE IT RESOLVED THAT the Council of the Township of Edwardsburgh/Cardinal formally support an application submitted by Union Gas to the Government of Ontario, for a grant from the provincial Natural Gas Grant Program, to expand the natural gas infrastructure system to service unserved areas of Spencerville and [REDACTED] within the Township of Edwardsburgh/Cardinal; and further

THAT Council of the Township of Edwardsburgh/Cardinal supports making a financial contribution towards the proposed project in an amount equivalent to the property tax that would be recovered on the new natural gas infrastructure for a minimum ten (10) year period as per the natural gas grant program requirements; and further

THAT a copy of this resolution be forwarded along with the Union Gas application to Ontario's Natural Gas Grant Program Premier of Ontario, Ontario Minister of Energy, Ontario Energy Board, Union Gas, and the Township of Augusta.

☒ Carried ☐ Defeated ☒ Unanimous

Mayor: 

RECORDED VOTE REQUESTED BY: _____

NAME	YEA	NAY
Councillor M. Barrett		
Councillor G. Morrell		
Councillor K. Smail		
Deputy Mayor P. Taylor		
Mayor Sayeau		
TOTAL		



June 17th, 2020

Luke Skaarup, Director
Northern Region Operations
Enbridge Gas Inc.
36 Charles St,
North Bay, Ont.
P1B 8K7
By Purolator & Email

RE: Township of Augusta: Natural Gas Extension/Expansion Project

Dear Mr. Skaarup;

On March 4, 2020, the Township of Augusta re-submitted its support for the Extension/Expansion Project (prepared by our former franchise partner Union Gas) to your office in response to your Feb 24, 2020, request for submissions (copy enclosed). We understand that Enbridge Gas has, or will soon be, submitting project proposals to the Ontario Energy Board for their assessment prior to sending a report on future expansion projects to the Minister of Energy, Northern Development and Mines in October. I would like to formally express our support to have the Township of Augusta expansion project included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board.

The Augusta portion of the project calls for extension/expansion of natural gas service to a section of [REDACTED] & a section of [REDACTED]
[REDACTED]
Edwardsburgh-Cardinal Township (EC) Line.

We are pleased to have worked with the Township of Edwardsburgh-Cardinal (EC) on the [REDACTED] and Augusta Township [REDACTED] section of the proposed expansion/extension project. This is because the EC project commences on the section of the [REDACTED] that belongs to that Municipality and EC proceeds to the Village of Spencerville via [REDACTED]. As a result, the proposed expansion of natural gas service will benefit both our Municipalities. In addition, the Township of Augusta is looking to attract industrial, commercial and residential development on [REDACTED] just north of the Town of Prescott and is currently exploring possibilities with the Town of Prescott to work as partners in this



regard. So, in fact, the proposed expansion of natural gas service on [REDACTED] has the likelihood of benefiting all three municipalities.

We also have worked with EC to conduct an Expression of Interest Survey of all residences and businesses along the proposed new route to be serviced. On May 21st, 2020 our staff distributed door-to-door some 430 Information Packages and Expression of Interest Forms (enclosed) and where possible spoke to the residents about the project submission, asking that the Expression of Interest Forms be returned to the Township Office. Feedback I have personally received as Mayor has been that survey forms were not received because past efforts have failed and they doubted that the project would gain final approval. That skepticism along with the tight timeframe for responding was no doubt a factor on return rates.

[REDACTED]
[REDACTED] We believe that more customers will be attracted and interested in switching to Natural Gas once the project is finally approved and under construction and your sales team can provide connection cost details.

Finally, on June 15th, 2020 Augusta Township Council passed a motion (enclosed) that: reaffirms Council's support of the Enbridge Gas application for the natural gas expansion/extension project for the two suggested lines under municipal jurisdiction addressed by the proposal in the Township of Augusta; reaffirms the Township will make a financial contribution to the natural gas expansion project that is approved by the Ontario Energy Board. The contribution will be, equivalent to the property tax that would be recovered on the new natural gas infrastructure being built for a period of 10 years beginning from the time that property taxes first become due; and that this resolution be forwarded to Enbridge to be included with the application to the Ontario Energy Board and MPP Clark.



I wish to thank Enbridge Gas for its efforts in submitting our expansion projects to the Ontario Energy Board and the Ministry of Energy, Northern Development and Mines with whom we have already held several meetings in previous years and as recently as this past January. A positive result promises to benefit three neighbouring municipalities in this region.

Sincerely,

Doug Malanka, Mayor
Township of Augusta

Enclosed:

March 4, 2020 Letter to Mr. Skaarup;
Information Packages and Expression of Interest Forms;
Resolution passed by Council on June 15, 2020
90 Expression of Interest Forms

cc. Sonia Fazari
Hon Steve Clark, MPP
Mayor Doug Malanka

TOWNSHIP OF AUGUSTA

Moved By: Councillor Bowman

Date: June 15, 2020

Seconded By: Jeff Shaver

Resolution No. 11a

WHEREAS on June 26, 2017 the previous Council expressed their support for the Natural Gas Expansion Project; and

WHEREAS in 2020, Augusta Township has worked with Edwardsburgh Cardinal to include an additional line request; and

WHEREAS the submission request now includes a new line from the Enbridge Substation to include [REDACTED] and adjoining roads up to and including [REDACTED] to Edwardsburgh Cardinal township as an additional component as well as [REDACTED] from [REDACTED] and

WHEREAS an Express of Interest (EOI) survey was delivered to residents in the affected areas; and

WHEREAS 89 EOI surveys were submitted to the Township; and

WHEREAS the current Council is desirous to reaffirm the municipalities support; and

BE IT RESOLVED THAT Council Supports the Enbridge Gas application for the natural gas expansion/extension project for the two suggested lines under municipal jurisdiction addressed by the proposal in the Township of Augusta.

BE IT FURTHER RESOLVED THAT Council reaffirms the Township will make a financial contribution to the natural gas expansion project that is approved by the Ontario Energy Board. The contribution will be, equivalent to the property tax that would be recovered on the new natural gas infrastructure being built for a period of 10 years beginning from the time that property taxes first become due; and

THAT this resolution be forwarded to Enbridge to be included with the application to the Ontario Energy Board and MPP Clark.

RECORDED VOTE:

	FOR	AGAINST
Councillor Bowman	☒	☐
Councillor Henry	☒	☐
Mayor Malanka	☒	☐
Councillor Schapelhouman	☒	☐
Deputy Mayor Shaver	☒	☐

CARRIED By a majority of the Council
Mayor

DEFEATED _____
Mayor

Declaration of pecuniary interest by: _____

Nature of interest: _____

- ☐ Disclosed His/Her/Their Interest
- ☐ Vacated His/Her/Their Seat
- ☐ Abstained from discussion & did not vote on the question



EDWARDSBURGH CARDINAL

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June 9, 2020

Luke Skaarup, Director
Northern Region Operations
Enbridge Gas Inc.
36 Charles St.,
North Bay, Ont.,
P1B 8K7

By Purolator & Email

RE: Township of Edwardsburgh Cardinal: Natural Gas Extension/Expansion Project

Dear Mr. Skaarup;

On March 2, 2020 the Township of Edwardsburgh Cardinal re-submitted our support for the "[REDACTED]/Village of Spencerville" Natural Gas Extension/Expansion Project (prepared by our former franchise partner Union Gas) to your office in response to your Feb 24, 2020 request for submissions.

We understand that Enbridge Gas has, or will soon be, submitting project proposals to the Ontario Energy Board for their assessment prior to sending a report on future expansion projects to the Minister of Energy, Northern Development and Mines in October. I would like to formally express our support to have the Township of Edwardsburgh Cardinal "[REDACTED] Spencerville" expansion project included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board.

The Township Edwardsburgh Cardinal "[REDACTED] Spencerville" project consists of two components that will:

1. Fill-in the service gap on [REDACTED] on; and
2. Bring natural gas service to the Village of Spencerville via a new line from [REDACTED]

We are pleased to have worked with Augusta Township on the [REDACTED] section of our project which passes through Augusta and to support the Augusta residents living on [REDACTED] and the adjoining roads. Many of the Augusta residents have submitted Expressions of Interest directly to the Augusta Township office and Mayor Malanka.



EDWARDSBURGH CARDINAL

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K0E 1X0

As a result of our previous work with Union Gas we know that the Engineering Design and Preliminary Cost Estimates for our two-component project have been completed and are believed to be current. All details on file at the Kingston office.

We have worked with Augusta Township to conduct an Expression of Interest Survey of all the residences and businesses along the new route to be serviced. During the period of May 14-22 our councillors and volunteers distributed door-to-door some 430 Information Packages and Expression of Interest Forms and where possible spoke to the residents about the project submission, asking that the Expression of Interest Forms be returned to the Township Office. While our volunteers were greeted with enthusiasm and eagerness at most doors, many others expressed doubts and reservations that the project would gain final approval with the result that skepticism was our most serious obstacle to a higher form return rate.

[REDACTED]
[REDACTED]
[REDACTED] We believe that more customers will be attracted and interested in switching to Natural Gas once the project is finally approved and under construction and your sales team can provide connection cost details.

We look forward to having the Township of Edwardsburgh Cardinal "[REDACTED] /Spencerville" expansion project submitted to the Ontario Energy Board and then to the Ministry of Energy, Northern Development and Mines with whom we have already held several meetings in previous years and as recently as this past January.

We believe that we have built considerable support in all quarters for the "[REDACTED] /Spencerville" expansion project.

Yours truly,

Patrick Sayeau, Mayor
Township of Edwardsburgh Cardinal

Cc: Sonia Fazari
Hon Steve Clark, MPP
Mayor Doug Malanka

Enclosed: March 2, 2020 Letter to Mr. Skaarup



EDWARDSBURGH CARDINAL

Phone: 613-658-3055
Fax: 613-658-3445
Toll Free: 866-848-9099
E-mail: mail@twpec.ca

P.O. Box 129,
18 Centre St.
Spencerville, Ontario
K0E 1X0

March 2, 2020

Luke Skaarup
Director, Northern Region Operations
Enbridge Gas Inc.
36 Charles St.
North Bay, ON
P1B 8K7

RE: Natural Gas Expansion Program Update

Dear Mr. Skaarup,

Thank you for your letter dated February 24, 2020 concerning the December 2019 Government of Ontario announcement with respect to the next steps in the Ontario natural gas expansion/extension program.

The Township of Edwardsburgh Cardinal has been following this program closely and we have been working for the past four years with our previous franchise partner, Union Gas, to extend natural gas services to our residents on [REDACTED] and in the Village of Spencerville ([REDACTED]/Spencerville project).

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

On behalf of the Township of Edwardsburgh Cardinal, I would like to formally express our interest to have the [REDACTED] Spencerville Project included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Program.

Based on the draft guidelines issued by the OEB (EB-2019-0255) we are aware that Enbridge Gas may be required to include support for our proposed project. Please find enclosed our Council Resolution No: 2017-208, passed on June 26, 2017, wherein our Council agrees to making a financial contribution towards the proposed project in an amount equivalent to the property tax that would be recovered on the new natural gas infrastructure for a minimum of a ten (10) year period.



EDWARDSBURGH CARDINAL

Phone: 613-658-3055
Fax: 613-658-3445
Toll Free: 866-848-9099
E-mail: mail@twpec.ca

P.O. Box 129,
18 Centre St.
Spencerville, Ontario
K0E 1X0

We are prepared to update this Council commitment, if required, as the present Township Council continues to support both the project scope and our financial contribution.

Your letter also outlines the anticipated submission requirements which may be required.

We believe all pertinent submission requirements for the [REDACTED] Spencerville project are available in the Kingston Office.

The full details for the [REDACTED] Spencerville project have been assembled as a result of our work with Peter Siemonsen, who has been extremely helpful during the past four years through his numerous local meetings and suggestions as we worked with Union Gas to prepare our Joint Submission under the previous Ontario Natural Gas Grant Program.

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

Sincerely,

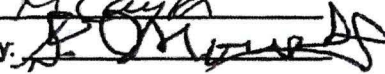
Pat Sayeau, Mayor
Township of Edwardsburgh Cardinal

TOWNSHIP OF EDWARDSBURGH CARDINAL

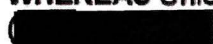
June 26, 2017

Resolution Number: 2017-2086

Moved By: 

Seconded By: 

WHEREAS Union Gas is the long-time franchise partner providing natural gas services with the Township of Edwardsburgh/Cardinal under franchise agreements dating back more than twenty (20) years with the former Village of Cardinal and the former Township of Edwardsburgh; and

WHEREAS Union gas has previously explored expansion projects within the Township  and found them to lack public acceptance under the previous regulatory regime which required exorbitant up-front contributions to capital from prospective new subscribers; and

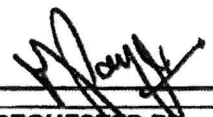
WHEREAS the Township of Edwardsburgh/Cardinal has supported the Union Gas application to the Ontario Energy Board (OEB) for changes to the regulatory regime by means of council resolutions and a presentation at the April 2016 OEB hearings; and

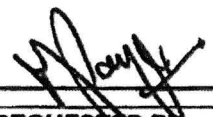
WHEREAS the OEB has ordered changes to the regulatory regime which will both stimulate and enable the expansion and extension of natural gas service throughout rural Ontario; and

WHEREAS the Ontario Provincial government has announced the availability of grant funding to assist with the capital cost financing of expansion projects in rural Ontario; and

WHEREAS access to natural gas infrastructure is limited in parts of the Township of Edwardsburgh/Cardinal and increased access will provided more affordable and reliable energy; and

☒ Carried ☐ Defeated ☒ Unanimous

Mayor: 

RECORDED VOTE REQUESTED BY: 

NAME	YEA	NAY
Councillor M. Barrett		
Councillor G. Morrell		
Councillor K. Smail		
Deputy Mayor P. Taylor		
Mayor Sayeau		
TOTAL		

TOWNSHIP OF EDWARDSBURGH CARDINAL

June 28, 2017

Resolution Number: 2017

Moved By: _____

Seconded By: _____

WHEREAS expanding access to natural gas within the Township of Edwardsburgh/Cardinal is a key strategic priority supported by council; and

WHEREAS access to natural gas for residents, farms and business will provide an economic advantage; and

WHEREAS natural gas access can provide residents on higher-emitting fuels with a lower carbon energy source that will help reduce greenhouse gas emissions;

THEREFORE BE IT RESOLVED THAT the Council of the Township of Edwardsburgh/Cardinal formally support an application submitted by Union Gas to the Government of Ontario, for a grant from the provincial Natural Gas Grant Program, to expand the natural gas infrastructure system to service unserved areas of Spencerville and _____) within the Township of Edwardsburgh/Cardinal; and further

THAT Council of the Township of Edwardsburgh/Cardinal supports making a financial contribution towards the proposed project in an amount equivalent to the property tax that would be recovered on the new natural gas infrastructure for a minimum ten (10) year period as per the natural gas grant program requirements; and further

THAT a copy of this resolution be forwarded along with the Union Gas application to Ontario's Natural Gas Grant Program Premier of Ontario, Ontario Minister of Energy, Ontario Energy Board, Union Gas, and the Township of Augusta.

☒ Carried ☐ Defeated ☒ Unanimous

Mayor: _____

RECORDED VOTE REQUESTED BY: _____

NAME	YEA	NAY
Councillor M. Barrett		
Councillor G. Morrell		
Councillor K. Small		
Deputy Mayor P. Taylor		
Mayor Sayeau		
TOTAL		

Schedule LL6
Enbridge Gas Community Expansion Project Proposal
Edwardsburgh Cardinal - _____ and Spencerville

EB-2007-0768

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Distribution Inc.

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

Township of Edwardsburgh/Cardinal

This certificate replaces the certificates or portions of certificates associated with the former entities that are now within the Township of Edwardsburgh/Cardinal.

DATED at Toronto, December 17, 2007

ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

ONTARIO ENERGY BOARD

IN THE MATTER OF The Municipal Franchises
Act, R.S.O. 1960, Chapter 255, Section 8
and amendments thereto;

EB-2019-0255
Schedule LL6(b)

AND IN THE MATTER OF an Application by
Northern and Central Gas Corporation
Limited for a certificate of public
convenience and necessity to construct
works to supply gas and to supply gas to
the inhabitants of the Township of
Augusta.

BEFORE:

A. R. CROZIER, Chairman	)	
	)	WEDNESDAY, the 14th
A. B. JACKSON, Vice-Chairman	)	
	)	day of May, 1969.
I. C. MacNABB, Vice-Chairman	)	

CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

UPON THE APPLICATION of Northern and Central Gas Corporation Limited, hereinafter referred to as the "Applicant" for a Certificate pursuant to the provisions of The Municipal Franchises Act, R.S.O. 1960, Chapter 255, Section 8 and amendments thereto, after notice being duly given to the parties interested as directed by the Board and the matter coming on for hearing before the Board on the 14th day of May, 1969, at the offices of the Board in Toronto, Ontario, in the presence of Counsel for the applicant, no-one appearing for the Township, and upon hearing read the application and the proof of service thereof and upon hearing the evidence adduced and upon hearing Counsel aforesaid;

1. THIS BOARD DOTH ORDER that a Certificate of public convenience and necessity be and the same is hereby granted to Northern and Central Gas Corporation Limited for the supply of natural gas to the inhabitants of the Township of Augusta and for the construction of the works necessary therefor;

2. AND THIS BOARD DOTH FURTHER ORDER that the Certificate of Public Convenience and Necessity (F.B.C. No. 113) granted to Augusta Natural Gas Limited be withdrawn in accordance with a letter of consent to such withdrawal received by the Board from Augusta Natural Gas Limited and dated May 13th, 1969.

3. AND THIS BOARD DOTH FURTHER ORDER that the Certificate of Public Convenience and Necessity (F.B.C. No. 296) granted to Lakeland Natural Gas Limited be merged with the Certificate of Public Convenience and Necessity herewith granted.

4. AND THIS BOARD DOTH FURTHER ORDER that the Certificate of Public Convenience and Necessity herewith granted shall have effect from the 1st day of April, 1969.

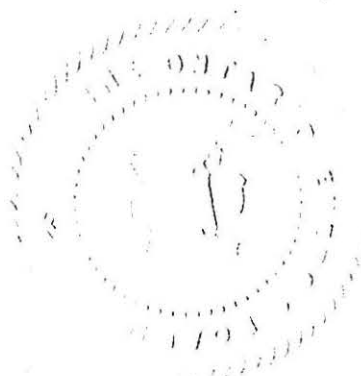
5. AND THIS BOARD DOTH FURTHER ORDER that the Certificate of Public Convenience and Necessity hereby granted may be assigned by Northern and Central Gas Corporation Limited to Montreal Trust Company, the trustee under the deed of trust and mortgage, dated as of June 1, 1958 as amended, made between Northern and Central Gas Corporation Limited and Montreal Trust Company, as trustee and to such person, firm or corporation to whom Montreal Trust Company, as trustee, may assign such Certificate in execution of the trusts under the said deed of trust and mortgage, together with, in each case, all rights and powers, statutory or otherwise, which flow from or are evidenced by such Certificate.

6. AND THIS BOARD DOTH FURTHER ORDER that the costs of this hearing are fixed at ^{\$100.00} ~~\$50.00~~ and shall be paid forthwith by the Applicant to the Board.

DATED at Toronto, this 23rd day of June, 1969.

ONTARIO ENERGY BOARD

Geoff. A. Kales
Secretary



ONTARIO ENERGY BOARD

IN THE MATTER OF The Municipal
Franchises Act, R.S.O. 1960, Chapter
255, Section 8 and amendments thereto;

AND IN THE MATTER OF an Application
by Northern and Central Gas Corporation
Limited for a certificate of public
convenience and necessity to construct
works to supply gas and to supply gas
to the inhabitants of the Township of
Augusta.

C E R T I F I C A T E

Northern and Central Gas Corporation
Limited,
4600 Toronto-Dominion Centre, Toronto,
Ontario.

Schedule MM
Enbridge Gas Community Expansion Project Proposal
Forest Harbour (Tay Township)

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

3.1

Redacted

Enbridge Gas is proposing to serve the community of Forest Harbour located within Tay Township. The proposed facilities will provide access to natural gas to a forecasted 196 customers (165 residential, 27 commercial / institutional and 4 industrial).

[illegible]

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Steel	4	2500

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	10,500
Polyethylene	4	10,600
Polyethylene	6	11,300

Please refer to Schedule MM1 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 MM2, Table 3.2.

3.3	Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default. Please refer to Schedule MM2, Table 3.3.
3.4	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. 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. Please refer to Schedule MM3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule MM4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule MM5.

3.7	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. 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. Please refer to Schedule MM6 for Enbridge's CPCN for the Township of Tay (EB-2018-0127) which covers the entire area of the proposed project.
Part IV – Cost of Project	
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.
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 MM2, 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 MM2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$16,551,839 Please refer to Schedule MM2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$84,448 Please refer to Schedule MM2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$17.84 Please refer to Schedule MM2, Table 5.3.

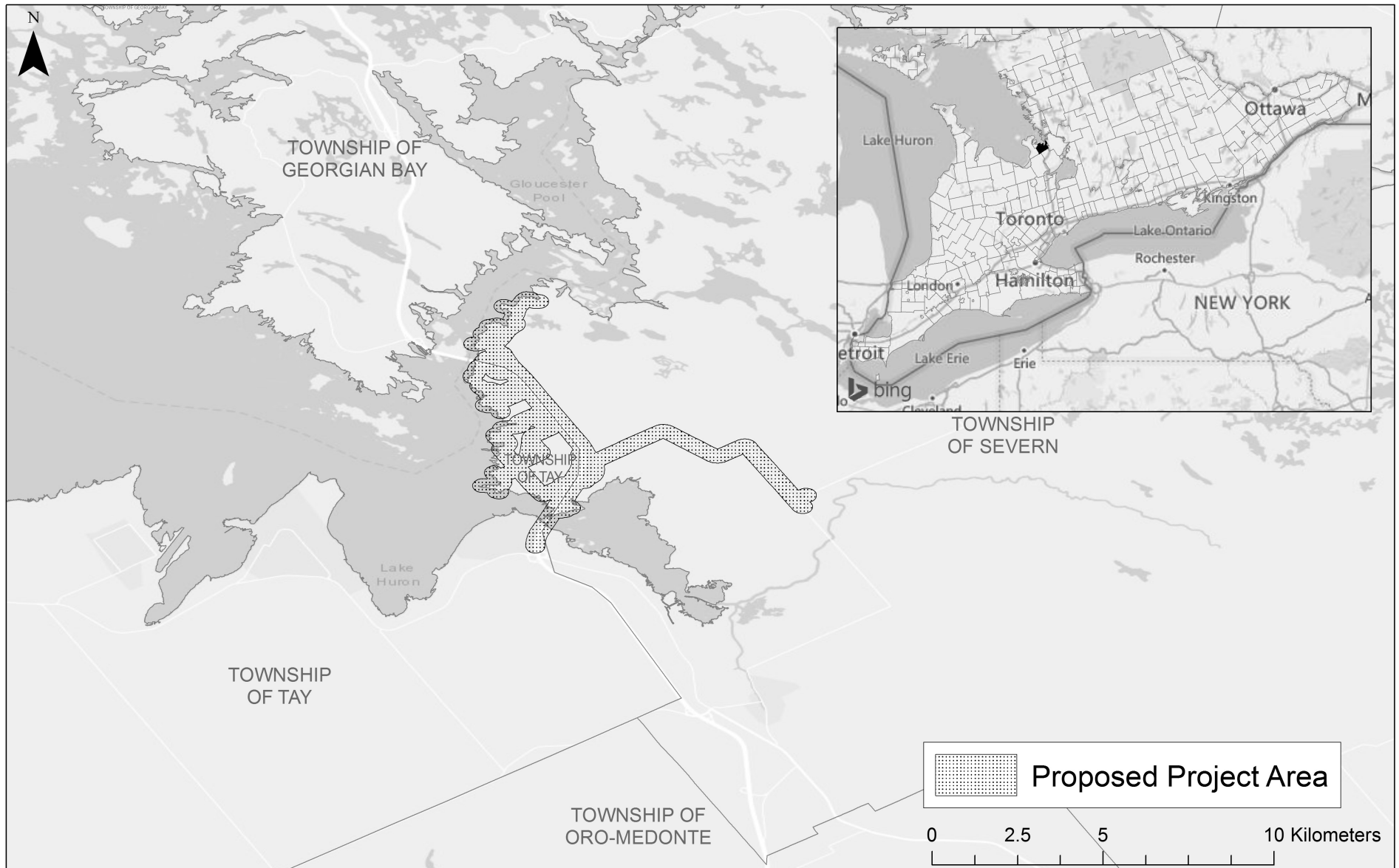
Part VI – Distribution Charge	
6.1	Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule MM2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule MM2, Table 7.1.
7.2	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. Please refer to Schedule MM2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process. Please refer to Schedule MM4.

Schedule MM1
Enbridge Gas Community Expansion Project Proposal
Forest Harbour (Tay Township)

Forest Harbour (Tay Township)



Schedule MM2
Enbridge Gas Community Expansion Project Proposal
Forest Harbour (Tay Township)

Table 3.2 - Customer Attachments Over The Rate Stability Period

<u>Customer Type</u>	<u>Firm / IT</u>	<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
Residential	Firm		45	40	15	11	8	10	9	10	9	8	165
Commercial	Firm		-	16	6	2	2	-	-	-	-	-	26
Institutional	Firm		-	-	-	-	-	-	-	-	-	-	-
Agricultural	Firm		-	1	-	-	-	-	-	-	-	-	1
Industrial	Firm		-	2	1	1	-	-	-	-	-	-	4
Total Customers			<u>45</u>	<u>59</u>	<u>22</u>	<u>14</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>10</u>	<u>9</u>	<u>8</u>	<u>196</u>
Cumulative Customers			45	104	126	140	150	160	169	179	188	196	

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

<u>Customer Type</u>	<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	Annual Volumes - m3						<u>10</u>	<u>Total</u>
Residential		54,000	156,000	222,000	253,200	276,000	297,600	320,400	343,200	366,000	386,400	2,674,800	
Commercial		-	42,100	100,300	120,100	127,500	131,200	131,200	131,200	131,200	131,200	1,046,000	
Institutional		-	-	-	-	-	-	-	-	-	-	-	-
Agricultural		-	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	85,000	
Industrial		-	100,000	250,000	350,000	400,000	400,000	400,000	400,000	400,000	400,000	3,100,000	
Total Volumes		<u>54,000</u>	<u>303,100</u>	<u>582,300</u>	<u>733,300</u>	<u>813,500</u>	<u>838,800</u>	<u>861,600</u>	<u>884,400</u>	<u>907,200</u>	<u>927,600</u>	<u>6,905,800</u>	

<u>Customer Type</u>	<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	Cumulative Volumes - m3						<u>10</u>	
Residential		54,000	210,000	432,000	685,200	961,200	1,258,800	1,579,200	1,922,400	2,288,400	2,674,800		
Commercial		-	42,100	142,400	262,500	390,000	521,200	652,400	783,600	914,800	1,046,000		
Institutional		-	-	-	-	-	-	-	-	-	-		
Agricultural		-	5,000	15,000	25,000	35,000	45,000	55,000	65,000	75,000	85,000		
Industrial		-	100,000	350,000	700,000	1,100,000	1,500,000	1,900,000	2,300,000	2,700,000	3,100,000		
Total Volumes		<u>54,000</u>	<u>357,100</u>	<u>939,400</u>	<u>1,672,700</u>	<u>2,486,200</u>	<u>3,325,000</u>	<u>4,186,600</u>	<u>5,071,000</u>	<u>5,978,200</u>	<u>6,905,800</u>		

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

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

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												

	<u>Year 10</u>
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

\$16,551,839

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$84,448

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

Section 36.2 Funding Amount Per Volume (m3)

Year 10

\$17.84

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	9,462	43,051	76,588	91,985	100,794	105,721	109,716	113,711	117,706	121,281	\$890,014
SES Revenue		12,420	69,713	133,929	168,659	187,105	192,924	198,168	203,412	208,656	213,348	1,588,334
Total Distribution Charge	\$	21,882	112,764	210,517	260,644	287,899	298,645	307,884	317,123	326,362	334,629	\$2,478,348

Table 7.1 - Profitability Index (PI) Inclusive of 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	
Proposed Section 36.2 Funding	
Change in Working Capital	
Total Cash Outflow (D)	
Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D)	1.00

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

	<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 MM3
Enbridge Gas Community Expansion Project Proposal
Forest Harbour (Tay Township)

Section 3.4 Forest Harbour (Tay Township)

Total Forecasted Customers 196 Penetration Rate 65%

	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Existing Fuel / Heating Type											
Oil	41	21%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 64,611	7.2	-2.7	295	(110)
Electricity F/A	18	9%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 12,462	0.6	3.9	10	69
Electricity Baseboard	24	12%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 16,616	0.6	3.9	14	92
Propane	86	44%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 24,434	5.6	-1.1	482	(94)
Wood	18	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	10	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	196	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 118,122	13.9	4.1	801	(43)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule MM4
Enbridge Gas Community Expansion Project Proposal
Forest Harbour (Tay Township)

Forest Harbour (Tay Township) Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule MM5
Enbridge Gas Community Expansion Project Proposal
Forest Harbour (Tay Township)

TAY TOWNSHIP

450 Park Street
PO Box 100
Victoria Harbour, Ontario
L0K 2A0



March 2, 2020

Biké Balkanci
Director, GTA West / Niagara
Enbridge Gas Inc.

via email c/o brenda1.dobrindt@enbridge.com

Dear Biké Balkanci,

Expression of Support for Natural Gas Expansion to the Township of Tay FOREST HARBOUR

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

On behalf of the Township of Tay, I would like to formally express our interest to have Forest Harbour ([REDACTED]) included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Program. I note for clarity that the Township has nominated two projects and is providing a separate letter for each project.

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

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

TAY TOWNSHIP

450 Park Street
PO Box 100
Victoria Harbour, Ontario
L0K 2A0



Sincerely,

A handwritten signature in blue ink that reads 'Ted Walker'.

Mayor Ted Walker
Township of Tay
705-534-7248 x258
twalker@tay.ca

Copy: Mark Wilson, Enbridge
Peter Dance, Director of Public Works

Schedule MM6
Enbridge Gas Community Expansion Project Proposal
Forest Harbour (Tay Township)

EB-2018-0127

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

Enbridge Gas Distribution Inc.

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

Township of Tay

as it is constituted on the date of this Decision and Order.

DATED at Toronto, April 26, 2018

ONTARIO ENERGY BOARD

Pascale Duguay
Manager, Application Policy and Climate Change

Schedule NN
Enbridge Gas Community Expansion Project Proposal
Haldimand Shores (Grafton)

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 serve the community of Haldimand Shores in the Grafton area of the Township of Alnwick/Haldimand. The proposed facilities will provide access to natural gas to a forecasted 109 customers (108 residential and 1 commercial / institutional).

The proposed tie-in of the distribution system is located _____ of Grafton, near the intersection of _____ and _____ into the existing NPS 4 plastic 420 kPa system. This tie-in would bring gas from the existing system in Grafton into Haldimand Shores.

No station work is forecasted until approximately year 5, assuming expected loads materialize.

The distribution system within Haldimand Shores crosses 5 minor waterways / culverts and includes approximately 7.75 km of polyethylene pipe.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	7,250
Polyethylene	4	500

Please refer to Schedule NN1 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 NN2, Table 3.2.

3.3	Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default. Please refer to Schedule NN2, Table 3.3.
3.4	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. 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. Please refer to Schedule NN3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule NN4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule NN5.

3.7	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. 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. Please refer to Schedule NN6 for Enbridge's CPCN for the Township of Alnwick/Haldimand (EB-2008-0088) which covers the entire area of the proposed project.
Part IV – Cost of Project	
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.
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 NN2, 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 NN2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$2,827,923 Please refer to Schedule NN2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$25,944 Please refer to Schedule NN2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$12.13 Please refer to Schedule NN2, Table 5.3.

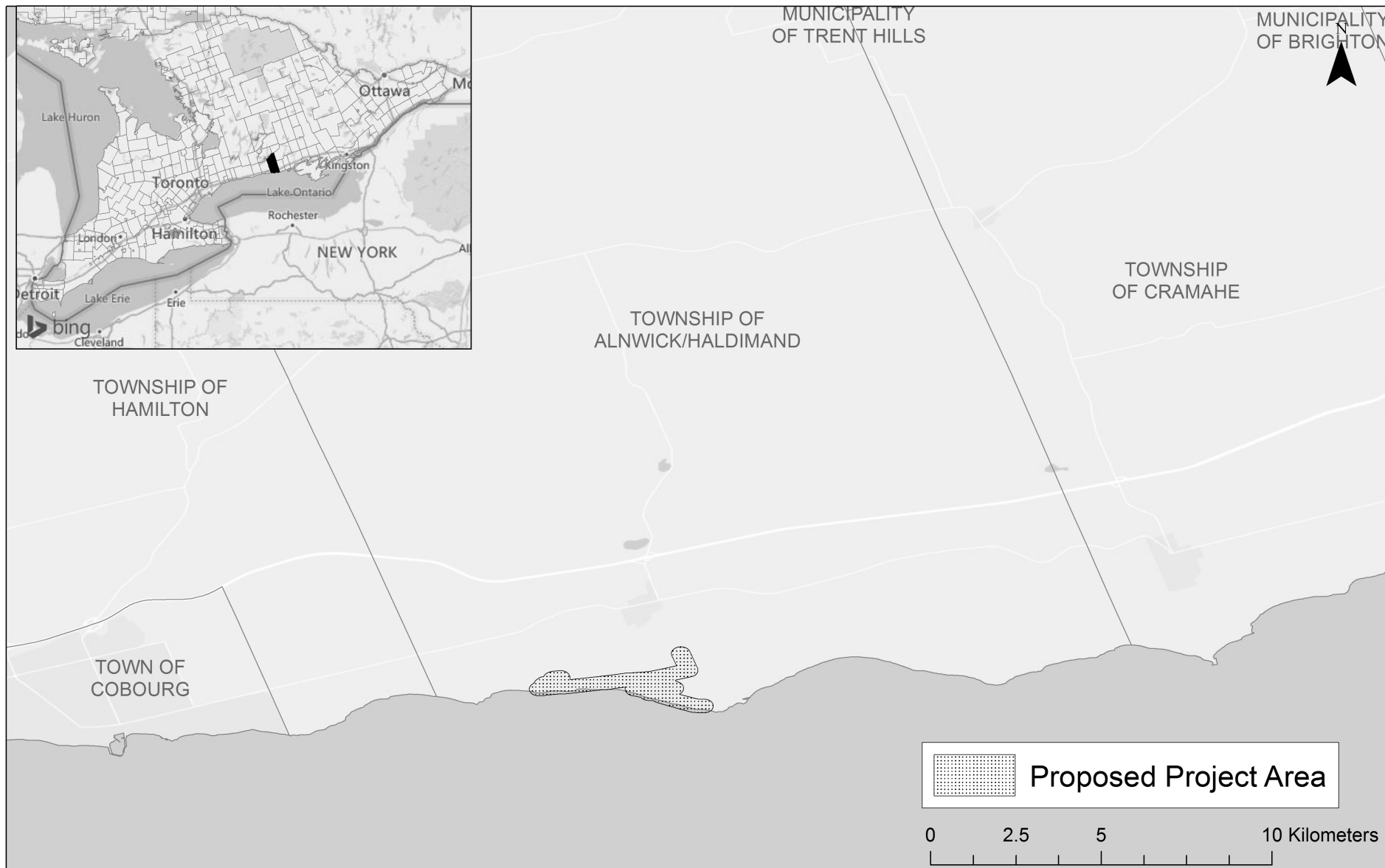
Part VI – Distribution Charge	
6.1	Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule NN2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule NN2, Table 7.1
7.2	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. Please refer to Schedule NN2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process. Please refer to Schedule NN4.

Schedule NN1
Enbridge Gas Community Expansion Project Proposal
Haldimand Shores (Grafton)

Haldimand Shores (Grafton)



Schedule NN2
Enbridge Gas Community Expansion Project Proposal
Haldimand Shores (Grafton)

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>
	29	26	10	7	5	7	6	6	6	6	108
	-	1	-	-	-	-	-	-	-	-	1
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>29</u>	<u>27</u>	<u>10</u>	<u>7</u>	<u>5</u>	<u>7</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>109</u>
	29	56	66	73	78	85	91	97	103	109	

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	31,900	92,400	132,000	150,700	163,900	177,100	191,400	204,600	217,800	231,000	1,592,800
Commercial	-	1,100	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	18,700
Institutional	-	-	-	-	-	-	-	-	-	-	-
Agricultural	-	-	-	-	-	-	-	-	-	-	-
Industrial	-	-	-	-	-	-	-	-	-	-	-
Total Volumes	<u>31,900</u>	<u>93,500</u>	<u>134,200</u>	<u>152,900</u>	<u>166,100</u>	<u>179,300</u>	<u>193,600</u>	<u>206,800</u>	<u>220,000</u>	<u>233,200</u>	<u>1,611,500</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	31,900	124,300	256,300	407,000	570,900	748,000	939,400	1,144,000	1,361,800	1,592,800	
Commercial	-	1,100	3,300	5,500	7,700	9,900	12,100	14,300	16,500	18,700	
Institutional	-	-	-	-	-	-	-	-	-	-	
Agricultural	-	-	-	-	-	-	-	-	-	-	
Industrial	-	-	-	-	-	-	-	-	-	-	
Total Volumes	<u>31,900</u>	<u>125,400</u>	<u>259,600</u>	<u>412,500</u>	<u>578,600</u>	<u>757,900</u>	<u>951,500</u>	<u>1,158,300</u>	<u>1,378,300</u>	<u>1,611,500</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	\$ 2,827,923
--	--------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	<u>Year 10</u> \$ 25,944
---	-----------------------------

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)	<u>Year 10</u> \$ 12.13
---	----------------------------

Table 6.1 - Distribution Charge

	<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
Distribution Revenue	\$	6,718	19,691	28,263	32,201	34,981	37,761	40,773	43,553	46,333	49,112	\$ 339,386
SES Revenue		7,337	21,505	30,866	35,167	38,203	41,239	44,528	47,564	50,600	53,636	370,645
Total Distribution Charge	\$	<u>14,055</u>	<u>41,196</u>	<u>59,129</u>	<u>67,368</u>	<u>73,184</u>	<u>79,000</u>	<u>85,301</u>	<u>91,117</u>	<u>96,933</u>	<u>102,748</u>	<u>\$ 710,031</u>

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

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

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

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

Schedule NN3
Enbridge Gas Community Expansion Project Proposal
Haldimand Shores (Grafton)

Section 3.4 Haldimand Shores

Total Forecasted Customers 109 Penetration Rate 78%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	20	19%	\$ 5,000	\$ 2,787	\$ 1,495	\$ 1,292	\$ 26,407	6.6	-2.4	134	(50)
Electricity F/A	7	6%	\$ 5,000	\$ 1,998	\$ 1,495	\$ 503	\$ 3,426	0.5	3.6	4	24
Electricity Baseboard	3	3%	\$ 12,000	\$ 1,998	\$ 1,495	\$ 503	\$ 1,713	0.5	3.6	2	12
Propane	68	63%	\$ 600	\$ 1,611	\$ 1,495	\$ 116	\$ 7,920	5.1	-1.0	348	(67)
Wood	7	6%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	3	3%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	109	100%	\$ 31,100	\$ 8,395	\$ 5,981	\$ 2,414	\$ 39,466	12.7	3.8	487	(80)

¹ Based on completed Market Research for this community. Fuel percentages may not add up to 100% due to rounding error.

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

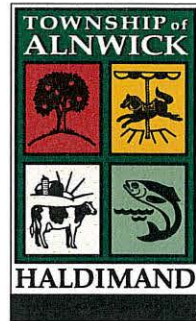
Carbon price is included for all energy types as reported. All costs exclude HST.

Schedule NN4
Enbridge Gas Community Expansion Project Proposal
Haldimand Shores (Grafton)

Haldimand Shores Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule NN5
Enbridge Gas Community Expansion Project Proposal
Haldimand Shores (Grafton)



May 8th, 2020

Enbridge Gas Inc.
Attn: Luke Skaarup, Director, Northern Region Operations
36 Charles Street
North Bay, ON P1B 8K7

Dear Mr. Skaarup,

Re: Expression of Support for Natural Gas Expansion to the Township of Alnwick/Haldimand/Haldimand Shores

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

On behalf of the Township of Alnwick/Haldimand, I would like to formally express our interest to have Haldimand Shores included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Program.

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

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

Sincerely,

A handwritten signature in cursive script, appearing to read "A Smith".

Alexandra Smith
Deputy Clerk
Township of Alnwick/Haldimand
905-349-2822 ext. 25
asmith@ahthwp.ca

Schedule NN6
Enbridge Gas Community Expansion Project Proposal
Haldimand Shores (Grafton)

EB-2008-0088

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

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

Township of Alnwick/Haldimand

This Certificate of Public Convenience and Necessity replaces Certificate F.B.C. 209 for the former Township of Haldimand.

DATED at Toronto, May 30, 2008
ONTARIO ENERGY BOARD

Original Signed By

Neil McKay
Manager, Facilities Applications

Schedule OO
Enbridge Gas Community Expansion Project Proposal
Hornepayne

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 serve the Township of Hornepayne. The proposed facilities will provide access to natural gas to a forecasted 346 customers (302 residential, 33 commercial / institutional and 11 industrial).

The proposed tie-in point will be near the intersection of _____ and _____ connecting to an existing TC Energy pipeline.

The proposed distribution pipeline will consist of 13,000 m of 2" polyethylene pipe, 7,250 m of 2" steel pipe, 1,600 m of 4" polyethylene pipe and 63,500 m of 4" steel pipe.

The proposed distribution system will extend _____ directly along _____ for approximately 63.5 km to the Township of Hornepayne with potential customers attached along the way. In addition, parts of _____, _____, _____, _____, _____ and other nearby locations will be included in the project.

No reinforcement required for the system. Two TC Energy stations are required near the tie-in point.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	13,000
Steel	2	7,250
Polyethylene	4	1,600
Steel	4	63,500

Please refer to Schedule OO1 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 OO2, Table 3.2.

3.3	Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default. Please refer to Schedule OO2, Table 3.3.
3.4	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. 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. Please refer to Schedule OO3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule OO4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule OO5.

3.7	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. 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. Enbridge Gas does not currently have a franchise agreement with nor a Certificate of Public Convenience and Necessity for the Township of Hornepayne. Enbridge Gas does have franchise agreements and CPCNs for adjacent municipalities including the Town of Hearst and the Municipality of Mattice – Val Côté.
Part IV – Cost of Project	
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.
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 OO2, 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 OO2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$49,847,482 Please refer to Schedule OO2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$144,068 Please refer to Schedule OO2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$26.47 Please refer to Schedule OO2, Table 5.3.

Part VI – Distribution Charge	
6.1	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. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule OO2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

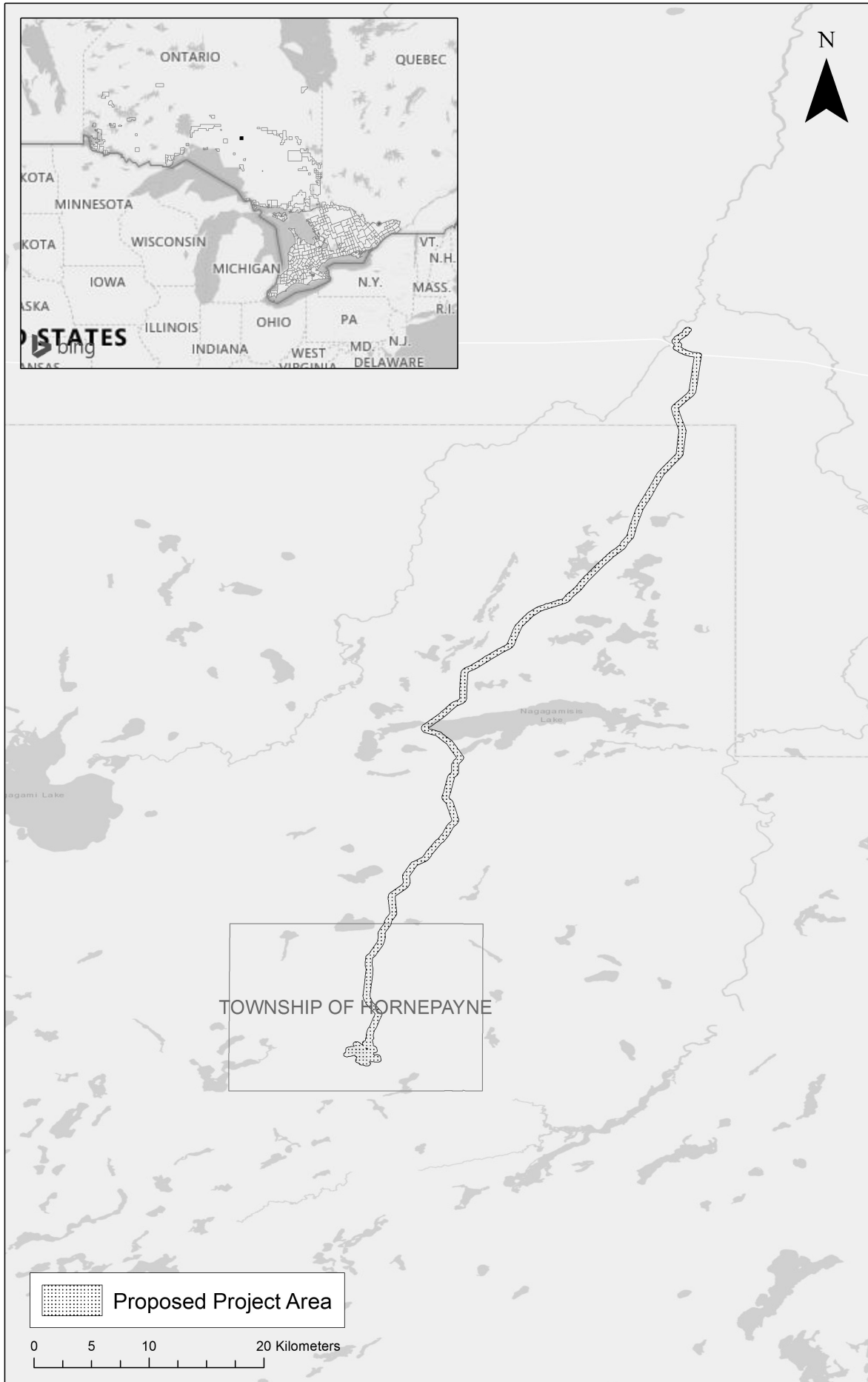
Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support. 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). Please refer to Schedule OO2, Table 7.1.
7.2	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. Please refer to Schedule OO2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct • Franchise Agreement • Certificate of Public Convenience and Necessity • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process. Please refer to Schedule OO4.

Schedule OO1
Enbridge Gas Community Expansion Project Proposal
Hornepayne

Hornepayne

EB-2019-0255
Schedule OO1
Redacted



Schedule OO2
Enbridge Gas Community Expansion Project Proposal
Hornepayne

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>
	90	67	47	24	24	10	10	10	10	10	302
	-	17	7	2	2	1	1	1	1	1	33
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	6	5	-	-	-	-	-	-	-	11
	<u>90</u>	<u>90</u>	<u>59</u>	<u>26</u>	<u>26</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>346</u>
	90	180	239	265	291	302	313	324	335	346	

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	96,757	265,611	388,126	464,303	515,821	552,260	573,619	594,978	616,337	637,696	4,705,505
Commercial	-	39,900	100,600	125,000	132,200	136,900	139,100	141,300	143,500	145,700	1,104,200
Institutional	-	-	-	-	-	-	-	-	-	-	-
Agricultural	-	-	-	-	-	-	-	-	-	-	-
Industrial	-	300,000	850,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	8,850,000
Total Volumes	<u>96,757</u>	<u>605,511</u>	<u>1,338,726</u>	<u>1,689,303</u>	<u>1,748,021</u>	<u>1,789,160</u>	<u>1,812,719</u>	<u>1,836,278</u>	<u>1,859,837</u>	<u>1,883,396</u>	<u>14,659,705</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	96,757	362,367	750,493	1,214,796	1,730,617	2,282,877	2,856,495	3,451,473	4,067,809	4,705,505	
Commercial	-	39,900	140,500	265,500	397,700	534,600	673,700	815,000	958,500	1,104,200	
Institutional	-	-	-	-	-	-	-	-	-	-	
Agricultural	-	-	-	-	-	-	-	-	-	-	
Industrial	-	300,000	1,150,000	2,250,000	3,350,000	4,450,000	5,550,000	6,650,000	7,750,000	8,850,000	
Total Volumes	<u>96,757</u>	<u>702,267</u>	<u>2,040,993</u>	<u>3,730,296</u>	<u>5,478,317</u>	<u>7,267,477</u>	<u>9,080,195</u>	<u>10,916,473</u>	<u>12,776,309</u>	<u>14,659,705</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	\$ 49,847,482
--	---------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	Year 10 \$ 144,068
---	---------------------------------------

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)	Year 10 \$ 26.47
---	-------------------------------------

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	20,644	85,351	162,032	200,738	212,914	221,521	226,559	231,597	236,635	241,672	\$ 1,839,663
SES Revenue		22,254	139,267	307,907	388,540	402,045	411,507	416,925	422,344	427,762	433,181	3,371,732
Total Distribution Charge	\$	<u>42,898</u>	<u>224,619</u>	<u>469,939</u>	<u>589,277</u>	<u>614,959</u>	<u>633,028</u>	<u>643,484</u>	<u>653,941</u>	<u>664,397</u>	<u>674,853</u>	<u>\$ 5,211,395</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 OO3
Enbridge Gas Community Expansion Project Proposal
Hornepayne

Section 3.4 Hornepayne

Total Forecasted Customers 346 Penetration Rate 65%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	73	21%	\$ 5,000	\$ 2,787	\$ 1,460	\$ 1,328	\$ 96,472	6.6	-2.4	476	(177)
Electricity F/A	31	9%	\$ 5,000	\$ 1,998	\$ 1,460	\$ 538	\$ 16,769	0.5	3.6	17	112
Electricity Baseboard	42	12%	\$ 12,000	\$ 1,998	\$ 1,460	\$ 538	\$ 22,358	0.5	3.6	22	149
Propane	152	44%	\$ 600	\$ 1,611	\$ 1,460	\$ 152	\$ 23,124	5.1	-1.0	777	(149)
Wood	31	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	17	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	346	100%	\$ 31,100	\$ 8,395	\$ 5,838	\$ 2,557	\$ 158,723	12.7	3.8	1,292	(65)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule OO4
Enbridge Gas Community Expansion Project Proposal
Hornepayne

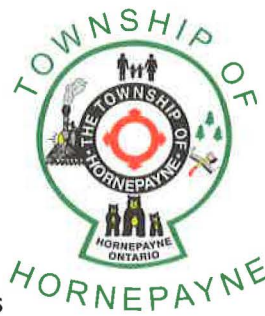
Hornepayne Community Expansion Project Pipeline Construction Schedule

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Schedule OO5
Enbridge Gas Community Expansion Project Proposal
Hornepayne

P.O. BOX 370
68 FRONT STREET
HORNEPAYNE, ONTARIO
P0M 1Z0

TELEPHONE 807-868-2020
FAX No. 1-807-868-2787



March 5th, 2020
Enbridge Gas Inc. Operating as Union Gas
1211 Amber Drive
Thunder Bay, ON
P7B 6M6

Attn: Luke Skaarup, Director
Northern Region Operations

Dear Mr. Skaarup:

Re: Expression of Support for Natural Gas Expansion to the *Township of Hornepayne*

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

On behalf of the *Township of Hornepayne*, I would like to formally express our interest to have natural gas brought to Hornepayne included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Program.

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

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

Please note that should Hornepayne not be a candidate for this project, the Township of Hornepayne would also be interested in pursuing LNG or CNG options if those options become available in our area .

Sincerely,

Gail Jaremy
CAO/Clerk
Township of Hornepayne
(807) 868-2020 x 205
jaremy.hpayne@bellnet.ca

Schedule PP
Enbridge Gas Community Expansion Project Proposal
Laurentian Valley

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

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

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

Part II – Description of Proponent’s Technical Expertise and Financial Capability	
2.1	Describe the proponent’s technical expertise to develop, construct, operate and maintain a natural gas distribution system. N/A
2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

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 serve the _____ area within the Township of Laurentian Valley. The proposed facilities will provide access to natural gas to a forecasted 201 customers (192 residential, 6 commercial / institutional and 3 industrial).

The proposed project will tie-in to an existing NPS 1-1/4 polyethylene pipeline near the intersection of _____ and _____ as well as the existing NPS 1-1/4 polyethylene pipeline at the intersection of _____ and _____.

The proposed distribution system runs _____ along _____ from _____ to _____ just _____ of _____. Facilities also proposed along _____, _____, _____, _____, _____, _____ to _____ including _____ and _____.

A portion of reinforcement is required to loop the existing piping on _____ from _____ to _____ and along _____ to the proposed tie in.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	13,394
Polyethylene	4	6,355

The approximate length and size of the reinforcement pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	792

Please refer to Schedule PP1 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 PP2, Table 3.2.

3.3	Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default. Please refer to Schedule PP2, Table 3.3.
3.4	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. 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. Please refer to Schedule PP3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule PP4 for Proposed Construction Schedule.
3.6	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. Please refer to Schedule PP5.

3.7	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. 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. Please refer to Schedule PP6 for Enbridge's CPCN for the Township of Laurentian Valley (EB-2017-0238) which covers the entire area of the proposed project.
Part IV – Cost of Project	
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.
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 PP2, 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 PP2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$7,941,215 Please refer to Schedule PP2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$39,509 Please refer to Schedule PP2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$5.79 Please refer to Schedule PP2, Table 5.3.

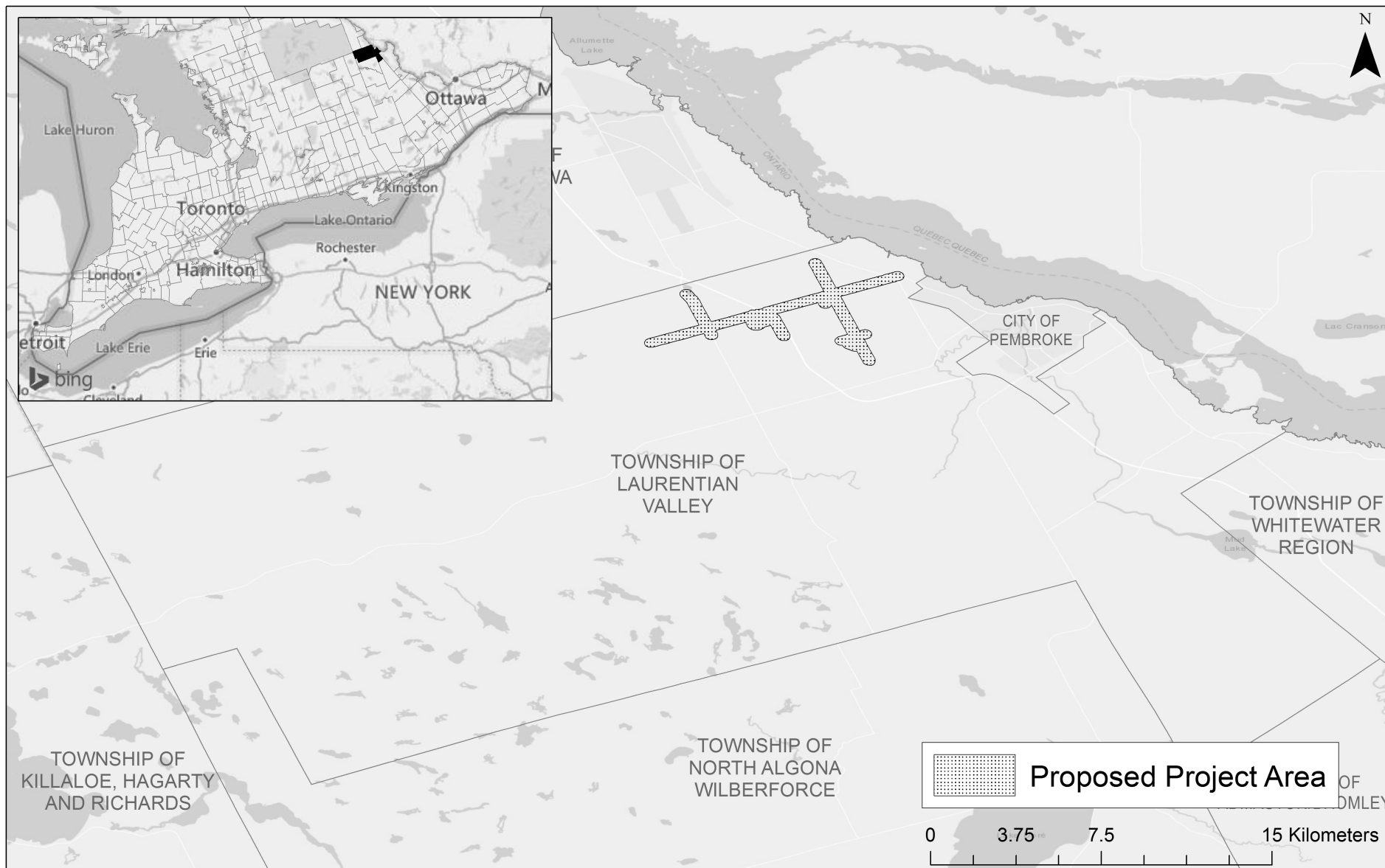
Part VI – Distribution Charge	
6.1	Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule PP2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule PP2, Table 7.1.
7.2	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. Please refer to Schedule PP2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process. Please refer to Schedule PP4.

Schedule PP1
Enbridge Gas Community Expansion Project Proposal
Laurentian Valley

Laurentian Valley



Schedule PP2
Enbridge Gas Community Expansion Project Proposal
Laurentian Valley

Table 3.2 - Customer Attachments Over The Rate Stability Period

Customer Type	Firm / IT	Project Year	<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>	Total
Residential	Firm		52	46	17	12	10	12	10	12	11	10	192
Commercial	Firm		-	3	2	-	-	-	-	-	-	-	5
Institutional	Firm		-	-	-	-	-	-	-	-	-	-	-
Agricultural	Firm		-	1	-	-	-	-	-	-	-	-	1
Industrial	(2 firm / 1 Seasonal)		-	3	-	-	-	-	-	-	-	-	3
Total Customers			<u>52</u>	<u>53</u>	<u>19</u>	<u>12</u>	<u>10</u>	<u>12</u>	<u>10</u>	<u>12</u>	<u>11</u>	<u>10</u>	<u>201</u>
Cumulative Customers			52	105	124	136	146	158	168	180	191	201	

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

Customer Type	Project Year	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	Annual Volumes - m3						<u>9</u>	<u>10</u>	Total
Residential		62,400	180,000	255,600	290,400	316,800	343,200	369,600	396,000	423,600	448,800			3,086,400
Commercial		-	3,600	9,600	12,000	12,000	12,000	12,000	12,000	12,000	12,000			97,200
Institutional		-	-	-	-	-	-	-	-	-	-			-
Agricultural		-	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000			85,000
Industrial		-	450,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000			7,650,000
Total Volumes		<u>62,400</u>	<u>638,600</u>	<u>1,175,200</u>	<u>1,212,400</u>	<u>1,238,800</u>	<u>1,265,200</u>	<u>1,291,600</u>	<u>1,318,000</u>	<u>1,345,600</u>	<u>1,370,800</u>			<u>10,918,600</u>

Customer Type	Project Year	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	Cumulative Volumes - m3						<u>9</u>	<u>10</u>	
Residential		62,400	242,400	498,000	788,400	1,105,200	1,448,400	1,818,000	2,214,000	2,637,600	3,086,400			
Commercial		-	3,600	13,200	25,200	37,200	49,200	61,200	73,200	85,200	97,200			
Institutional		-	-	-	-	-	-	-	-	-	-			
Agricultural		-	5,000	15,000	25,000	35,000	45,000	55,000	65,000	75,000	85,000			
Industrial		-	450,000	1,350,000	2,250,000	3,150,000	4,050,000	4,950,000	5,850,000	6,750,000	7,650,000			
Total Volumes		<u>62,400</u>	<u>701,000</u>	<u>1,876,200</u>	<u>3,088,600</u>	<u>4,327,400</u>	<u>5,592,600</u>	<u>6,884,200</u>	<u>8,202,200</u>	<u>9,547,800</u>	<u>10,918,600</u>			

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

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

Table 4.3 - Revenue Requirement Over The Rate Stability Period

	Project Year	<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>	Total
Revenue Requirement												

	<u>Year 10</u>
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	\$7,941,215
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Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	Year 10 \$39,509
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Table 5.3 - Section 36.2 Funding Amount Per Volume (m3)

Section 36.2 Funding Amount Per Volume (m3)	Year 10 \$5.79
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Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	10,934	46,576	75,909	83,059	87,685	92,311	96,937	101,563	106,399	110,815	\$812,185
SES Revenue		14,352	66,378	109,296	117,852	123,924	129,996	136,068	142,140	148,488	154,284	1,142,778
Total Distribution Charge	\$	25,286	112,954	185,205	200,911	211,609	222,307	233,005	243,703	254,887	265,099	\$1,954,963

Table 7.1 - Profitability Index (PI) Inclusive of 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	
Proposed Section 36.2 Funding	
Change in Working Capital	
Total Cash Outflow (D)	
Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D)	1.00

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

	<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 PP3
Enbridge Gas Community Expansion Project Proposal
Laurentian Valley

Section 3.4 Laurentian Valley (_____)

Total Forecasted Customers 201 Penetration Rate 65%

	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Existing Fuel / Heating Type											
Oil	42	21%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 66,259	7.2	-2.7	303	(113)
Electricity F/A	18	9%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 12,780	0.6	3.9	11	71
Electricity Baseboard	24	12%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 17,040	0.6	3.9	14	94
Propane	88	44%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 25,058	5.6	-1.1	494	(96)
Wood	18	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	10	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	201	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 121,136	13.9	4.1	822	(44)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule PP4
Enbridge Gas Community Expansion Project Proposal
Laurentian Valley

Laurentian Valley 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 PP5
Enbridge Gas Community Expansion Project Proposal
Laurentian Valley

March 11, 2020

Dear REGIONAL DIRECTOR,

Re: Expression of Support for Natural Gas Expansion to the Township of Laurentian Valley [REDACTED]

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

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

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

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

Sincerely,



Mayor Steve Bennett
Township of Laurentian Valley
sbennett@lvtownship.ca

cc. Lauree Armstrong, Township Planner/EDO – larmstrong@lvtownship.ca

613-735-6291
F: 613-735-5820

Laurentian Valley
460 Witt Road
Pembroke, ON
K8A 6W5

Schedule PP6
Enbridge Gas Community Expansion Project Proposal
Laurentian Valley

EB-2017-0238

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

Enbridge Gas Distribution Inc.

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

Township of Laurentian Valley

as it is constituted on the date of this Decision and Order.

DATED at Toronto, May 24, 2018

ONTARIO ENERGY BOARD

Original Signed By

Pascale Duguay
Manager, Application Policy and Climate Change

Schedule QQ
Enbridge Gas Community Expansion Project Proposal
Lefaivre

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

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

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

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2.2	Describe the proponent’s financial capability to develop, construct, operate and maintain a natural gas distribution system, and provide the following: • Current credit rating of the proponent, its parent or associated companies. • Financial statements for each of the past two fiscal years. This may include audited financial statements, annual reports, prospectuses or other such information. If the proponent does not have financial statements (because it is a new entrant), the proponent is instead to provide pro forma financial statements for two years along with notes or business plans explaining the assumptions used in preparing the pro forma statements, where the documents must be signed by at least one key individual. • If the proponent needs to raise additional debt or equity to finance the proposed project, evidence of the proponent’s ability to access the debt and equity markets. 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. N/A

Part III – Description of and Support for Project

3.1

Redacted

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

Enbridge Gas is proposing to provide gas distribution service to the community of Lefaivre, located within the Township of Alfred and Plantagenet. The proposed facilities will provide access to natural gas to a forecasted 246 customers (226 residential, 16 commercial / institutional and 4 industrial).

The proposed distribution system will tie-in to an existing system at the intersection of _____ and _____. The proposed supply line runs along _____ to _____ to serve the waterfront properties up to _____ of Lefaivre. Reinforcement required to support the added load of the community will run along _____ from _____ to _____ as well as along an existing Enbridge right-of-way from _____ to _____ of Hawkesbury.

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	6	14,954

The approximate length and size of the reinforcement required:

Pipe Type	Diameter (NPS)	Length (m)
Steel	8	8,100
Polyethylene	6	3,150

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	3,967
Polyethylene	4	4,248

Please refer to Schedule QQ1 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 QQ2, Table 3.2.

3.3	Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default. Please refer to Schedule QQ2, Table 3.3.
3.4	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. 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. Please refer to Schedule QQ3, Table 3.4.
3.5	Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date. Please refer to Schedule QQ4 for Proposed Construction Schedule
3.6	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. Please refer to Schedule QQ5.

3.7	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. 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. Please refer to Schedule QQ6 for Enbridge's CPCN for the Township of Alfred and Plantagenet (EB-2006-0103) which covers the entire area of the proposed project.
Part IV – Cost of Project	
4.1	Confirm that the proposed project includes a ten-year rate stability period. The proposed project does include a ten-year rate stability period.
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 QQ2, 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 QQ2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	Provide the total amount of section 36.2 funding needed to support the project. \$20,112,562 Please refer to Schedule QQ2, Table 5.1.
5.2	Provide the section 36.2 funding amount per customer number served in year ten of the project. \$81,758 Please refer to Schedule QQ2, Table 5.2.
5.3	Provide the section 36.2 funding amount per volume (m³) in year ten of the project. \$19.66 Please refer to Schedule QQ2, Table 5.3.

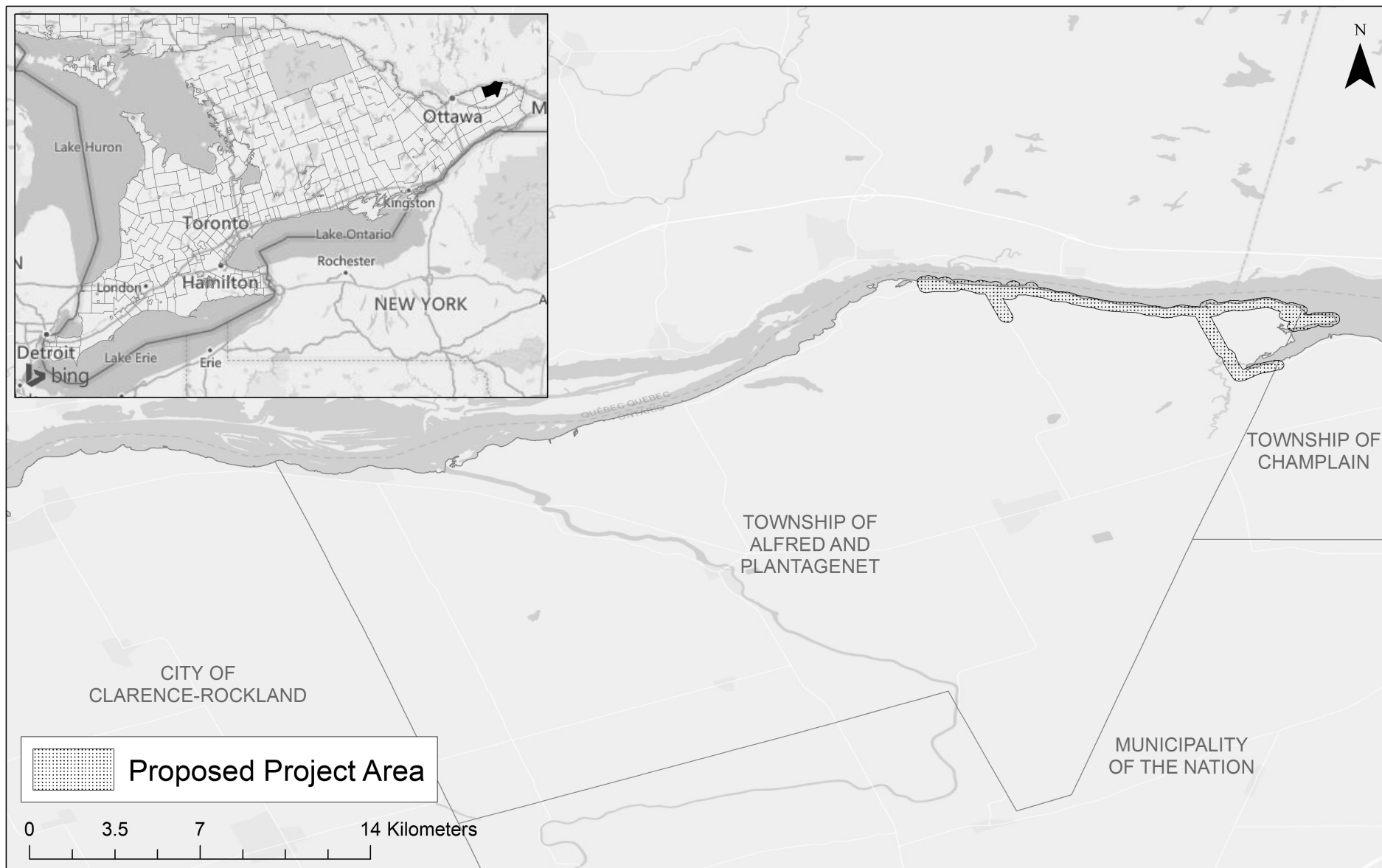
Part VI – Distribution Charge	
6.1	Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period. Provide a confirmation that there would be no material cross-subsidization between rate classes. Please refer to Schedule QQ2, Table 6.1. Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	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. 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). Please refer to Schedule QQ2, Table 7.1.
7.2	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. Please refer to Schedule QQ2, Table 7.2.

Part VIII – OEB Approvals	
8.1	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). • Leave to Construct
8.2	For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process. Please refer to Schedule QQ4.

Schedule QQ1
Enbridge Gas Community Expansion Project Proposal
Lefaivre

Village of Lefaiivre



Schedule QQ2
Enbridge Gas Community Expansion Project Proposal
Lefaivre

Table 3.2 - Customer Attachments Over The Rate Stability Period

Customer Type	Firm / IT	Project Year	<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>	Total
Residential	Firm		61	53	20	15	12	14	13	14	13	11	226
Commercial	Firm		-	9	3	2	1	-	-	-	-	-	15
Institutional	Firm		-	1	-	-	-	-	-	-	-	-	1
Agricultural	Firm		-	-	-	-	-	-	-	-	-	-	-
Industrial	Firm		-	2	1	1	-	-	-	-	-	-	4
Total Customers			<u>61</u>	<u>65</u>	<u>24</u>	<u>18</u>	<u>13</u>	<u>14</u>	<u>13</u>	<u>14</u>	<u>13</u>	<u>11</u>	<u>246</u>
Cumulative Customers			61	126	150	168	181	195	208	222	235	246	

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

Customer Type	Project Year	Annual Volumes - m3										Total
		<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		71,939	206,636	292,975	334,134	365,693	396,052	427,611	459,170	490,729	519,108	3,564,043
Commercial		-	17,200	39,300	47,900	52,800	54,000	54,000	54,000	54,000	54,000	427,200
Institutional		-	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	425,000
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Industrial		-	100,000	250,000	350,000	400,000	400,000	400,000	400,000	400,000	400,000	3,100,000
Total Volumes		<u>71,939</u>	<u>348,836</u>	<u>632,275</u>	<u>782,034</u>	<u>868,493</u>	<u>900,052</u>	<u>931,611</u>	<u>963,170</u>	<u>994,729</u>	<u>1,023,108</u>	<u>7,516,243</u>

Customer Type	Project Year	Cumulative 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>
Residential		71,939	278,575	571,549	905,683	1,271,375	1,667,427	2,095,037	2,554,207	3,044,935	3,564,043
Commercial		-	17,200	56,500	104,400	157,200	211,200	265,200	319,200	373,200	427,200
Institutional		-	25,000	75,000	125,000	175,000	225,000	275,000	325,000	375,000	425,000
Agricultural		-	-	-	-	-	-	-	-	-	-
Industrial		-	100,000	350,000	700,000	1,100,000	1,500,000	1,900,000	2,300,000	2,700,000	3,100,000
Total Volumes		<u>71,939</u>	<u>420,775</u>	<u>1,053,049</u>	<u>1,835,083</u>	<u>2,703,575</u>	<u>3,603,627</u>	<u>4,535,237</u>	<u>5,498,407</u>	<u>6,493,135</u>	<u>7,516,243</u>

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

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

Table 4.3 - Revenue Requirement Over The Rate Stability Period

	Project Year	<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>	Total
Revenue Requirement												

	<u>Year 10</u>
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

\$20,112,562

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$81,758

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

Section 36.2 Funding Amount Per Volume (m3)

Year 10

\$19.66

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	12,739	48,431	79,758	94,929	104,746	110,681	116,300	121,919	127,538	132,555	\$949,596
SES Revenue		16,546	80,232	145,423	179,868	199,753	207,012	214,270	221,529	228,788	235,315	1,728,736
Total Distribution Charge	\$	29,285	128,663	225,181	274,797	304,499	317,693	330,570	343,448	356,325	367,870	\$2,678,332

Table 7.1 - Profitability Index (PI) Inclusive of 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	
Proposed Section 36.2 Funding	
Change in Working Capital	
Total Cash Outflow (D)	
Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D)	1.00

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

	<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 QQ3
Enbridge Gas Community Expansion Project Proposal
Lefaivre

Section 3.4 Lefaire (Twp of Alfred and Plantagenet)

Total Forecasted Customers

246

Penetration Rate

65%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	52	21%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 81,093	7.2	-2.7	371	(138)
Electricity F/A	22	9%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 15,641	0.6	3.9	13	87
Electricity Baseboard	30	12%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 20,854	0.6	3.9	17	116
Propane	108	44%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 30,667	5.6	-1.1	605	(118)
Wood	22	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	12	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	246	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 148,256	13.9	4.1	1,006	(54)

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

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

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

Emission Factor Sources:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

Schedule QQ4
Enbridge Gas Community Expansion Project Proposal
Lefaivre

Lefaire 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 QQ5
Enbridge Gas Community Expansion Project Proposal
Lefaivre



CANTON D'ALFRED ET PLANTAGENET

TOWNSHIP OF ALFRED AND PLANTAGENET

March 31, 2020

Ian Ross
Director, Eastern Region Operations
Enbridge Gas Inc.

Re: Expression of Support for Natural Gas Expansion
Alfred and Plantagenet Township

Mr. Ross,

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

On behalf of the Township of Alfred and Plantagenet, I would like to formally express our interest to have the village of Lefavre (priority one) and the village of Curran (priority two) projects included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Program.

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

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

Sincerely,

Stéphane Sarrazin

Mayor

Township of Alfred and Plantagenet
ssarrazin@alfred-plantagenet.com

Schedule QQ6
Enbridge Gas Community Expansion Project Proposal
Lefaivre

EB-2006-0103

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Enbridge Gas Distribution Inc.

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

Township of Alfred and Plantagenet

This certificate replaces the certificates of the former municipalities of the Township of Alfred, the Township of North Plantagenet and the Village of Alfred that are now within the Township of Alfred and Plantagenet.

Dated at Toronto, August 9, 2006

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary