

Schedule A
Enbridge Gas Community Expansion Project Proposal
Allenford

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: Allenford Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1
Redacted

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

Enbridge Gas is proposing to serve the community of Allenford which is located in Bruce County in western Ontario and straddles the border between the Town of South Bruce Peninsula and the Municipality of Arran–Elderslie.

The proposed facilities will provide access to natural gas to a forecasted 118 customers (102 residential and 16 commercial / institutional).

The proposed tie-in of the plastic supply lateral is in the former Village of Tara at the intersection of _____. This tie-in would bring gas from the existing system – approximately 6.3 km north along _____, and 1 km west on _____ – into Allenford. This project requires the rebuild of the existing station in Tara on _____. The distribution system within Allenford crosses the Sauble River waterway and includes approximately 4.2 km of polyethylene pipe.

The approximate length and size of the supply lateral required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	7,300

The approximate length and size of the distribution pipeline required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	4,220

Please refer to Schedule A1 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 A2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule A2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule A3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule A4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule A5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule A6 for Enbridge's CPCNs for the Town of South Bruce Peninsula (EB-2017-0126) and the Municipality of Arran-Elderslie (EB-2018-0341). The latter is restricted to the area comprised of the former Township of Arran and the former Village of Tara. EPCOR Natural Gas LP holds the CPCN for other areas within the Municipality of Arran-Elderslie in which a portion of Allenford is located.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB- prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule A2, Table 4.2.</p>

4.3

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

Complete the tables below:

Revenue Requirement

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

Description	Year 10
Closing Rate Base	

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

Please refer to Schedule A2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$5,724,864</p> <p>Please refer to Schedule A2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$48,516</p> <p>Please refer to Schedule A2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$19.39</p> <p>Please refer to Schedule A2, Table 5.3.</p>

Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule A2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

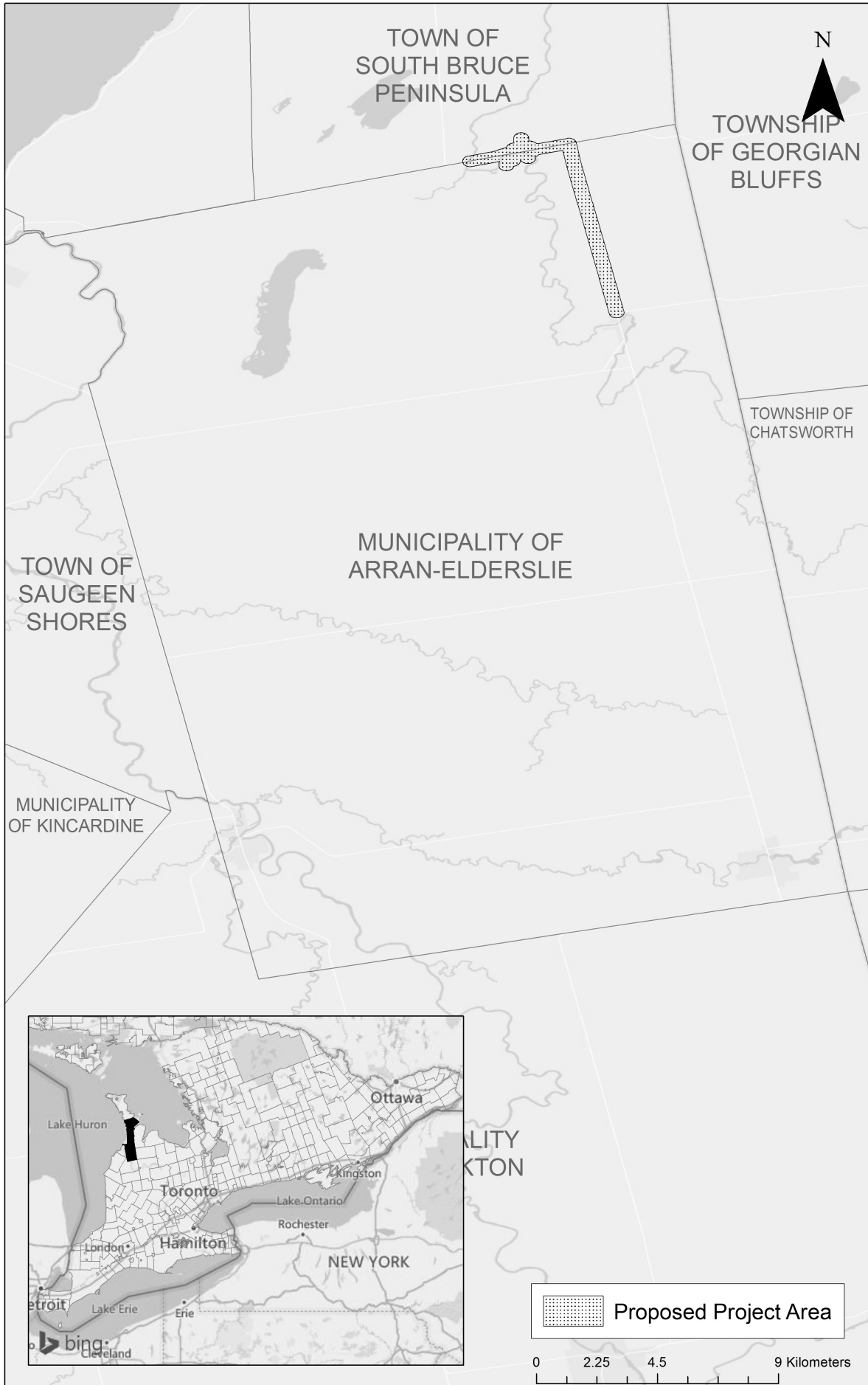
Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e. not a “portfolio” of projects).</p> <p>Please refer to Schedule A2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule A2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding) • Expanded CPCN rights within the Municipality of Arran-Elderslie
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule A4.</p>

Schedule A1
Enbridge Gas Community Expansion Project Proposal
Allenford

Allenford

EB-2019-0255
Schedule A1
Redacted



Schedule A2
Enbridge Gas Community Expansion Project Proposal
Allenford

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>
	32	23	16	8	8	3	3	3	3	3	102
	-	8	3	1	1	-	-	-	-	-	13
	-	-	-	-	-	-	-	-	-	-	-
	-	3	-	-	-	-	-	-	-	-	3
	-	-	-	-	-	-	-	-	-	-	-
	<u>32</u>	<u>34</u>	<u>19</u>	<u>9</u>	<u>9</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>118</u>
	32	66	85	94	103	106	109	112	115	118	

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	34,880	95,059	137,959	164,359	181,959	194,059	200,659	207,259	213,859	220,459	1,650,511
Commercial	-	15,500	39,600	49,300	51,500	52,600	52,600	52,600	52,600	52,600	418,900
Institutional	-	-	-	-	-	-	-	-	-	-	-
Agricultural	-	11,100	22,200	22,200	22,200	22,200	22,200	22,200	22,200	22,200	188,700
Industrial	-	-	-	-	-	-	-	-	-	-	-
Total Volumes	<u>34,880</u>	<u>121,659</u>	<u>199,759</u>	<u>235,859</u>	<u>255,659</u>	<u>268,859</u>	<u>275,459</u>	<u>282,059</u>	<u>288,659</u>	<u>295,259</u>	<u>2,258,111</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	34,880	129,939	267,898	432,257	614,216	808,275	1,008,934	1,216,193	1,430,052	1,650,511	
Commercial	-	15,500	55,100	104,400	155,900	208,500	261,100	313,700	366,300	418,900	
Institutional	-	-	-	-	-	-	-	-	-	-	
Agricultural	-	11,100	33,300	55,500	77,700	99,900	122,100	144,300	166,500	188,700	
Industrial	-	-	-	-	-	-	-	-	-	-	
Total Volumes	<u>34,880</u>	<u>156,539</u>	<u>356,298</u>	<u>592,157</u>	<u>847,816</u>	<u>1,116,675</u>	<u>1,392,134</u>	<u>1,674,193</u>	<u>1,962,852</u>	<u>2,258,111</u>	

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

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

Table 4.3 - Revenue Requirement Over The Rate Stability Period (REDACTED)

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

\$ 5,724,864

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$ 48,516

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)

Year 10

\$ 19.39

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	5,217	16,387	25,589	30,308	33,248	35,208	36,188	37,168	38,148	39,128	\$ 296,589
SES Revenue		8,022	27,982	45,945	54,248	58,802	61,838	63,356	64,874	66,392	67,910	519,365
Total Distribution Charge	\$	13,239	44,368	71,534	84,556	92,050	97,046	99,544	102,042	104,539	107,037	\$ 815,955

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

	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 (REDACTED)

	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 A3
Enbridge Gas Community Expansion Project Proposal
Allenford

Section 3.4 Allenford

Total Forecasted Customers 118 Penetration Rate 47%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	13	11%	\$ 5,000	\$ 2,829	\$ 1,258	\$ 1,571	\$ 20,223	6.7	-2.5	86	(33)
Electricity F/A	6	5%	\$ 5,000	\$ 2,028	\$ 1,258	\$ 770	\$ 4,959	0.5	3.6	3	23
Electricity Baseboard	11	9%	\$ 12,000	\$ 1,626	\$ 1,258	\$ 368	\$ 3,947	0.5	3.6	6	38
Propane	43	36%	\$ 600	\$ 1,626	\$ 1,258	\$ 368	\$ 15,787	5.2	-1.1	222	(45)
Wood	36	31%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	9	7%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	118	100%	\$ 31,100	\$ 8,109	\$ 5,031	\$ 3,077	\$ 44,915	12.9	3.6	317	(16)

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

Notes:

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

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

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

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

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

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

Schedule A4
Enbridge Gas Community Expansion Project Proposal
Allenford

Allenford Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule A5
Enbridge Gas Community Expansion Project Proposal
Allenford



Town of
SOUTH BRUCE PENINSULA

Box 310, 315 George Street, Wiarton, Ontario N0H 2T0 Tel: (519) 534-1400 Fax: (519) 534-4862
1-877-534-1400

March 23, 2020

Enbridge Gas Inc.
50 Kell Drive
Chatham ON N7M 5M1
Attention: Brian Lennie, Senior Advisor, Municipal Affairs & Stakeholder Relations-Ontario
South/West

Dear Mr. Lennie:

Re: Expression of Support for Natural Gas Expansion in Allenford

The Council for the Town of South Bruce Peninsula considered your request for support at their regular meeting held on March 17, 2020.

Council adopted resolution R-93-2020 wherein they expressed their support of the proposed project and your application. Council has also committed to a financial contribution which would be equal to the municipal portion of property taxes that would be recovered on the new natural gas infrastructure. If your project is successful, Council's support will be for 10 years.

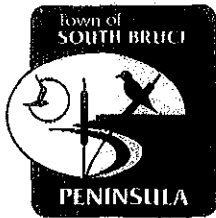
Council looks forward to being a party to the efforts to bring natural gas to Allenford. We trust you will let us know the outcome of your application.

Yours very truly,

Angie Cathrae
Clerk

Town of South Bruce Peninsula
519-534-1400 ext 122
angie.cathrae@southbrucepeninsula.com

Enclosure (1)



Excerpt from Council Meeting Minutes – March 17, 2020

14. CAO06-2020 Expression of Support for Natural Gas Expansion in Allenford

Discussion included the length of time it may take for the project to be undertaken.

R-93-2020

It was **Moved** by K. Durst, **Seconded** by T. Bell and **Carried**

That access to natural gas infrastructure is limited in parts of South Bruce Peninsula and increased access will provide more affordable and reliable energy;

And whereas expanding access to natural gas in South Bruce Peninsula 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 Town of South Bruce Peninsula formally supports an application submitted by Enbridge to the Ontario Energy Board for a grant from the Natural Gas Expansion Program to expand the natural gas system to service Allenford;

And that Council supports making a financial contribution toward the proposed project in an amount equivalent to the municipal portion of the property tax that would be recovered on the new natural gas infrastructure for a period of 10 years;

And further that a copy of this resolution and a letter of support be forwarded to Enbridge for their use with the application to the Natural Gas Expansion Program.



THE CORPORATION OF THE MUNICIPALITY OF ARRAN-ELDERSLIE

1925 Bruce Road 10, Box 70, Chesley, ON N0G 1L0
519-363-3039 Fax: 519-363-2203
www.arran-elderslie.ca

Date: May 25, 2020

To: Enbridge Gas Inc.
50 Kell Dr
Chatham On.
N7M 5M1
Attn: Brian Lennie

From: Bill Jones, CAO/Clerk
Municipality of Arran-Elderslie
1925 Bruce Rd 10
Chesley, Ontario
N0G 1L0
519-363-3039 ext 118
cao@arran-elderslie.ca

Re: Expression of Support – Natural Gas Expansion in Allenford

Council of the Municipality of Arran-Elderslie passed a Motion of Support (Resolution 14-243-2020), for the Enbridge Gas Inc. proposed natural gas expansions project in Allenford.

As part of the adopted resolution, council also agreed to financially contribute to the project in an amount equivalent to the property tax that would be recovered on the new natural gas infrastructure for a period of 10 years.

If you have any additional questions or require further information, please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to be "Bill Jones", written in a cursive style.

Bill Jones, CAO/Clerk.

Enclosure (1)



RESOLUTION NO. 14 - 243 - 2020

DATE: May 25, 2020

AGENDA ITEM NO. 9.1.3

MOVED BY Ry Hj SECONDED BY Ryan Nicholson

WHEREAS access to natural gas infrastructure is limited in parts of the Municipality of Arran-Elderslie and increased access will provide more affordable and reliable energy;

AND WHEREAS expanding access to natural gas within Arran-Elderslie (Allenford) is a key strategic priority supported by Council;

AND WHEREAS access to natural gas for residents, farms and businesses 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 Municipality of Arran-Elderslie formally supports an application submitted by a natural gas distributor (Enbridge Gas Inc.) to the Government of Ontario, for consideration in the Natural Gas Expansion Support Program, to expand the natural gas system to service Arran-Elderslie (Allenford);

AND THAT Council 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 period of 10 years as a financial support to the proposed project;

AND THAT a copy of this resolution be forwarded to Enbridge for its inclusion in the submission to the Ontario Energy Board's review of natural gas community expansion projects.



CARRIED



DEFEATED



TABLED



MAYOR INITIAL



CAO/CLERK INITIAL

Schedule A6
Enbridge Gas Community Expansion Project Proposal
Allenford

EB-2017-0126

Certificate of Public Convenience and Necessity

The Ontario Energy Board 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

Town of South Bruce Peninsula

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

EB-2018-0341

Certificate of Public Convenience and Necessity

The Ontario Energy Board grants

Enbridge Gas Inc.

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

Municipality of Arran-Elderslie

as it is constituted on the date of this Decision and Order, restricted to the area comprised of the former Township of Arran and the former Village of Tara.

DATED at Toronto, April 25, 2019

ONTARIO ENERGY BOARD

Original signed by

Pascale Duguay
Manager, Application Policy and Climate Change

Schedule B
Enbridge Gas Community Expansion Project Proposal
Auburn

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: Auburn Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1
Redacted

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

Enbridge Gas is proposing to serve the community of Auburn which straddles the shared borders of the Township of North Huron, the Township of Ashfield-Colborne-Wawanosh and the Municipality of Central Huron. The proposed facilities will provide access to natural gas to a forecasted 108 customers (93 residential, 13 commercial / institutional and 2 industrial).

The proposed tie-in point will be near intersection of _____ connecting to existing 2" polyethylene pipe. The proposed distribution pipeline will consist of 5,235 m of 2" polyethylene pipe and 8,685 m of 4" polyethylene pipe. The potential distribution system to extend west via _____ to Auburn will include

_____ and other surrounding areas.

There will be no reinforcement required to accommodate additional loads for the system. One existing station requires upsizing.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	5,235

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	8,685

Please refer to Schedule B1 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 B2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule B2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule B3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule B4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule B5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule B6 for Enbridge's CPCNs for the Township of North Huron (EB-2015-0169), the Municipality of Central Huron (RP-2001-0060 / EB-2002-0321) and the Township of Ashfield-Colborne-Wawanosh (RP-2002-0117 - EB-2002-0327) which cover the entire area of the proposed project. The latter excludes Lot 1 Concession 2,3,4 and 5 East Division, Lot 1 in Concession 2 and 3 West Division and Lots 1, 2, 3 and 4 in Concessions 4 and 5 West Division where Northern Cross Energy Limited operates a gas distribution system.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB- prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule B2, Table 4.2.</p>

4.3	<p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th>Description</th> <th>Year 1</th> <th>Year 2...</th> <th>Year 10</th> <th>Total</th> </tr> <tr> <td>Revenue Requirement</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th>Description</th> <th>Year 10</th> </tr> <tr> <td>Closing Rate Base</td> <td></td> </tr> </table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB- prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule B2, Table 4.3.</p>	Description	Year 1	Year 2...	Year 10	Total	Revenue Requirement					Description	Year 10	Closing Rate Base	
Description	Year 1	Year 2...	Year 10	Total											
Revenue Requirement															
Description	Year 10														
Closing Rate Base															

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$6,289,434</p> <p>Please refer to Schedule B2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$58,235</p> <p>Please refer to Schedule B2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$13.62</p> <p>Please refer to Schedule B2, Table 5.3.</p>

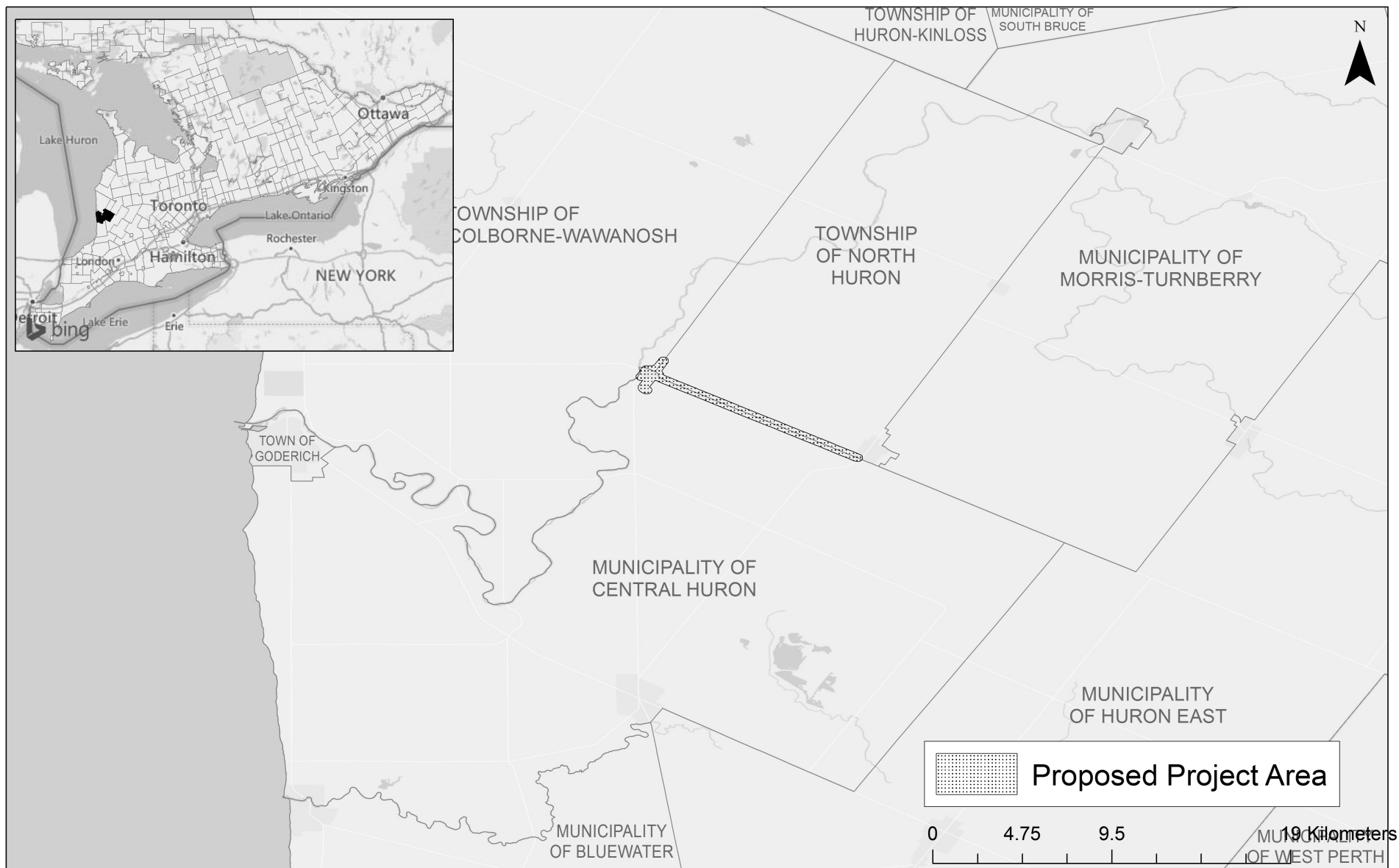
Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule B2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule B2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule B2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule A4.</p>

Schedule B1
Enbridge Gas Community Expansion Project Proposal
Auburn

Auburn



Schedule B2
Enbridge Gas Community Expansion Project Proposal
Auburn

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>
	25	22	8	6	5	6	5	6	5	5	93
	-	7	2	1	1	-	-	-	-	-	11
	-	1	-	-	-	-	-	-	-	-	1
	-	1	-	-	-	-	-	-	-	-	1
	-	2	-	-	-	-	-	-	-	-	2
	<u>25</u>	<u>33</u>	<u>10</u>	<u>7</u>	<u>6</u>	<u>6</u>	<u>5</u>	<u>6</u>	<u>5</u>	<u>5</u>	<u>108</u>
	25	58	68	75	81	87	92	98	103	108	

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

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

<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Annual Volumes - m3</u>		<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
	27,500	79,200	112,200	127,600	139,700	151,800	163,900	176,000	188,100	199,100	1,365,100
	-	10,500	24,600	29,300	31,500	32,600	32,600	32,600	32,600	32,600	258,900
	-	5,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	85,000
	-	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	170,000
	-	100,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	1,700,000
	<u>27,500</u>	<u>204,700</u>	<u>366,800</u>	<u>386,900</u>	<u>401,200</u>	<u>414,400</u>	<u>426,500</u>	<u>438,600</u>	<u>450,700</u>	<u>461,700</u>	<u>3,579,000</u>

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

<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Cumulative Volumes - m3</u>		<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	
	27,500	106,700	218,900	346,500	486,200	638,000	801,900	977,900	1,166,000	1,365,100	
	-	10,500	35,100	64,400	95,900	128,500	161,100	193,700	226,300	258,900	
	-	5,000	15,000	25,000	35,000	45,000	55,000	65,000	75,000	85,000	
	-	10,000	30,000	50,000	70,000	90,000	110,000	130,000	150,000	170,000	
	-	100,000	300,000	500,000	700,000	900,000	1,100,000	1,300,000	1,500,000	1,700,000	
	<u>27,500</u>	<u>232,200</u>	<u>599,000</u>	<u>985,900</u>	<u>1,387,100</u>	<u>1,801,500</u>	<u>2,228,000</u>	<u>2,666,600</u>	<u>3,117,300</u>	<u>3,579,000</u>	

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

Total Capital Costs

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period (REDACTED)

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)
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Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	\$ 6,289,434
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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> \$ 58,235
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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> \$ 13.62
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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	\$	4,083	17,217	27,941	30,756	32,879	34,839	36,636	38,432	40,229	41,862	\$ 304,874
SES Revenue		6,325	47,081	84,364	88,987	92,276	95,312	98,095	100,878	103,661	106,191	823,170
Total Distribution Charge	\$	<u>10,408</u>	<u>64,298</u>	<u>112,305</u>	<u>119,743</u>	<u>125,155</u>	<u>130,151</u>	<u>134,731</u>	<u>139,310</u>	<u>143,890</u>	<u>148,053</u>	<u>\$ 1,128,044</u>

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

	<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 (REDACTED)

	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 B3
Enbridge Gas Community Expansion Project Proposal
Auburn

Section 3.4 Auburn

Total Forecasted Customers 108 Penetration Rate 74%

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	19%	\$ 5,000	\$ 2,829	\$ 1,258	\$ 1,571	\$ 32,436	6.7	-2.5	137	(52)
Electricity F/A	3	3%	\$ 5,000	\$ 2,028	\$ 1,258	\$ 770	\$ 2,447	0.5	3.6	2	11
Electricity Baseboard	2	1%	\$ 12,000	\$ 1,626	\$ 1,258	\$ 368	\$ 584	0.5	3.6	1	6
Propane	44	41%	\$ 600	\$ 1,626	\$ 1,258	\$ 368	\$ 16,362	5.2	-1.1	230	(47)
Wood	33	31%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	5	4%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	108	100%	\$ 31,100	\$ 8,109	\$ 5,031	\$ 3,077	\$ 51,829	12.9	3.6	370	(82)

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

Notes:

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

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

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

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

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

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

Schedule B4
Enbridge Gas Community Expansion Project Proposal
Auburn

Pipeline Construction Schedule

[illegible]

Schedule B5
Enbridge Gas Community Expansion Project Proposal
Auburn



April 8, 2020

Attention: Murray Costello, P. Eng. Director, Southeast Operations
murray.costello@enbridge.com

Dear Mr. Costello,

Re: Expression of Support for Natural Gas Expansion to Auburn, Ontario

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 North Huron, I would like to formally express our interest to have Auburn 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 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,

Reeve Bernie Bailey,
Township of North Huron

C.c.: Brian Lennie, Senior Advisor, Municipal Affairs & Stakeholder Relations
Ontario South/West
Carson Lamb, Clerk, Township of North Huron

P.O. Box 90, 274 Josephine Street, Wingham, Ontario N0G 2W0
Phone: 519-357-3550 Fax: 519-357-1110



Municipality of Central Huron

P.O. Box 400, 23 Albert Street, Clinton, Ontario N0M 1L0

Telephone: 519-482-3997 Fax: 519-482-9183

Email: info@centralhuron.com

www.centralhuron.com

April 20, 2020

Dear REGIONAL DIRECTOR,

Re: Expression of Support for Natural Gas Expansion to Municipality of Central Huron Village of Auburn 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. 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 Municipality of Central Huron, I would like to formally express our interest to have Village of Auburn 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. The Council of the Municipality endorsed a resolution of support for the project at their April 14, 2020 meeting.

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 black ink, appearing to read 'Jim Ginn', is written over a light blue horizontal line.

Mayor Jim Ginn
Municipality of Central Huron



March 23, 2020

Steven Jelich
Director, Southwest Region Operations
Enbridge Gas Inc.
109 Commissioners Rd W.
London, ON
N6A 4P1

Dear Mr. Jelich:

Re: Expression of Support for Natural Gas Expansion to The Township of Ashfield-Colborne-Wawanosh/ Auburn Area

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 Ashfield-Colborne-Wawanosh, I would like to formally express our interest to have Auburn Area 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,

Glen McNeil,
Mayor
Township of Ashfield-Colborne-Wawanosh

Schedule B6
Enbridge Gas Community Expansion Project Proposal
Auburn

EB-2015-0169

Certificate of Public Convenience and Necessity

The Ontario Energy Board 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 North Huron

DATED at Toronto, July 23, 2015

ONTARIO ENERGY BOARD

Pascale Duguay
Manager, Natural Gas Applications



RP-2001-0060
EB-2001-0785
EB-2002-0321

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

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

AND IN THE MATTER OF an application by Union Gas Limited for an order dispensing with the assent of the municipal electors of the Municipality of Central Huron regarding the by-law.

AND IN THE MATTER OF an application by Union Gas Limited for an order cancelling and replacing the existing Certificates of Public Convenience and Necessity for the Corporation of the Municipality of Central Huron.

BEFORE: Sheila K. Halladay
Presiding Member

George A. Dominy
Member and Vice Chair

DECISION AND ORDER

Union Gas Limited ("Union") filed an application, dated November 13, 2001, (the "Application") with the Ontario Energy Board (the "Board") under the *Municipal Franchises Act*, R.S.O. 1990, c. M.55, as amended, (the "Act") for an order of the Board approving the terms and conditions upon which and the period for which the Corporation of the Municipality of Central Huron (the "Corporation"), is by by-law to

- 2 -

grant to Union the right to construct and operate works for the distribution of gas, and the right to extend and add to the works in the Municipality of Central Huron (the "Municipality"). The Board assigned File No. RP-2001-0060/EB-2001-0785 to this Application.

Union also applied, by a letter dated April 15, 2002, for an order of the Board that consolidates the existing Certificates of Public Convenience and Necessity and replaces these with a new Certificate of Public Convenience and Necessity for the Municipality. The Board assigned File No. RP-2001-0060/EB-2002-0321 to this Application.

Notice of Application was published on December 24, 2001. There were no intervenors. On January 22, 2002 the Board issued a Notice of Written Hearing. No party satisfied the Board that there was a good reason for not holding a written hearing.

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

Effective January 1, 2001 the former municipalities of Township of Goderich, Township of Hullett, and Town of Clinton were amalgamated to form the Municipality of Central Huron. The Board notes that Union is presently serving the Municipality and holds Certificates of Public Convenience and Necessity for the following former municipalities: Township of Goderich (F.B.C. 251,268), Township of Hullett (F.B.C. 252), and Town of Clinton (F.B.C. 268). The Board also notes that the Franchise Agreement is in the form of the 2000 Model Franchise Agreement approved by the Board as a standard form of franchise agreement.

- 3 -

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

THE BOARD THEREFORE ORDERS THAT:

1. The terms and conditions upon which, and the period for which, the Corporation of the Municipality of Central Huron is, by by-law, to grant to Union Gas Limited the right to construct and operate works for the distribution of gas, and the right to extend and add to the works, as set out in the Franchise Agreement attached as Appendix A, are approved. The Franchise number is EB-2001-0785.
2. The assent of the municipal electors of the Municipality of Central Huron to the By-law is not necessary.
3. The existing Certificates of Public Convenience and Necessity for the former municipalities of Township of Goderich (F.B.C. 251,268), Township of Hullett (F.B.C. 252), and Town of Clinton (F.B.C. 268) are cancelled and replaced with a single Certificate of Public Convenience and Necessity for the amalgamated Municipality of Central Huron (EB-2002-0321).

DATED at Toronto June 6, 2002

ONTARIO ENERGY BOARD



Peter H. O'Dell
Assistant Board Secretary

RP-2002-0117
EB-2002-0327

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

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

Township of Ashfield-Colborne-Wawanosh

(excluding Lot 1 Concession 2,3,4 and 5 East Division, Lot 1 in Concession 2 and 3 West Division and Lots 1, 2, 3 and 4 in Concessions 4 and 5 West Division).

This certificate replaces the certificate of the former Township of Colborne that is now within the Township of Ashfield-Colborne-Wawanosh.

DATED at Toronto, September 22, 2004.

ONTARIO ENERGY BOARD

John Zych
Board Secretary

Schedule C
Enbridge Gas Community Expansion Project Proposal
Augusta 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: Augusta Township Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1
Redacted

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

Enbridge Gas is proposing to extend service within the Township of Augusta which is a township in the United Counties of Leeds and Grenville and located in eastern Ontario between the City of Brockville to the west and the Town of Prescott to the east.

The proposed facilities will provide access to natural gas to a forecasted 47 residential customers.

The proposed tie-in location will be located approximately 300 m south west of _____ along _____. From the tie-in point, the pipeline will extend past _____ via _____ up to _____, then south through _____. The total proposed system will consist of approximately 3,100 m of 2" polyethylene pipe.

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	2,453

The approximate length and size of the distribution pipeline required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	639

Please refer to Schedule C1 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 C2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule C2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule C3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule C4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule C5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule C6 for Enbridge's CPCN for the Township of Augusta (EBC 78) which covers the entire area of the proposed project.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB- prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule C2, Table 4.2.</p>

4.3

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

Complete the tables below:

Revenue Requirement

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

Description	Year 10
Closing Rate Base	

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

Please refer to Schedule C2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$1,481,157</p> <p>Please refer to Schedule C2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$31,514</p> <p>Please refer to Schedule C2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$15.27</p> <p>Please refer to Schedule C2, Table 5.3.</p>

Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule C2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule C2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule C2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule C4.</p>

Schedule C1
Enbridge Gas Community Expansion Project Proposal
Augusta Township

Augusta Township



Schedule C2
Enbridge Gas Community Expansion Project Proposal
Augusta Township

Table 3.2 - Customer Attachments Over The Rate Stability Period

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

<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
	14	11	5	3	2	3	2	3	2	2	47
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>14</u>	<u>11</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>47</u>
	14	25	30	33	35	38	40	43	45	47	

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

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

<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Annual Volumes - m3</u>		<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
	14,355	40,288	56,843	65,120	70,620	76,120	81,620	87,120	92,620	97,020	681,725
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>14,355</u>	<u>40,288</u>	<u>56,843</u>	<u>65,120</u>	<u>70,620</u>	<u>76,120</u>	<u>81,620</u>	<u>87,120</u>	<u>92,620</u>	<u>97,020</u>	<u>681,725</u>

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

<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>Cumulative Volumes - m3</u>		<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	
	14,355	54,643	111,485	176,605	247,225	323,345	404,965	492,085	584,705	681,725	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	-	
	<u>14,355</u>	<u>54,643</u>	<u>111,485</u>	<u>176,605</u>	<u>247,225</u>	<u>323,345</u>	<u>404,965</u>	<u>492,085</u>	<u>584,705</u>	<u>681,725</u>	

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

Total Capital Costs

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period (REDACTED)

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

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project

\$1,481,157

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$31,514

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)

Year 10

\$15.27

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	3,147	8,794	12,404	14,209	15,367	16,526	17,684	18,842	20,001	20,927	\$147,901
SES Revenue		3,302	9,266	13,074	14,978	16,243	17,508	18,773	20,038	21,303	22,315	156,797
Total Distribution Charge	\$	6,449	18,060	25,478	29,187	31,610	34,033	36,457	38,880	41,303	43,242	\$304,698

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

	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 (REDACTED)

	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 C3
Enbridge Gas Community Expansion Project Proposal
Augusta Township

Section 3.4 Augusta Township

Total Forecasted Customers 47 Penetration Rate 74%

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	6	13%	\$ 5,000	\$ 2,787	\$ 1,495	\$ 1,292	\$ 7,591	6.6	-2.4	39	(14)
Electricity F/A	3	6%	\$ 5,000	\$ 1,998	\$ 1,495	\$ 503	\$ 1,477	0.5	3.6	2	11
Electricity Baseboard	0	0%	\$ 12,000	\$ 1,998	\$ 1,495	\$ 503	\$ -	0.5	3.6	-	-
Propane	38	81%	\$ 600	\$ 1,611	\$ 1,495	\$ 116	\$ 4,440	5.1	-1.0	195	(37)
Wood	0	0%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	0	0%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	47	100%	\$ 31,100	\$ 8,395	\$ 5,981	\$ 2,414	\$ 13,508	12.7	3.8	235	(41)

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 C4
Enbridge Gas Community Expansion Project Proposal
Augusta Township

Augusta Township Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule C5
Enbridge Gas Community Expansion Project Proposal
Augusta Township



March 4, 2020

Enbridge Gas Inc.
36 Charles St.
North Bay, ON
P1B 8K7

Dear Luke Skaarup, Director, Northern Region Operations

RE: Natural Gas Expansion Program Update

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 Augusta 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]
[REDACTED]

We are pleased to note that the Government of Ontario has announced plans to further increase access to natural gas by making 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 Augusta, 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 may be required to include support for our proposed project. Please find enclosed our Council Resolution passed on June 26, 2017, wherein our Council agrees to making a financial contribution toward 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.

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] [REDACTED] are available in the Kingston office. A map summarizing the potential expansion area and identifying properties [REDACTED] [REDACTED] is attached for reference.

The full details for the [REDACTED] have been assembled as a result of our work with Enbridge Gas.

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 Doug Malanka
Township of Augusta

Schedule C6
Enbridge Gas Community Expansion Project Proposal
Augusta Township

ONTARIO ENERGY BOARDEB-2019-0255
Schedule C6

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.

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.

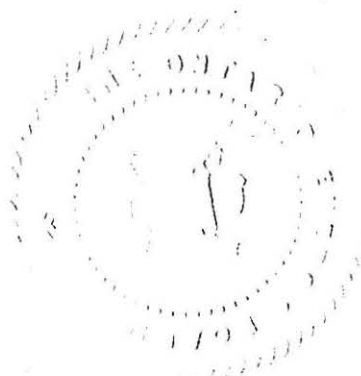
5. AND THIS BOARD DOTH FURTHER ORDER that the Certificate of Public Convenience and Necessity hereby granted may be assigned by Northern and Central Gas Corporation Limited to Montreal Trust Company, the trustee under the deed of trust and mortgage, dated as of June 1, 1958 as amended, made between Northern 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. Ales
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 D
Enbridge Gas Community Expansion Project Proposal
Ayton and Neustadt

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: Ayton and Neustadt Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1
Redacted

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

Enbridge Gas is proposing to serve the communities of Ayton and Neustadt which are located within the Township of West Grey in western Ontario. The proposed facilities will provide access to natural gas to a forecasted 426 customers (364 residential, 56 commercial / institutional and 6 industrial).

The tie-in point will be off _____ connecting to existing Owen Sound Transmission Line. On _____, a segment will travel South to serve Ayton Community. A second segment will travel North and continue west on _____ directly to serve Neustadt. A new station is proposed to be built on _____. A reinforcement segment is proposed to be constructed near Port Elgin consisting of approximately 1,300 m of 6" steel pipe located along Highway 12. The approximate total of pipeline segments required will be 36,150 m.

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	6	9,700
Polyethylene	4	8,325

The approximate length and size of the reinforcement required:

Pipe Type	Diameter (NPS)	Length (m)
Steel	6	1,300

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	16,825

Please refer to Schedule D1 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 D2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule D2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule D3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule D4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule D5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule D6 for Enbridge's CPCN for the Township of West Grey (EB-2007-0819) that covers all of the Township of West Grey except for a small portion in which EPCOR is authorized to locate its traversing pipeline and which covers the entire area of the proposed project.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule D2, Table 4.2.</p>

4.3

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

Complete the tables below:

Revenue Requirement

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

Description	Year 10
Closing Rate Base	

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

Please refer to Schedule D2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$15,627,755</p> <p>Please refer to Schedule D2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$36,685</p> <p>Please refer to Schedule D2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$9.52</p> <p>Please refer to Schedule D2, Table 5.3.</p>

Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule D2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule D2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule D2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule D4.</p>

Schedule D1
Enbridge Gas Community Expansion Project Proposal
Ayton and Neustadt

Ayton and Neustadt



Schedule D2
Enbridge Gas Community Expansion Project Proposal
Ayton and Neustadt

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>
	97	86	33	24	19	23	20	23	20	19	364
	-	30	9	4	4	1	1	1	1	1	52
	-	1	-	-	-	-	-	-	-	-	1
	-	3	-	-	-	-	-	-	-	-	3
	-	4	2	-	-	-	-	-	-	-	6
	<u>97</u>	<u>124</u>	<u>44</u>	<u>28</u>	<u>23</u>	<u>24</u>	<u>21</u>	<u>24</u>	<u>21</u>	<u>20</u>	<u>426</u>
	97	221	265	293	316	340	361	385	406	426	

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	104,896	302,907	432,003	494,062	540,721	586,280	632,939	679,598	726,257	768,516	5,268,175
Commercial	-	53,100	122,800	145,200	156,800	163,700	165,900	168,100	170,300	172,500	1,318,400
Institutional	-	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	425,000
Agricultural	-	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	425,000
Industrial	-	200,000	500,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	4,900,000
Total Volumes	<u>104,896</u>	<u>606,007</u>	<u>1,154,803</u>	<u>1,339,262</u>	<u>1,397,521</u>	<u>1,449,980</u>	<u>1,498,839</u>	<u>1,547,698</u>	<u>1,596,557</u>	<u>1,641,016</u>	<u>12,336,575</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	104,896	407,803	839,805	1,333,867	1,874,587	2,460,867	3,093,805	3,773,403	4,499,659	5,268,175	
Commercial	-	53,100	175,900	321,100	477,900	641,600	807,500	975,600	1,145,900	1,318,400	
Institutional	-	25,000	75,000	125,000	175,000	225,000	275,000	325,000	375,000	425,000	
Agricultural	-	25,000	75,000	125,000	175,000	225,000	275,000	325,000	375,000	425,000	
Industrial	-	200,000	700,000	1,300,000	1,900,000	2,500,000	3,100,000	3,700,000	4,300,000	4,900,000	
Total Volumes	<u>104,896</u>	<u>710,903</u>	<u>1,865,705</u>	<u>3,204,967</u>	<u>4,602,487</u>	<u>6,052,467</u>	<u>7,551,305</u>	<u>9,099,003</u>	<u>10,695,559</u>	<u>12,336,575</u>	

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

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

Table 4.3 - Revenue Requirement Over The Rate Stability Period (REDACTED)

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

\$ 15,627,755

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$ 36,685

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)

Year 10

\$ 9.52

Table 6.1 - Distribution Charge

	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>	<u>Total</u>
Distribution Revenue	\$	15,789	60,045	99,110	114,309	122,698	130,395	137,726	145,056	152,387	159,065	\$ 1,136,581
SES Revenue		24,126	139,382	265,605	308,030	321,430	333,495	344,733	355,970	367,208	377,434	2,837,412
Total Distribution Charge	\$	<u>39,915</u>	<u>199,427</u>	<u>364,714</u>	<u>422,340</u>	<u>444,128</u>	<u>463,890</u>	<u>482,459</u>	<u>501,027</u>	<u>519,595</u>	<u>536,498</u>	<u>\$ 3,973,993</u>

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

	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)	<u>1.00</u>

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

	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 D3
Enbridge Gas Community Expansion Project Proposal
Ayton and Neustadt

Section 3.4 Ayton and Neustadt

Total Forecasted Customers 426 Penetration Rate 61%

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	81	19%	\$ 5,000	\$ 2,829	\$ 1,258	\$ 1,571	\$ 127,155	6.7	-2.5	538	(205)
Electricity F/A	17	4%	\$ 5,000	\$ 2,028	\$ 1,258	\$ 770	\$ 13,127	0.5	3.6	9	61
Electricity Baseboard	13	3%	\$ 12,000	\$ 1,626	\$ 1,258	\$ 368	\$ 4,702	0.5	3.6	7	46
Propane	201	47%	\$ 600	\$ 1,626	\$ 1,258	\$ 368	\$ 73,986	5.2	-1.1	1,042	(213)
Wood	91	21%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	23	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	426	100%	\$ 31,100	\$ 8,109	\$ 5,031	\$ 3,077	\$ 218,971	12.9	3.6	1,597	(311)

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

Notes:

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

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

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

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

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

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

Schedule D4
Enbridge Gas Community Expansion Project Proposal
Ayton and Neustadt

Ayton and Neustadt Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule D5
Enbridge Gas Community Expansion Project Proposal
Ayton and Neustadt



The Corporation of the Municipality of West Grey

March 3, 2020

EMAIL ONLY

Enbridge Gas Inc.

603 Kumpf Drive

Waterloo, ON., N2J 4A4

Attn: Murray Costello, P.Eng., Director, Southeast Operations

Dear *REGIONAL DIRECTOR*,

Re: Expression of Support for Natural Gas Expansion to the Municipality of West Grey/Neustadt & Ayton Expansion Program

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.

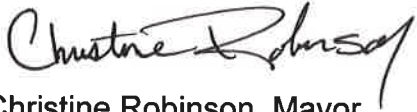
On behalf of the Municipality of West Grey, I would like to formally express our interest to have the Neustadt & Ayton Expansion Program included on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion 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. Accordingly, a copy of resolutions #53-20 and #54-20 passed by the Municipality of West Grey Council are attached for your information.



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 black ink, appearing to read "Christine Robinson". The signature is fluid and cursive, with the first name "Christine" written in a larger, more prominent script than the last name "Robinson".

Christine Robinson, Mayor
Municipality of West Grey

Ph: 519-369-2200 x.232 (office); 519-369-1505 (cell);

Email: mayor@westgrey.com




Corporation of the Municipality of West Grey
Resolution

Moved by: B. Hamilton No. 53-20

Seconded by: D. Hutch Session: March 3, 2020

Be it resolved that, the Council of the Municipality of West Grey requests the Mayor to send a letter to Murray Costello, Director, Southeast Operations, Enbridge Gas Inc., formally expressing the Municipality of West Grey's interest to have the Ayton and Neustadt Expansion 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, as recommended by the Committee of the Whole.

I HEREBY CERTIFY THAT THIS
IS A TRUE COPY DATED AT
WEST GREY
THIS 3 DAY OF MARCH 2020

JAMES MARK TURNER, CLERK
CORPORATION OF THE MUNICIPALITY OF WEST GREY

Carried ☒ Defeated ☐

Mayor Christine Robinson

Beth Hamilton
Rebecca Hergert
Doug Hutchinson
Tom Hutchinson
Christine Robinson
Geoffrey Shea
Stephen Townsend

For

☐
☐
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Against

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Declaration of pecuniary interest or the general nature thereof:



Corporation of the Municipality of West Grey
Resolution

Moved by:

R. Hergert

No.

5420

Seconded by:

Steve Townsend

Session:

March 3, 2020

Resolved that, the Council of the Municipality of West Grey hereby support making a financial contribution towards the proposed Ayton and Neustadt Expansion Project by Enbridge Gas Inc., in an amount equivalent to the property tax that would be recovered on the new natural gas infrastructure for a period of 15 years, as recommended by the Committee of the Whole.

I HEREBY CERTIFY THAT THIS
IS A TRUE COPY DATED AT
WEST GREY

THIS 3 DAY OF March, 2020

[Signature]
JAMES MARK TURNER, CLERK

CORPORATION OF THE MUNICIPALITY OF WEST GREY

Carried ✓

Defeated

Mayor

[Signature]

Beth Hamilton
Rebecca Hergert
Doug Hutchinson
Tom Hutchinson
Christine Robinson
Geoffrey Shea
Stephen Townsend

For

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Against

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Declaration of pecuniary interest or the general nature thereof:

Schedule D6
Enbridge Gas Community Expansion Project Proposal
Ayton and Neustadt

EB-2007-0819

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 West Grey

This certificate replaces the certificates and portions of certificates associated with the former entities that are now within the Municipality of West Grey.

DATED at Toronto, January 17, 2008
ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

Schedule E
Enbridge Gas Community Expansion Project Proposal
Bainsville and South Glengarry

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: Bainsville and South Glengarry Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1

Redacted

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

Enbridge Gas is proposing to serve the community of Bainsville along with additional small communities along Highway 401 between Lancaster and Bainsville. The proposed facilities will provide access to natural gas to a forecasted 219 customers (212 residential and 7 commercial / institutional).

Project proposes to tie-in to existing station on _____ and _____ in Lancaster. A pressure elevation will be required to increase existing pressure from 45 psig to 55 psig. Approximately 5 km of NPS 4 polyethylene IP pipe and 14 km of NPS 2 polyethylene IP pipe is required to bring gas to the community of Bainsville and several selected gas distribution service areas along the side streets of the _____. These include _____.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	14,349
Polyethylene	4	5,261

Please refer to Schedule E1 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 E2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule E2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule E3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule E4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule E5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule E6 for Enbridge's CPCN for the Township of South Glengarry (EB-2007-0957) which covers the entire area of the proposed project.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB- prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule E2, Table 4.2.</p>

4.3

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

Complete the tables below:

Revenue Requirement

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

Description	Year 10
Closing Rate Base	

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

Please refer to Schedule E2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$7,076,937</p> <p>Please refer to Schedule E2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$32,315</p> <p>Please refer to Schedule E2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$13.16</p> <p>Please refer to Schedule E2, Table 5.3.</p>

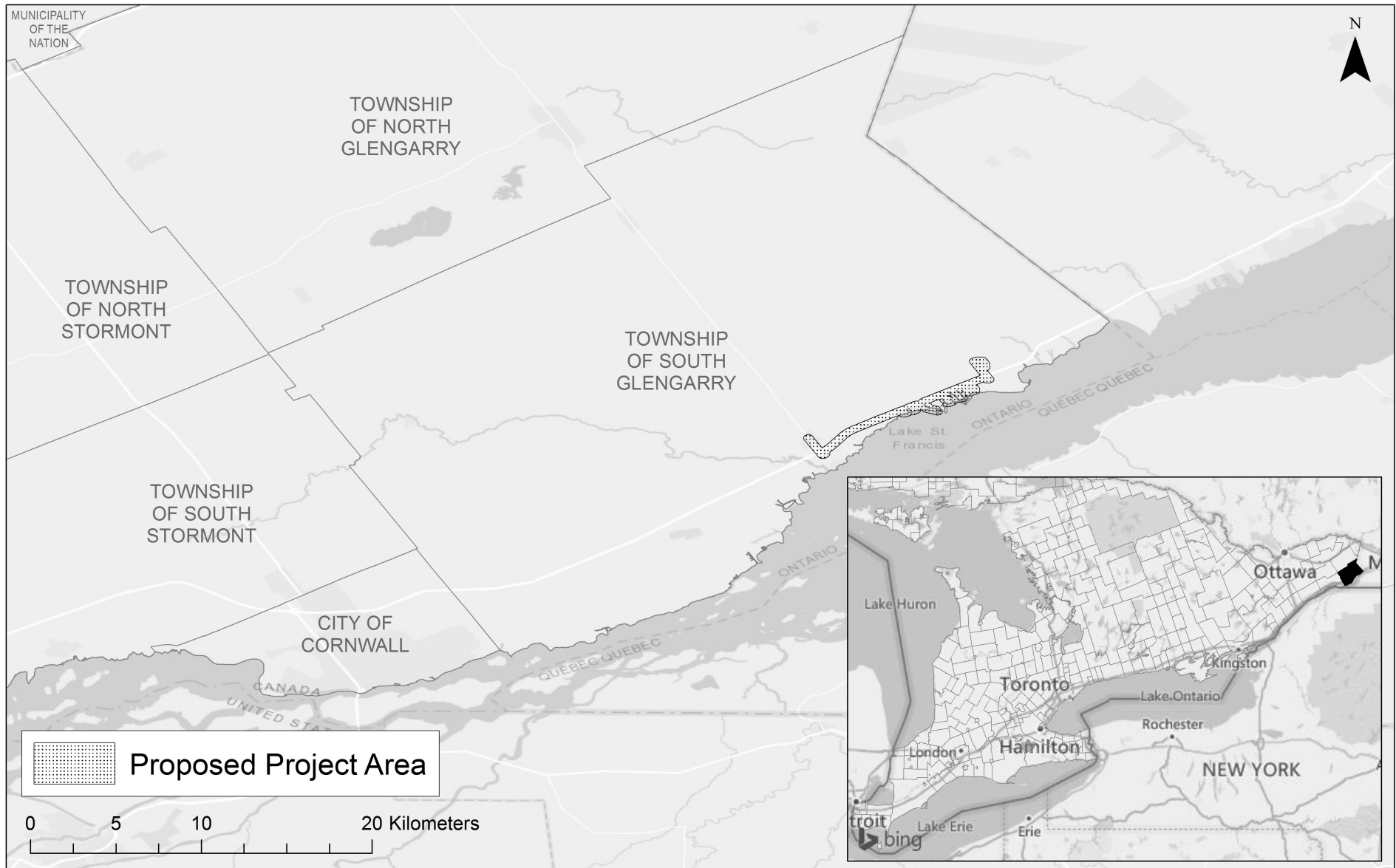
Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule E2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule E2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule E2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule E4.</p>

Schedule E1
Enbridge Gas Community Expansion Project Proposal
Bainsville and South Glengarry

Bainsville and South Glengarry



Schedule E2
Enbridge Gas Community Expansion Project Proposal
Bainsville and South Glengarry

Table 3.2 - Customer Attachments Over The Rate Stability Period

Customer Type	Firm / IT	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Residential	Firm		65	48	32	16	16	7	7	7	7	7	212
Commercial	Firm		-	6	1	-	-	-	-	-	-	-	7
Institutional	Firm		-	-	-	-	-	-	-	-	-	-	-
Agricultural	Firm		-	-	-	-	-	-	-	-	-	-	-
Industrial	Firm		-	-	-	-	-	-	-	-	-	-	-
Total Customers			65	54	33	16	16	7	7	7	7	7	219
Cumulative Customers			65	119	152	168	184	191	198	205	212	219	

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

Customer Type	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Residential		78,000	213,600	309,600	367,200	405,600	433,200	450,000	466,800	483,600	500,400	3,708,000
Commercial		-	17,400	36,000	37,200	37,200	37,200	37,200	37,200	37,200	37,200	313,800
Institutional		-	-	-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Industrial		-	-	-	-	-	-	-	-	-	-	-
Total Volumes		78,000	231,000	345,600	404,400	442,800	470,400	487,200	504,000	520,800	537,600	4,021,800

Customer Type	Project Year	1	2	3	4	5	6	7	8	9	10
Residential		78,000	291,600	601,200	968,400	1,374,000	1,807,200	2,257,200	2,724,000	3,207,600	3,708,000
Commercial		-	17,400	53,400	90,600	127,800	165,000	202,200	239,400	276,600	313,800
Institutional		-	-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-	-
Industrial		-	-	-	-	-	-	-	-	-	-
Total Volumes		78,000	309,000	654,600	1,059,000	1,501,800	1,972,200	2,459,400	2,963,400	3,484,200	4,021,800

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

Total Capital Costs	Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

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

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

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project

\$7,076,937

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$32,315

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

Section 36.2 Funding Amount Per Volume (m3)

Year 10

\$13.16

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	13,668	41,246	62,411	73,030	79,759	84,595	87,539	90,482	93,426	96,370	\$722,525
SES Revenue		17,940	53,130	79,488	93,012	101,844	108,192	112,056	115,920	119,784	123,648	925,014
Total Distribution Charge	\$	31,608	94,376	141,899	166,042	181,603	192,787	199,595	206,402	213,210	220,018	\$1,647,539

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 E3
Enbridge Gas Community Expansion Project Proposal
Bainsville and South Glengarry

Section 3.4 Bainsville and South Glengarry

Total Forecasted Customers 219 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	46	21%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 72,193	7.2	-2.7	330	(123)
Electricity F/A	20	9%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 13,924	0.6	3.9	12	77
Electricity Baseboard	26	12%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 18,566	0.6	3.9	15	103
Propane	96	44%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 27,301	5.6	-1.1	538	(105)
Wood	20	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	11	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	219	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 131,984	13.9	4.1	895	(48)

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 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 E4
Enbridge Gas Community Expansion Project Proposal
Bainsville and South Glengarry

Pipeline Construction Schedule

[illegible]

Schedule E5
Enbridge Gas Community Expansion Project Proposal
Bainsville and South Glengarry



Township of South Glengarry

6 Oak Street, P.O. Box 220, Lancaster, ON, K0C 1N0

T: (613) 347-1166 | F: (613) 347-3411

www.southglengarry.com

April 6, 2020

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

Dear Mr. Ian Ross,

Re: Expression of Support for Natural Gas Expansion to the Township of South Glengarry

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 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 South Glengarry, I would like to formally express our interest to have 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. These two projects are: Bainsville/Curry Hill area, and the Cornwall Regional Airport and area.

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 local government, as applicable, demonstrated through a written expression of support and/or a commitment to financial support in its project submissions. Please find attached our summaries for the Township of South Glengarry's two priority project areas; these summaries provide the necessary information as per your submission requirements.

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 contact Joanne Haley, General Manager - Community Services if you require further information on the project areas. Joanne can be reached via email at jhaley@southglengarry.com. The Township of South Glengarry looks forward to working with Enbridge to expand natural gas in our community.

Sincerely,


Frank Prevost, Mayor
Township of South Glengarry

Schedule E6
Enbridge Gas Community Expansion Project Proposal
Bainsville and South Glengarry

EB-2007-0957

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 South Glengarry

This certificate replaces the certificates or portions of certificates associated with the former entities that are now within the Township of South Glengarry

DATED at Toronto, March 13, 2008

ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

Schedule F
Enbridge Gas Community Expansion Project Proposal
Ballinafad and Silver Creek

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: Ballinafad and Silver Creek Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1
Redacted

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

Enbridge Gas is proposing to serve the communities of Ballinafad and Silver Creek within the Town of Halton Hills in the Regional Municipality of Halton, located in the northwestern end of the Greater Toronto Area. Ballinafad straddles the border between the Town of Halton Hills and the Town of Erin. The proposed facilities will provide access to natural gas to a forecasted 290 customers (281 residential, 8 commercial / institutional and 1 industrial).

There are 2 proposed tie-in locations. The first tie-in point will be at _____ to tie into an existing NPS 4 polyethylene pipeline. The second tie-in point will be on _____ between _____ and _____ to tie into an existing NPS 4 polyethylene pipeline. The proposed pipeline will travel from _____ and _____ to _____ and from _____ to Silver Creek. The pipeline will continue from Silver Creek to connect to Ballinafad via _____.

There will be no reinforcement required to support the proposed system. Station modifications will be required for 2 different distribution stations to support more load additions onto the system. The approximate total length of pipeline segments required will be 25,396 m (15,515 m of 2" pipeline and 9,881 of 4" pipeline).

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	9,881

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	15,515

Please refer to Schedule F1 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 F2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule F2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule F3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule F4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule F5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule F6 for Enbridge's CPCNs for the Town of Halton Hills (EB-2008-0080) and the Town of Erin (EB-2004-0482) which cover the entire area of the proposed project.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule F2, Table 4.2.</p>

4.3

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

Complete the tables below:

Revenue Requirement

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

Description	Year 10
Closing Rate Base	

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

Please refer to Schedule F2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$12,121,282</p> <p>Please refer to Schedule F2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$41,798</p> <p>Please refer to Schedule F2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$16.63</p> <p>Please refer to Schedule F2, Table 5.3.</p>

Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule F2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule F2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule F2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule F4.</p>

Schedule F1
Enbridge Gas Community Expansion Project Proposal
Ballinafad and Silver Creek

Ballinafad and Silver Creek



Schedule F2
Enbridge Gas Community Expansion Project Proposal
Ballinafad and Silver Creek

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>
	86	62	44	22	22	9	9	9	9	9	281
	-	5	2	1	-	-	-	-	-	-	8
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	1	-	-	-	-	-	-	-	-	1
	<u>86</u>	<u>68</u>	<u>46</u>	<u>23</u>	<u>22</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>290</u>
	86	154	200	223	245	254	263	272	281	290	

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	94,600	257,400	374,000	446,600	495,000	529,100	548,900	568,700	588,500	608,300	4,511,100
Commercial	-	6,900	16,000	19,300	20,400	20,400	20,400	20,400	20,400	20,400	164,600
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>94,600</u>	<u>314,300</u>	<u>490,000</u>	<u>565,900</u>	<u>615,400</u>	<u>649,500</u>	<u>669,300</u>	<u>689,100</u>	<u>708,900</u>	<u>728,700</u>	<u>5,525,700</u>

<u>Customer Type</u>	<u>Cumulative Volumes - m3</u>										
<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	
Residential	94,600	352,000	726,000	1,172,600	1,667,600	2,196,700	2,745,600	3,314,300	3,902,800	4,511,100	
Commercial	-	6,900	22,900	42,200	62,600	83,000	103,400	123,800	144,200	164,600	
Institutional	-	-	-	-	-	-	-	-	-	-	
Agricultural	-	-	-	-	-	-	-	-	-	-	
Industrial	-	50,000	150,000	250,000	350,000	450,000	550,000	650,000	750,000	850,000	
Total Volumes	<u>94,600</u>	<u>408,900</u>	<u>898,900</u>	<u>1,464,800</u>	<u>2,080,200</u>	<u>2,729,700</u>	<u>3,399,000</u>	<u>4,088,100</u>	<u>4,797,000</u>	<u>5,525,700</u>	

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

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

Table 4.3 - Revenue Requirement Over The Rate Stability Period

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

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

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	\$ 12,121,282
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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 \$ 41,798
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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)	Year 10 \$ 16.63
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Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	14,046	40,853	61,128	72,397	79,747	84,810	87,750	90,689	93,629	96,569	\$ 721,618
SES Revenue		21,758	72,289	112,700	130,157	141,542	149,385	153,939	158,493	163,047	167,601	1,270,911
Total Distribution Charge	\$	<u>35,804</u>	<u>113,142</u>	<u>173,828</u>	<u>202,554</u>	<u>221,289</u>	<u>234,195</u>	<u>241,689</u>	<u>249,182</u>	<u>256,676</u>	<u>264,170</u>	<u>\$ 1,992,529</u>

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

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

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

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

Schedule F3
Enbridge Gas Community Expansion Project Proposal
Ballinafad and Silver Creek

Section 3.4 Ballinafad and Silver Creek

Total Forecasted Customers 290 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	57	20%	\$ 5,000	\$ 2,829	\$ 1,258	\$ 1,571	\$ 89,682	6.7	-2.5	380	(144)
Electricity F/A	25	9%	\$ 5,000	\$ 2,028	\$ 1,258	\$ 770	\$ 19,351	0.5	3.6	14	90
Electricity Baseboard	0	0%	\$ 12,000	\$ 1,626	\$ 1,258	\$ 368	\$ -	0.5	3.6	-	-
Propane	190	65%	\$ 600	\$ 1,626	\$ 1,258	\$ 368	\$ 69,731	5.2	-1.1	982	(201)
Wood	0	0%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	18	6%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	290	100%	\$ 31,100	\$ 8,109	\$ 5,031	\$ 3,077	\$ 178,764	12.9	3.6	1,376	(255)

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

Notes:

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

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

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

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

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

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

Schedule F4
Enbridge Gas Community Expansion Project Proposal
Ballinafad and Silver Creek

Ballinafad and Silver Creek Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule F5
Enbridge Gas Community Expansion Project Proposal
Ballinafad and Silver Creek

Acton
Georgetown
Esquesing



Town of Halton Hills
Office of the Mayor

June 1, 2020

Mr. Brian Lennie
Senior Advisor, Municipal Affairs – Ontario South/West
Enbridge Gas Inc.
50 Keil Drive North
Chatham ON N7M 5M1

Dear Mr. Lennie:

Re: Expression of Support for Natural Gas Expansion to the Town of Halton Hills – Ballinafad, Limehouse and Silvercreek 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 provide financial support to expand natural gas service to new areas across Ontario that would otherwise not be economically feasible. Our municipality is one such area, and we support bringing this relatively more affordable and reliable fuel source to our residents and businesses.

On behalf of Halton Hills Town Council, I would like to formally express our interest to have the Ballinafad, Limehouse and Silvercreek Natural Gas Expansion 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 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.

We recognize that natural gas is the most common, affordable heating fuel in Ontario and we support the efforts of Enbridge Gas Inc., the OEB and the Ministry of Energy, Northern Development and Mines.

While the Town does support the limited expansion of natural gas to the three specified and underserved areas based on discussions going back to 2017, we are conscious of the potential impacts

Acton
Georgetown
Esquesing



Town of Halton Hills
Office of the Mayor

of this project on our climate change mitigation goals. Halton Hills remains strongly committed to becoming a Net-Zero community by 2030. As a leader in climate change action, Halton Hills has a variety of projects underway to help achieve this goal, including a Low-Carbon Transition Strategy, Economic Development and Tourism Strategy, and a Foreign Direct Investment (FDI) Strategy – all of which include a climate change/green economy focus.

Having Enbridge as a partner in these efforts would be welcomed. We look forward to discussing this, along with other possible innovative initiatives that will help offset natural gas' environmental impacts, with Enbridge in the near future.

Sincerely,

Rick Bonnette
Mayor, Town of Halton Hills

c. Halton Hills Town Council

Brent Marshall, Chief Administrative Officer

Damian Szybalski, Director of Economic Development, Innovation and Culture

Richard Cockfield, Director of Strategic Initiatives

c. Erin Town Council

Nathan Hyde, Chief Administrative Officer

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

March 4, 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/ Ballinafad 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 Ballinafad 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 Ballinafad 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 dark ink, appearing to read 'Allan Alls'.

Allan Alls
Mayor
Town of Erin

Schedule F6
Enbridge Gas Community Expansion Project Proposal
Ballinafad and Silver Creek

EB-2008-0080

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

Town of Halton Hills

This Certificate of Public Convenience and Necessity replaces those parts of Certificate F.B.C. 324 for the former Town of Acton, the former Town of Georgetown and a portion of the former Township of Esquesing that are now within the Town of Halton Hills.

DATED at Toronto, May 14, 2008

ONTARIO ENERGY BOARD

Neil McKay
Manager - Facilities

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 G
Enbridge Gas Community Expansion Project Proposal
Belwood

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

Part III – Description of and Support for Project

3.1

Redacted

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

Enbridge Gas is proposing to serve the community of Belwood within the Township of Centre Wellington. The proposed facilities will provide access to natural gas to a forecasted 179 customers (168 residential, 9 commercial / institutional and 181 industrial).

The proposed tie-in point for the distribution pipeline system will be on _____ and _____ connecting to existing 2" polyethylene pipeline. The proposed pipeline will continue via _____ to _____ to _____ and then branch into _____ and _____, _____ and _____. A lateral segment will continue on _____ and include _____, _____, _____ and _____. The proposed pipeline will cross the Grand River to _____ to include _____, _____, _____, _____, _____, _____ and _____.

Approximately 1,250 m of 4" polyethylene pipe is proposed for a reinforcement segment to accommodate the additional loads (in Fergus - southward to intersection of _____ and _____). No new stations will be required nor will any modifications be needed to existing stations to accommodate the additional loads.

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	6	5,950
Polyethylene	4	4,035

The approximate length and size of the reinforcement required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	1,250

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	9,400

Please refer to Schedule G1 for Project Map.

3.2	<p>Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.</p> <p>Please refer to Schedule G2, Table 3.2.</p>
3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule G2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule G3, Table 3.4.</p>

3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule G4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule G5.</p>
3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule G6 for Enbridge's CPCN for the Township of Centre Wellington (RP-2004-0190 / EB-2004-0379) which covers the entire area of the proposed project.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>

4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule G2, Table 4.2.</p>														
4.3	<p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table><tr><td>Description</td><td>Year 1</td><td>Year 2...</td><td>Year 10</td><td>Total</td></tr><tr><td>Revenue Requirement</td><td></td><td></td><td></td><td></td></tr></table> <table><tr><td>Description</td><td>Year 10</td></tr><tr><td>Closing Rate Base</td><td></td></tr></table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule G2, Table 4.3.</p>	Description	Year 1	Year 2...	Year 10	Total	Revenue Requirement					Description	Year 10	Closing Rate Base	
Description	Year 1	Year 2...	Year 10	Total											
Revenue Requirement															
Description	Year 10														
Closing Rate Base															

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$8,798,271</p> <p>Please refer to Schedule G2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$49,152</p> <p>Please refer to Schedule G2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$14.42</p> <p>Please refer to Schedule G2, Table 5.3.</p>

Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule G2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule G2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule G2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule G4.</p>

Schedule G1
Enbridge Gas Community Expansion Project Proposal
Belwood



Schedule G2
Enbridge Gas Community Expansion Project Proposal
Belwood

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>
	52	39	26	13	13	5	5	5	5	5	168
	-	5	3	-	-	-	-	-	-	-	8
	-	-	-	-	-	-	-	-	-	-	-
	-	1	-	-	-	-	-	-	-	-	1
	-	2	-	-	-	-	-	-	-	-	2
	<u>52</u>	<u>47</u>	<u>29</u>	<u>13</u>	<u>13</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>179</u>
	52	99	128	141	154	159	164	169	174	179	

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	57,200	157,300	228,800	271,700	300,300	320,100	331,100	342,100	353,100	364,100	2,725,800
Commercial	-	14,700	36,600	43,800	43,800	43,800	43,800	43,800	43,800	43,800	357,900
Institutional	-	-	-	-	-	-	-	-	-	-	-
Agricultural	-	1,100	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	18,700
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>57,200</u>	<u>273,100</u>	<u>467,600</u>	<u>517,700</u>	<u>546,300</u>	<u>566,100</u>	<u>577,100</u>	<u>588,100</u>	<u>599,100</u>	<u>610,100</u>	<u>4,802,400</u>

<u>Customer Type</u>	<u>Cumulative Volumes - m3</u>										
<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	
Residential	57,200	214,500	443,300	715,000	1,015,300	1,335,400	1,666,500	2,008,600	2,361,700	2,725,800	
Commercial	-	14,700	51,300	95,100	138,900	182,700	226,500	270,300	314,100	357,900	
Institutional	-	-	-	-	-	-	-	-	-	-	
Agricultural	-	1,100	3,300	5,500	7,700	9,900	12,100	14,300	16,500	18,700	
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>57,200</u>	<u>330,300</u>	<u>797,900</u>	<u>1,315,600</u>	<u>1,861,900</u>	<u>2,428,000</u>	<u>3,005,100</u>	<u>3,593,200</u>	<u>4,192,300</u>	<u>4,802,400</u>	

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

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

Table 4.3 - Revenue Requirement Over The Rate Stability Period

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

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

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	\$ 8,798,271
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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 \$ 49,152
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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)	Year 10 \$ 14.42
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Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	8,493	28,150	44,158	51,125	55,371	58,311	59,944	61,577	63,210	64,844	\$ 495,182
SES Revenue		13,156	62,813	107,548	119,071	125,649	130,203	132,733	135,263	137,793	140,323	1,104,552
Total Distribution Charge	\$	<u>21,649</u>	<u>90,963</u>	<u>151,706</u>	<u>170,196</u>	<u>181,020</u>	<u>188,514</u>	<u>192,677</u>	<u>196,840</u>	<u>201,003</u>	<u>205,167</u>	<u>\$ 1,599,734</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 G3
Enbridge Gas Community Expansion Project Proposal
Belwood

Section 3.4 Belwood

Total Forecasted Customers 179 Penetration Rate 53%

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	33	18%	\$ 5,000	\$ 2,829	\$ 1,258	\$ 1,571	\$ 51,801	6.7	-2.5	219	(83)
Electricity F/A	5	3%	\$ 5,000	\$ 2,028	\$ 1,258	\$ 770	\$ 3,629	0.5	3.6	3	17
Electricity Baseboard	2	1%	\$ 12,000	\$ 1,626	\$ 1,258	\$ 368	\$ 867	0.5	3.6	1	8
Propane	104	58%	\$ 600	\$ 1,626	\$ 1,258	\$ 368	\$ 38,128	5.2	-1.1	537	(110)
Wood	12	7%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	24	13%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	179	100%	\$ 31,100	\$ 8,109	\$ 5,031	\$ 3,077	\$ 94,425	12.9	3.6	760	(168)

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

Notes:

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

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

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

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

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

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

Schedule G4
Enbridge Gas Community Expansion Project Proposal
Belwood

Belwood Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule G5
Enbridge Gas Community Expansion Project Proposal
Belwood



Reply to: Kerri O'Kane
519-846-9691 x 243
kokane@centrewellington.ca

May 6, 2020

Brian Lennie
Senior Advisor, Municipal Affairs & Stakeholder Relations – Ontario South/West
Enbridge Gas INC.
50 Keil Drive North
Chatham ON N7M5M1

Dear Mr. Lennie:

Re: Natural Gas Expansion Program - Belwood

The Council of the Township of Centre Wellington at their meeting held May 4, 2020, passed the following resolution with respect to the above noted matter:

WHEREAS access to natural gas infrastructure is limited in parts of the Township of Centre Wellington and increased access will provide more affordable and reliable energy;

AND WHEREAS expanding access to natural gas within Centre Wellington (Belwood) is a key strategic priority supported by Council;

AND WHEREAS access to natural gas for residents, farms and businesses 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 Centre Wellington formally supports an application submitted by a natural gas distributor (Enbridge Gas Inc.) or supplier to the Government of Ontario, for a grant from the Provincial Natural Gas Expansion Support Program, to expand the natural gas system to service Centre Wellington (Belwood) or any other areas in Centre Wellington;

AND THAT Council 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 period of 10 years as a financial support to the proposed project per the Ontario Energy Board (OEB) guidelines for the Natural Gas Expansion Support Program;

AND THAT the Mayor be authorized to sign the required supporting letter for Enbridge

AND THAT a copy of this resolution be forwarded along with the application to Ontario's Natural Gas Expansion Support Program.

Should you have any questions or require anything further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "K O'Kane", with a stylized flourish at the end.

Kerri O'Kane
Manager of Legislative Services & Municipal Clerk

May 15 2020

Dear Mr. Costello,

Re: Expression of Support for Natural Gas Expansion to Belwood

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.

On behalf of the Township of East Garafraxa, I would like to express our support for the project to bring natural gas to the community of Belwood in the neighbouring Township of Centre Wellington. This project will be 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 Guidelines issued by the OEB (EB-2019-0255), we are aware that Enbridge Gas Inc. may include support for proposed projects from local government, demonstrated through a written expression of support in its project submissions.

We fully support the efforts of Enbridge Gas Inc., the OEB and the Ministry of Energy, Northern Development and Mines in their efforts to expand natural gas access to unserved communities in Ontario. We are also pleased to support the efforts of our neighbours, the Township of Centre Wellington, to bring natural gas to the community of Belwood, to attract new opportunities, help create jobs and lower monthly costs for its residents and businesses.

Sincerely,



Guy Gardhouse
Mayor, Township of East Garafraxa

c. Brian Lennie, Enbridge Gas Inc.

Schedule G6
Enbridge Gas Community Expansion Project Proposal
Belwood



RP-2004-0190

EB-2004-0379

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

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

Township of Centre Wellington.

This certificate replaces the certificates of the former municipalities that are now within the Township of Centre Wellington.

DATED at Toronto, July 29, 2004.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Acting Board Secretary

Schedule H
Enbridge Gas Community Expansion Project Proposal
Bobcaygeon

**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: Bobcaygeon Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1

Redacted

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

Enbridge Gas is proposing to serve the community of Bobcaygeon as well as currently unserved areas within the City of Kawartha Lakes that are along the supply lateral which include _____, _____, _____, _____ and _____.

The proposed facilities will provide access to natural gas to a forecasted 3,978 customers (3,854 residential, 122 commercial / institutional and 2 industrial).

The proposed tie-in of the steel supply lateral is in _____ at the intersection of _____ and _____. This tie-in would bring gas from the existing system 25 km north along _____, _____ and finally to _____ into Bobcaygeon to the distribution system. A total of six stations are proposed as part of the project: on the corner of _____ and _____; on the corner of _____ and _____; on the corner of _____ and _____; at the intersection of _____ and _____; at the intersection of _____ and _____; and a large station located on _____ just south of Bobcaygeon.

The distribution system within Bobcaygeon crosses the Trent Severn waterway and is proposed to include approximately 44 km of polyethylene pipe, plus an additional 36 km polyethylene pipe for future growth. Three segments of steel pipe are required to reinforce the existing system, two are south of the tie-in at _____ along _____ just south of _____, and one along _____ between _____ and _____.

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Steel	6	25,000

The approximate length and size of the reinforcement required:

Pipe Type	Diameter (NPS)	Length (m)
Steel	6	7,100
Steel	6	6,000
Steel	8	5,900

	<p>The approximate length and size of the distribution pipelines required:</p> <table><tr><td>Pipe Type</td><td>Diameter (NPS)</td><td>Length (m)</td></tr><tr><td>Polyethylene</td><td>1 ¼</td><td>28,419</td></tr><tr><td>Polyethylene</td><td>2</td><td>36,628</td></tr><tr><td>Polyethylene</td><td>4</td><td>12,208</td></tr><tr><td>Polyethylene</td><td>6</td><td>2,600</td></tr></table> <p>Please refer to Schedule H1 for Project Map.</p>	Pipe Type	Diameter (NPS)	Length (m)	Polyethylene	1 ¼	28,419	Polyethylene	2	36,628	Polyethylene	4	12,208	Polyethylene	6	2,600
Pipe Type	Diameter (NPS)	Length (m)														
Polyethylene	1 ¼	28,419														
Polyethylene	2	36,628														
Polyethylene	4	12,208														
Polyethylene	6	2,600														
3.2	<p>Provide the annual and cumulative forecast of the number of customer attachments over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community. Indicate for each customer type whether the service to be provided would be firm or interruptible.</p> <p>Please refer to Schedule H2, Table 3.2.</p>															
3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule H2, Table 3.3.</p>															

3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule H3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule H4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule H5.</p>
3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule H6 for Enbridge's CPCN for the City of Kawartha Lakes (EB-2017-0147) which covers the entire area of the proposed project.</p>

Part IV – Cost of Project															
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>														
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility’s proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent’s project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule H2, Table 4.2.</p>														
4.3	<p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table><tr><td>Description</td><td>Year 1</td><td>Year 2...</td><td>Year 10</td><td>Total</td></tr><tr><td>Revenue Requirement</td><td></td><td></td><td></td><td></td></tr></table> <table><tr><td>Description</td><td>Year 10</td></tr><tr><td>Closing Rate Base</td><td></td></tr></table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule H2, Table 4.3.</p>	Description	Year 1	Year 2...	Year 10	Total	Revenue Requirement					Description	Year 10	Closing Rate Base	
Description	Year 1	Year 2...	Year 10	Total											
Revenue Requirement															
Description	Year 10														
Closing Rate Base															

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$68,029,650</p> <p>Please refer to Schedule H2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$17,104</p> <p>Please refer to Schedule H2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$7.05</p> <p>Please refer to Schedule H2, Table 5.3.</p>

Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule H2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

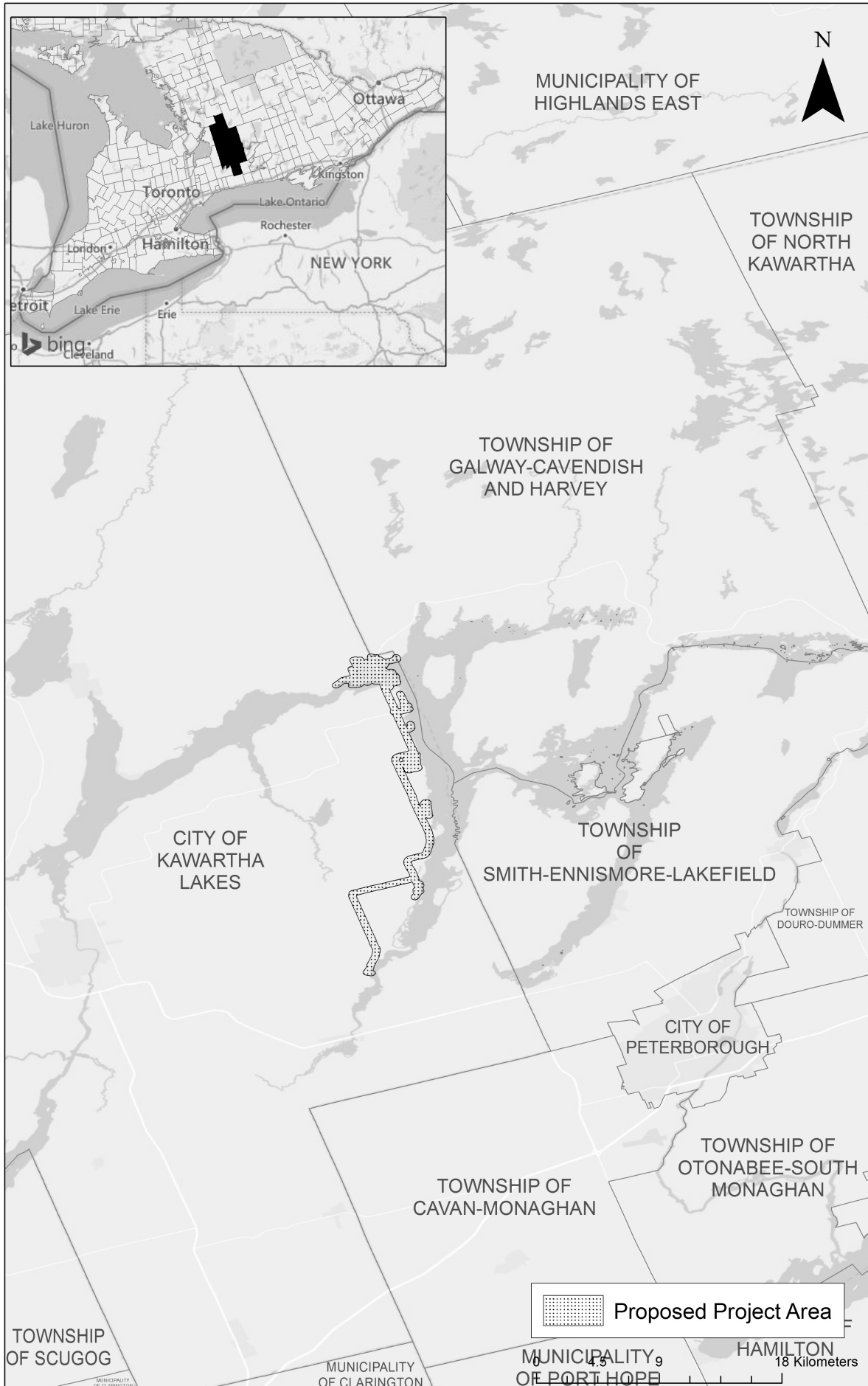
Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule H2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule H2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule H4.</p>

Schedule H1
Enbridge Gas Community Expansion Project Proposal
Bobcaygeon

Bobcaygeon

EB-2019-0255
Schedule H1
Redacted



Schedule H2
Enbridge Gas Community Expansion Project Proposal
Bobcaygeon

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		429	496	370	555	532	439	425	213	201	194	3,854
Commercial	Firm		-	62	18	10	9	5	4	5	4	4	120
Institutional	Firm		-	1	-	-	-	-	-	-	-	-	1
Agricultural	Firm		-	1	-	-	-	-	-	-	-	-	1
Industrial	Firm		-	2	-	-	-	-	-	-	-	-	2
Total Customers			<u>429</u>	<u>562</u>	<u>388</u>	<u>565</u>	<u>541</u>	<u>444</u>	<u>429</u>	<u>218</u>	<u>205</u>	<u>198</u>	<u>3,978</u>
Cumulative Customers			429	991	1,379	1,943	2,484	2,928	3,357	3,575	3,780	3,978	

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		492,093	1,559,202	2,570,649	3,667,614	4,962,342	6,117,871	7,144,579	7,900,087	8,386,795	8,851,964	51,653,194
Commercial		-	138,350	320,000	385,550	425,050	457,200	482,000	506,800	531,600	551,400	3,797,950
Institutional		-	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	425,000
Agricultural		-	1,200	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	20,400
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>492,093</u>	<u>1,823,752</u>	<u>3,143,049</u>	<u>4,305,564</u>	<u>5,639,792</u>	<u>6,827,471</u>	<u>7,878,979</u>	<u>8,659,287</u>	<u>9,170,795</u>	<u>9,655,764</u>	<u>57,596,544</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		492,093	2,051,295	4,621,944	8,289,558	13,251,900	19,369,770	26,514,349	34,414,435	42,801,230	51,653,194	
Commercial		-	138,350	458,350	843,900	1,268,950	1,726,150	2,208,150	2,714,950	3,246,550	3,797,950	
Institutional		-	25,000	75,000	125,000	175,000	225,000	275,000	325,000	375,000	425,000	
Agricultural		-	1,200	3,600	6,000	8,400	10,800	13,200	15,600	18,000	20,400	
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>492,093</u>	<u>2,315,845</u>	<u>5,458,894</u>	<u>9,764,458</u>	<u>15,404,250</u>	<u>22,231,720</u>	<u>30,110,699</u>	<u>38,769,985</u>	<u>47,940,780</u>	<u>57,596,544</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	\$	68,029,650
--	----	------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	\$	Year 10 <u>17,104</u>
---	----	--

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

Section 36.2 Funding Amount Per Volume (m3)	\$	Year 10 <u>7.05</u>
---	----	--

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	88,632	323,965	558,823	769,003	1,007,538	1,219,179	1,405,790	1,544,880	1,636,868	1,724,182	\$ 10,278,860
SES Revenue		113,181	419,463	722,901	990,280	1,297,152	1,570,318	1,812,165	1,991,636	2,109,283	2,220,826	13,247,205
Total Distribution Charge	\$	<u>201,813</u>	<u>743,428</u>	<u>1,281,724</u>	<u>1,759,283</u>	<u>2,304,690</u>	<u>2,789,497</u>	<u>3,217,955</u>	<u>3,536,516</u>	<u>3,746,151</u>	<u>3,945,008</u>	<u>\$ 23,526,065</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 - See Note 1	
Change in Working Capital	
Total Cash Outflow (D)	
Profitability Index (PI) Inclusive of Section 36.2 Funding (C / D)	<u>1.00</u>

Notes:
1 - It is assumed for this project that the Section 36.2 funding will be received over seven years in proportion to the addition of mains and station assets.
This is the net present value of the Section 36.2 funding and therefore will not agree to the Section 36.2 funding in Table 5.1 above.

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 H3
Enbridge Gas Community Expansion Project Proposal
Bobcaygeon

Section 3.4 Bobcaygeon

Total Forecasted Customers 3978 Penetration Rate 74%

	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	1166	29%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 1,829,622	7.2	-2.7	8,360	(3,117)
Electricity F/A	1014	26%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 716,617	0.6	3.9	592	3,971
Electricity Baseboard	243	6%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 171,426	0.6	3.9	142	950
Propane	1209	30%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 342,632	5.6	-1.1	6,758	(1,318)
Wood	346	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	0	0%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	3978	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 3,060,298	13.9	4.1	15,852	486

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 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 H4
Enbridge Gas Community Expansion Project Proposal
Bobcaygeon

Bobcaygeon Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule H5
Enbridge Gas Community Expansion Project Proposal
Bobcaygeon



The Corporation of the
City of Kawartha Lakes

P.O. Box 9000, 26 Francis St.,
Lindsay, Ontario K9V 5R8

Tel: (705) 324-9411 ext. 1320, 1 888-822-2225

Fax: (705) 324-8110

aletham@kawarthalakes.ca

April 21, 2020

Mr. Mark Wilson (Mark.Wilson@enbridge.com)
Senior Advisor, Municipal & Stakeholder Relations
Enbridge Gas Inc.
500 Consumers Road
Toronto, ON M2J 1P8

Re: Expression of Support for Natural Gas Expansion to Bobcaygeon

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 Support Program will unlock financial support needed to expand natural gas service to new areas across Ontario that are not economically feasible without support. The City of Kawartha Lakes is one such area, and we are eager to bring this affordable, reliable fuel source to more residents and businesses.

On behalf of City of Kawartha Lakes, I would like to formally support the inclusion of Bobcaygeon on Enbridge Gas' list of projects being proposed to the Ontario Energy Board (OEB) for consideration for financial support through the Natural Gas Expansion Support Program.

Based on the Guidelines issued by the OEB (EB-2019-0255) on March 5th, 2020, we are aware that Enbridge Gas may include support for the proposed project from local government, demonstrated through a written expression of support in its project submissions.

Natural gas is the most common, affordable heating fuel in Ontario. The City of Kawartha Lakes supports the efforts of Enbridge Gas, 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 more residents and business owners.

Sincerely,

A handwritten signature in black ink, appearing to read "A Letham", is written over a horizontal line.

Andy Letham
Mayor Kawartha Lakes

Schedule H6
Enbridge Gas Community Expansion Project Proposal
Bobcaygeon

EB-2017-0147

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 in the

City of Kawartha Lakes

DATED at Toronto, March 1, 2018

ONTARIO ENERGY BOARD

Original Signed By

Kirsten Walli
Board Secretary

Schedule I
Enbridge Gas Community Expansion Project Proposal
Boblo Island

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: Boblo Island Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1

Redacted

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

Enbridge Gas is proposing to serve the community of Boblo Island which is located in the Detroit River on the Canadian side of the border and is part of the Town of Amherstburg.

The proposed facilities will provide access to natural gas to a forecasted 92 residential customers.

The proposed tie-in point will be near the intersection of _____ and _____ in Amherstburg connecting to an existing 4" steel pipeline. The proposed distribution pipeline is 2,885 m of 2" polyethylene pipe. Approximately 615 m of pipeline will be required to cross the Detroit River to reach the island. On the island, the proposed system will extend via _____ to _____, _____ and _____.

There will be no reinforcement required to accommodate additional loads for the system and there are no new stations or any station modifications required.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	2,885

Please refer to Schedule I1 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 I2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule I2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule I3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule I4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule I5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule I6 for Enbridge's CPCN for the Town of Amherstburg (RP-2004-0198 / EB-2004-0399) that covers the entire area of the proposed project.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule I2, Table 4.2.</p>

4.3

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

Complete the tables below:

Revenue Requirement

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

Description	Year 10
Closing Rate Base	

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

Please refer to Schedule I2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$1,915,672</p> <p>Please refer to Schedule I2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$20,823</p> <p>Please refer to Schedule I2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$9.62</p> <p>Please refer to Schedule I2, Table 5.3.</p>

Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule I2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule I2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule I2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule I4.</p>

Schedule I1
Enbridge Gas Community Expansion Project Proposal
Boblo Island

Boblo Island



Schedule I2
Enbridge Gas Community Expansion Project Proposal
Boblo Island

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
	28	21	14	7	7	3	3	3	3	3	92
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>28</u>	<u>21</u>	<u>14</u>	<u>7</u>	<u>7</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>92</u>
	28	49	63	70	77	80	83	86	89	92	

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

Customer Type
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

Annual Volumes - m3											Total
Project Year	1	2	3	4	5	6	7	8	9	10	
	30,800	84,700	123,200	146,300	161,700	172,700	179,300	185,900	192,500	199,100	1,476,200
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>30,800</u>	<u>84,700</u>	<u>123,200</u>	<u>146,300</u>	<u>161,700</u>	<u>172,700</u>	<u>179,300</u>	<u>185,900</u>	<u>192,500</u>	<u>199,100</u>	<u>1,476,200</u>

Customer Type
Residential
Commercial
Institutional
Agricultural
Industrial
Total Volumes

Cumulative Volumes - m3											Total
Project Year	1	2	3	4	5	6	7	8	9	10	
	30,800	115,500	238,700	385,000	546,700	719,400	898,700	1,084,600	1,277,100	1,476,200	
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>30,800</u>	<u>115,500</u>	<u>238,700</u>	<u>385,000</u>	<u>546,700</u>	<u>719,400</u>	<u>898,700</u>	<u>1,084,600</u>	<u>1,277,100</u>	<u>1,476,200</u>	

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

Total Capital Costs

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

Revenue Requirement

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

Closing Rate Base (net of proposed Section 36.2 funding)

Year 10

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	\$ 1,915,672
--	--------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	Year 10 \$ 20,823
---	--------------------------------------

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

Section 36.2 Funding Amount Per Year 10 Volume (m3)	Year 10 \$ 9.62
---	------------------------------------

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	4,573	12,576	18,292	21,722	24,008	25,641	26,621	27,601	28,581	29,561	\$ 219,175
SES Revenue		7,084	19,481	28,336	33,649	37,191	39,721	41,239	42,757	44,275	45,793	339,526
Total Distribution Charge	\$	<u>11,657</u>	<u>32,057</u>	<u>46,628</u>	<u>55,371</u>	<u>61,199</u>	<u>65,362</u>	<u>67,860</u>	<u>70,358</u>	<u>72,856</u>	<u>75,354</u>	<u>\$ 558,701</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 I3
Enbridge Gas Community Expansion Project Proposal
Boblo Island

Section 3.4 Boblo Island

Total Forecasted Customers 92 Penetration Rate 65%

Existing Fuel / Heating Type	Number of Customers	Current proportion of customer ¹	Estimated Conversion Cost ²	Estimated Annual Energy Costs (existing fuel)	Estimated Annual Energy Costs (natural gas)	Estimated Annual Savings per customer	Estimated Annual Savings	Estimated Annual GHG per customer - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) per customer switching to natural gas (tCO2e)	Estimated Annual GHG - Total Community - Existing Fuel (tCO2e)	Estimated Annual GHG Change (increased GHG is +ve/decreased GHG is -ve) total community switching to natural gas (tCO2e)
Oil	19	21%	\$ 5,000	\$ 2,829	\$ 1,258	\$ 1,571	\$ 30,351	6.7	-2.5	129	(49)
Electricity F/A	8	9%	\$ 5,000	\$ 2,028	\$ 1,258	\$ 770	\$ 6,379	0.5	3.6	4	30
Electricity Baseboard	11	12%	\$ 12,000	\$ 1,626	\$ 1,258	\$ 368	\$ 4,062	0.5	3.6	6	40
Propane	40	44%	\$ 600	\$ 1,626	\$ 1,258	\$ 368	\$ 14,893	5.2	-1.1	210	(43)
Wood	8	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	5	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	92	100%	\$ 31,100	\$ 8,109	\$ 5,031	\$ 3,077	\$ 55,685	12.9	3.6	349	(22)

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

Notes:

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

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

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

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

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

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

Schedule I4
Enbridge Gas Community Expansion Project Proposal
Boblo Island

Boblo Island Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule I5
Enbridge Gas Community Expansion Project Proposal
Boblo Island



The Corporation of The Town of Amherstburg

March 6, 2020

Dear Regional Director

Re: Expression of Support for Natural Gas Expansion to the Town of Amherstburg Boblo Island Community

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

On behalf of the Town of Amherstburg, I would like to formally express our interest to have the Boblo Island Community 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 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,

Aldo DiCarlo
Mayor

Schedule I6
Enbridge Gas Community Expansion Project Proposal
Boblo Island

RP-2004-0198
EB-2004-0399

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited


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

Town of Amherstburg.

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

DATED at Toronto, September 24, 2004.

ONTARIO ENERGY BOARD


Peter H. O'Dell
Assistant Board Secretary

Schedule J
Enbridge Gas Community Expansion Project Proposal
Bonfield

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: Bonfield Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1

Redacted

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

Enbridge Gas is proposing to serve the Township of Bonfield in northeastern Ontario in Nipissing District. The proposed facilities will provide access to natural gas to a forecasted 216 customers (204 residential and 12 commercial / institutional).

The proposed tie-in point for the distribution pipeline system will be on _____ connecting to an existing 4" polyethylene pipeline. From _____, the proposed pipeline will connect west to Bonfield via _____. The distribution system will partially or fully include _____, _____, _____, _____ and _____. There will be no reinforcement required to accommodate additional loads.

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	10,800

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	15,600

Please refer to Schedule J1 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 J2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule J2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule J3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule J4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule J5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule J6 for Enbridge’s CPCN for the Township of Bonfield (EB-2017-0368) that covers the entire area of the proposed project.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB- prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility’s proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent’s project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule J2, Table 4.2.</p>

4.3

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

Complete the tables below:

Revenue Requirement

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

Description	Year 10
Closing Rate Base	

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

Please refer to Schedule J2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$11,264,835</p> <p>Please refer to Schedule J2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$52,152</p> <p>Please refer to Schedule J2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$21.15</p> <p>Please refer to Schedule J2, Table 5.3.</p>

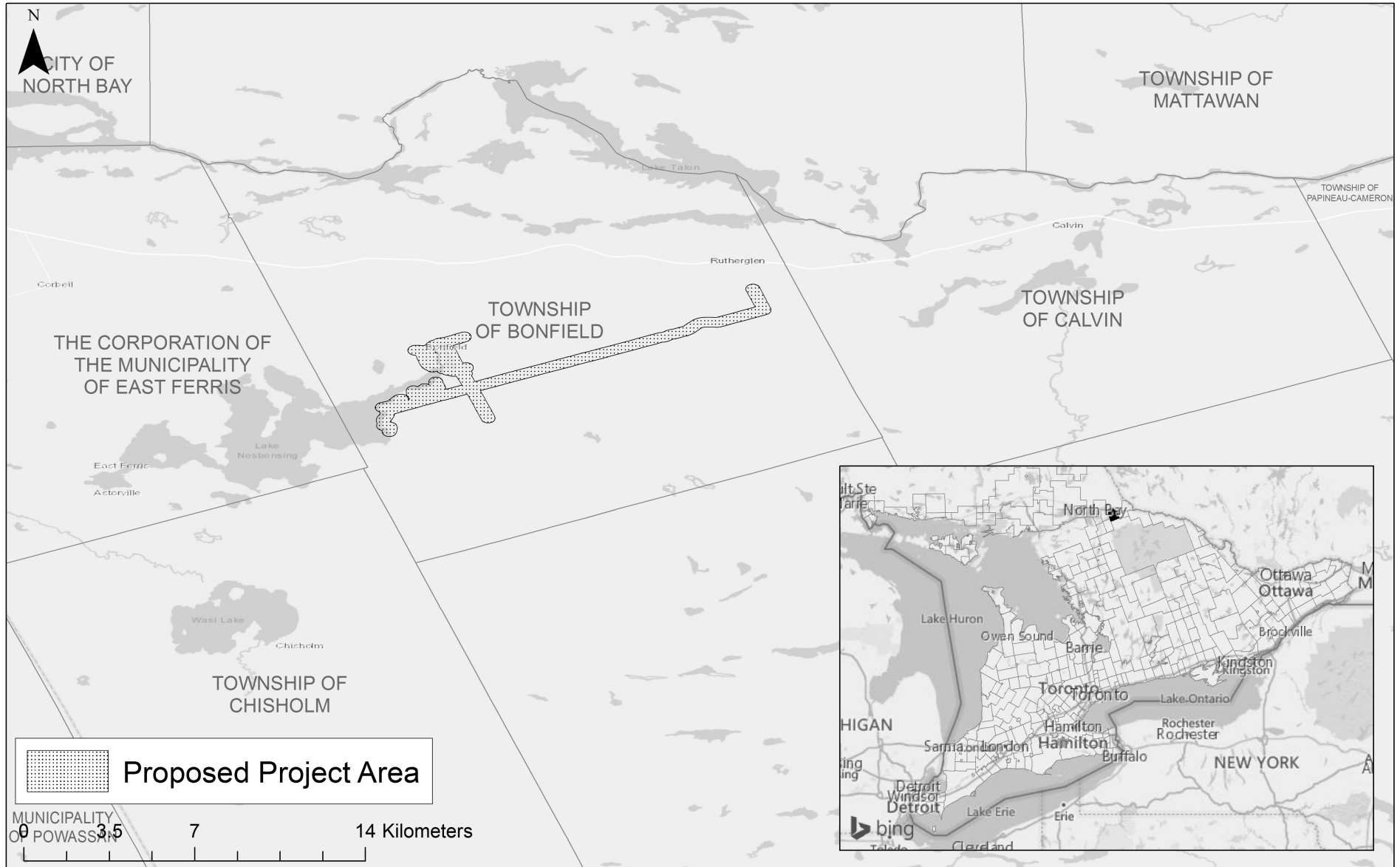
Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule J2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule J2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule J2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule J4.</p>

Schedule J1
Enbridge Gas Community Expansion Project Proposal
Bonfield

Bonfield



Schedule J2
Enbridge Gas Community Expansion Project Proposal
Bonfield

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>
	63	47	32	16	16	6	6	6	6	6	204
	-	6	3	2	-	-	-	-	-	-	11
	-	1	-	-	-	-	-	-	-	-	1
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>63</u>	<u>54</u>	<u>35</u>	<u>18</u>	<u>16</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>216</u>
	63	117	152	170	186	192	198	204	210	216	

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

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

Annual Volumes - m3											
Project Year	1	2	3	4	5	6	7	8	9	10	Total
	69,300	190,300	277,200	330,000	365,200	389,400	402,600	415,800	429,000	442,200	3,311,000
	-	13,300	31,300	38,200	40,400	40,400	40,400	40,400	40,400	40,400	325,200
	-	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	425,000
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	<u>69,300</u>	<u>228,600</u>	<u>358,500</u>	<u>418,200</u>	<u>455,600</u>	<u>479,800</u>	<u>493,000</u>	<u>506,200</u>	<u>519,400</u>	<u>532,600</u>	<u>4,061,200</u>

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

Cumulative Volumes - m3										
Project Year	1	2	3	4	5	6	7	8	9	10
	69,300	259,600	536,800	866,800	1,232,000	1,621,400	2,024,000	2,439,800	2,868,800	3,311,000
	-	13,300	44,600	82,800	123,200	163,600	204,000	244,400	284,800	325,200
	-	25,000	75,000	125,000	175,000	225,000	275,000	325,000	375,000	425,000
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	<u>69,300</u>	<u>297,900</u>	<u>656,400</u>	<u>1,074,600</u>	<u>1,530,200</u>	<u>2,010,000</u>	<u>2,503,000</u>	<u>3,009,200</u>	<u>3,528,600</u>	<u>4,061,200</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	\$ 11,264,835
--	---------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	Year 10 \$ 52,152
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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)	Year 10 \$ 21.15
---	-------------------------------------

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	14,595	44,272	67,587	79,989	87,866	92,962	95,742	98,522	101,302	104,082	\$ 786,921
SES Revenue		15,939	52,578	82,455	96,186	104,788	110,354	113,390	116,426	119,462	122,498	934,076
Total Distribution Charge	\$	<u>30,534</u>	<u>96,850</u>	<u>150,042</u>	<u>176,175</u>	<u>192,654</u>	<u>203,316</u>	<u>209,132</u>	<u>214,948</u>	<u>220,764</u>	<u>226,580</u>	<u>\$ 1,720,997</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 J3
Enbridge Gas Community Expansion Project Proposal
Bonfield

Section 3.4 Bonfield

Total Forecasted Customers 216 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	45	21%	\$ 5,000	\$ 2,787	\$ 1,460	\$ 1,328	\$ 60,225	6.6	-2.4	297	(110)
Electricity F/A	19	9%	\$ 5,000	\$ 1,998	\$ 1,460	\$ 538	\$ 10,468	0.5	3.6	10	70
Electricity Baseboard	26	12%	\$ 12,000	\$ 1,998	\$ 1,460	\$ 538	\$ 13,958	0.5	3.6	14	93
Propane	95	44%	\$ 600	\$ 1,611	\$ 1,460	\$ 152	\$ 14,436	5.1	-1.0	485	(93)
Wood	19	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	11	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	216	100%	\$ 31,100	\$ 8,395	\$ 5,838	\$ 2,557	\$ 99,087	12.7	3.8	807	(41)

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 J4
Enbridge Gas Community Expansion Project Proposal
Bonfield

Pipeline Construction Schedule

[illegible]

Schedule J5
Enbridge Gas Community Expansion Project Proposal
Bonfield



BONFIELD TOWNSHIP

OFFICE OF THE MAYOR

365 HIGHWAY 531

BONFIELD ON P0H 1E0

Telephone 705-776-2641 Fax: 705-776-1154

Website: www.bonfieldtownship.com

Email: rmclaren@bonfieldtownship.org

Luke Skaarup
Director, Northern Region Operations
Enbridge Gas Inc.
705-475-7913 x 5177913
luke.skaarup@enbridge.com

EB-2019-0255
Schedule J5

February 27, 2020

Dear Regional Director,

**Re: Expression of Support for Natural Gas Expansion to the Township of Bonfield
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. 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 Bonfield, I would like to formally express our interest to have the Bonfield Natural Gas Expansion 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 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,

Randall McLaren
Mayor
Township of Bonfield



Schedule J6
Enbridge Gas Community Expansion Project Proposal
Bonfield



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

AND IN THE MATTER OF an Application by Union
Gas 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 Bonfield.

BEFORE: G. A. Dominy
Presiding Member and Vice Chair

J. B. Simon
Member

ORDER

Union Gas Limited ("Union") filed with the Ontario Energy Board ("the Board") an Application dated May 29, 1998 ("the Application") under section 8 of the Municipal Franchises Act (the "Act") for a certificate of public convenience and necessity to construct works to supply gas and to supply gas to the Township of Bonfield.

The Notice of Application and Written Hearing, dated June 23, 1998 was served in accordance with the Board's Letter of Direction. In the Notice the Board indicated that it intended to proceed by way of a written hearing. No parties intervened or expressed concern with the Application.

Board Staff submitted a report on August 24, 1998 supporting the Application subject to undertakings that would apply to Union's proposed construction. A letter dated August 25, 1998 was received from Union concurring with the recommendations of Board Staff without prejudice to future applications.

- 2 -

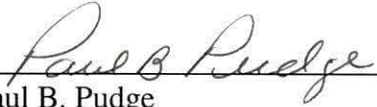
After reviewing the evidence and the submissions of parties, the Board finds the Application to be in the public interest.

THE BOARD THEREFORE ORDERS THAT:

1. A Certificate of Public Convenience and Necessity is granted to Union to construct works to supply gas and to supply gas in the Township of Bonfield.
2. If Union should fail to substantially complete construction of the gas mains proposed in the Application within twenty-four months following the issuance of the Board's Certificate, the Certificate shall expire.
3. Construction of the gas mains proposed in the evidence supporting the Application are subject to the undertakings listed in Appendix "A" to this Order.
4. The Board's costs of and incidental to these proceedings shall be fixed at \$600.00 and shall be paid by Union immediately upon receipt of the Board's invoice.

ISSUED at Toronto August 27, 1998.

ONTARIO ENERGY BOARD

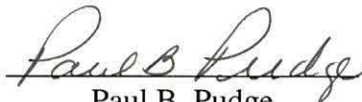

Paul B. Pudge
Board Secretary

APPENDIX "A"

TO

BOARD ORDER E.B.C. 282

DATED AUGUST 27, 1998

A handwritten signature in cursive script, reading "Paul B. Pudge". The signature is written in dark ink and is positioned above the printed name and title.

Paul B. Pudge
Board Secretary

Undertakings
Township of Calvin /Township of Calvin Bonfield
E.B.C. 281/282/ E.B.A. 858/859

- a) Union shall comply with these Undertakings given to the Board, and with all commitments made by its counsel and witnesses, and shall construct the pipeline and shall restore the land according to the evidence filed with the Board.
- b) Union shall advise the Board's designated representative of any proposed change in construction or restoration procedures and, except in an emergency, Union shall not make such change without prior approval of the Board's designated representative. In the event of an emergency, the Board's designated representative shall be informed forthwith after the fact.
- c) Union shall designate one of its employees as project engineer and shall provide the name of the individual to the Board's designated representative. The project engineer will be responsible for the fulfilment of the Undertakings and other commitments on the construction site. Union shall provide a copy of the final Undertakings to the project, engineer, within seven days of the Board's Decision With Reasons being issued.
- d) Where properties or structures exist within 200 metres of the pipeline and blasting is necessary, Union shall:
 - 1. use restricted blasting techniques by ensuring that all charged areas are covered with blasting mats to eliminate fly rocks.;
 - 2. have buildings within 200 metres of the pipeline inspected by an independent examiner before and after operations to check for problem areas;

3. test the condition and water quality of all wells containing potable water within 200 metres of the pipeline before and after blasting operations.
- e) Further, Union shall furnish the Board's designated representative with five (5) copies of written confirmation of the completion of construction in compliance with the Board's Order. This written confirmation shall be provided within one month of the test date, and shall contain the following:
1. The date upon which construction was completed;
 2. The date on which the installed pipeline was tested and energized;
 3. Copies of all notices given pursuant to these Undertakings;
 4. In the event of any change in route alignment, representative drawings of the pipeline route in relation to that originally approved;
 5. An explanation for any deviations in compliance with these Undertakings;
and,
 6. A list of any outstanding landowner concerns.
- f) The Board shall be notified prior to any changes in the routing of the project as proposed.
- g) The Board's designated representative for the purposes of these Undertakings shall be the project Case Manager, or in their absence the Manager, Application/Monitoring.

Schedule K
Enbridge Gas Community Expansion Project Proposal
Elmwood, Chepstow and Cargill

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

Part III – Description of and Support for Project

3.1
Redacted

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

Enbridge Gas is proposing to serve the community of Elmwood which is located at the boundary between the Municipality of Brockton and the Municipality of West Grey, and the communities of Chepstow and Cargill within the Municipality of Brockton.

The proposed facilities will provide access to natural gas to a forecasted 403 customers (345 residential, 49 commercial / institutional and 9 industrial).

The proposed tie-in point for the distribution pipeline system will be on _____ north of Hanover. The proposed lateral pipeline will continue north to Elmwood then continue on _____ through Cargill and south to Chepstow on _____. Approximately 1,300 m of 6" steel reinforcement is required in Port Elgin on _____ to accommodate additional loads on the system. Two new stations will also be required - one for Elmwood and one for Chepstow and Cargill. Upgrade modifications will also be required for one existing station.

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	9,825
Steel	4	24,300

The approximate length and size of the reinforcement required:

Pipe Type	Diameter (NPS)	Length (m)
Steel	6	1,300

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	13,875

Please refer to Schedule K1 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 K2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule K2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule K3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule K4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule K5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule K6 for Enbridge's CPCNs for the Municipality of Brockton (EB-2009-0090) and the Municipality of West Grey (EB-2007-0819) which cover the entire area of the proposed project.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule K2, Table 4.2.</p>

4.3

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

Complete the tables below:

Revenue Requirement

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

Description	Year 10
Closing Rate Base	

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

Please refer to Schedule K2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$26,125,754</p> <p>Please refer to Schedule K2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$64,828</p> <p>Please refer to Schedule K2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$12.54</p> <p>Please refer to Schedule K2, Table 5.3.</p>

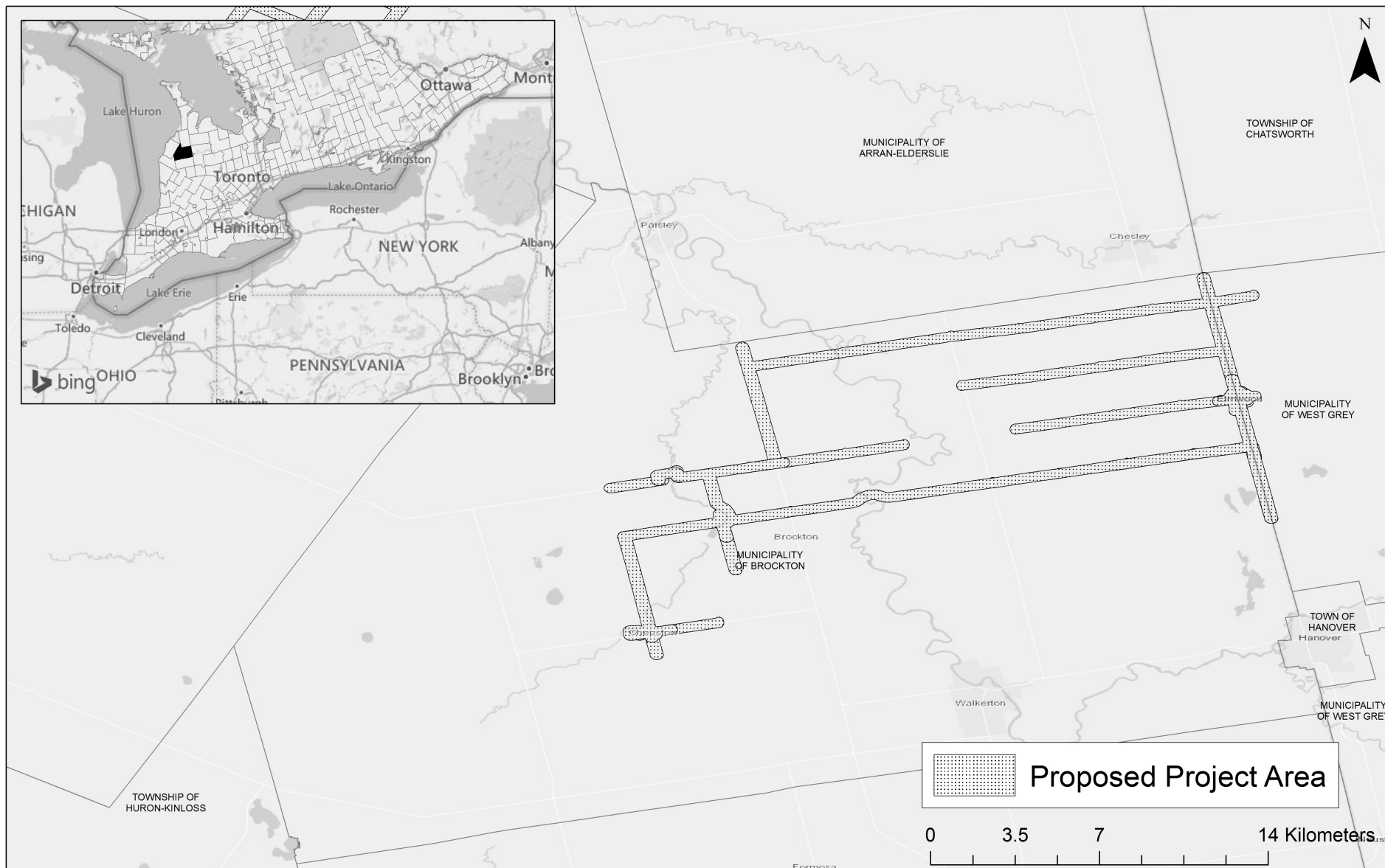
Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule K2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule K2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule K2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule K4.</p>

Schedule K1
Enbridge Gas Community Expansion Project Proposal
Elmwood, Chepstow and Cargill

Brockton (Elmwood, Chepstow and Cargill)



Schedule K2
Enbridge Gas Community Expansion Project Proposal
Elmwood, Chepstow and Cargill

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
	92	82	31	22	18	22	19	22	19	18	345
	-	24	7	3	3	1	1	1	1	1	42
	-	1	-	-	-	-	-	-	-	-	1
	-	6	-	-	-	-	-	-	-	-	6
	-	5	4	-	-	-	-	-	-	-	9
	<u>92</u>	<u>118</u>	<u>42</u>	<u>25</u>	<u>21</u>	<u>23</u>	<u>20</u>	<u>23</u>	<u>20</u>	<u>19</u>	<u>403</u>
	92	210	252	277	298	321	341	364	384	403	

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

Customer Type	Annual Volumes - m3										Total
Project Year	1	2	3	4	5	6	7	8	9	10	
Residential	100,239	289,716	412,734	470,393	513,752	557,111	601,570	646,029	690,488	730,547	5,012,574
Commercial	-	46,500	107,400	126,500	135,900	141,700	143,900	146,100	148,300	150,500	1,146,800
Institutional	-	25,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	425,000
Agricultural	-	126,100	252,200	252,200	252,200	252,200	252,200	252,200	252,200	252,200	2,143,700
Industrial	-	250,000	700,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	7,250,000
Total Volumes	<u>100,239</u>	<u>737,316</u>	<u>1,522,334</u>	<u>1,799,093</u>	<u>1,851,852</u>	<u>1,901,011</u>	<u>1,947,670</u>	<u>1,994,329</u>	<u>2,040,988</u>	<u>2,083,247</u>	<u>15,978,074</u>

Customer Type	Cumulative Volumes - m3										
Project Year	1	2	3	4	5	6	7	8	9	10	
Residential	100,239	389,954	802,688	1,273,080	1,786,832	2,343,942	2,945,512	3,591,540	4,282,028	5,012,574	
Commercial	-	46,500	153,900	280,400	416,300	558,000	701,900	848,000	996,300	1,146,800	
Institutional	-	25,000	75,000	125,000	175,000	225,000	275,000	325,000	375,000	425,000	
Agricultural	-	126,100	378,300	630,500	882,700	1,134,900	1,387,100	1,639,300	1,891,500	2,143,700	
Industrial	-	250,000	950,000	1,850,000	2,750,000	3,650,000	4,550,000	5,450,000	6,350,000	7,250,000	
Total Volumes	<u>100,239</u>	<u>837,554</u>	<u>2,359,888</u>	<u>4,158,980</u>	<u>6,010,832</u>	<u>7,911,842</u>	<u>9,859,512</u>	<u>11,853,840</u>	<u>13,894,828</u>	<u>15,978,074</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

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

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

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	<u>\$ 26,125,754</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>\$ 64,828</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>\$ 12.54</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	\$	14,997	62,350	108,210	125,829	133,401	140,607	147,612	154,616	161,620	167,971	\$ 1,217,213
SES Revenue		23,055	169,583	350,137	413,791	425,926	437,232	447,964	458,696	469,427	479,147	3,674,957
Total Distribution Charge	\$	<u>38,052</u>	<u>231,933</u>	<u>458,347</u>	<u>539,620</u>	<u>559,327</u>	<u>577,840</u>	<u>595,576</u>	<u>613,311</u>	<u>631,047</u>	<u>647,117</u>	<u>\$ 4,892,170</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 K3
Enbridge Gas Community Expansion Project Proposal
Elmwood, Chepstow and Cargill

Section 3.4 Elmwood, Chepstow and Cargill

Total Forecasted Customers 403 Penetration Rate 87%

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	97	24%	\$ 5,000	\$ 2,829	\$ 1,258	\$ 1,571	\$ 151,946	6.7	-2.5	643	(245)
Electricity F/A	8	2%	\$ 5,000	\$ 2,028	\$ 1,258	\$ 770	\$ 6,209	0.5	3.6	4	29
Electricity Baseboard	32	8%	\$ 12,000	\$ 1,626	\$ 1,258	\$ 368	\$ 11,862	0.5	3.6	17	115
Propane	230	57%	\$ 600	\$ 1,626	\$ 1,258	\$ 368	\$ 84,515	5.2	-1.1	1,190	(243)
Wood	24	6%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	12	3%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	403	100%	\$ 31,100	\$ 8,109	\$ 5,031	\$ 3,077	\$ 254,532	12.9	3.6	1,856	(343)

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

Notes:

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

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

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

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

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

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

Schedule K4
Enbridge Gas Community Expansion Project Proposal
Elmwood, Chepstow and Cargill

Elmwood, Chepstow and Cargill Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule K5
Enbridge Gas Community Expansion Project Proposal
Elmwood, Chepstow and Cargill



Dear, REGIONAL DIRECTOR

Re: Expression of Support for Natural Gas Expansions to the Municipality of Brockton

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 Municipality of Brockton, I would like to formally express our interest to have our municipality included in Applications to the Ontario Energy Board (OEB) to expand natural gas services (the Applications or Applicants) 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 Applicants may be required to include support for the proposed project from local municipal government as 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 Applicants, 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.

Yours truly,

Mayor Chris Peabody
Municipality of Brockton



**Corporation of the
Municipality of West Grey**

402813 Grey Road 4
RR 2 Durham, ON N0G 2V0
519.369.2200
www.westgrey.com

May 20, 2020

Enbridge Gas Inc.
603 Kumpf Drive
Waterloo, ON., N2J 4A4
Attn: Murray Costello. P.Eng.- Director, Southeast Operations

Dear Regional Director,

**Re: Expression of Support for Natural Gas Expansion to the Municipality of
West Grey/Elmwood Expansion Program**

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 Municipality of West Grey, I would like to formally express our interest to have the Elmwood Expansion Program 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. Accordingly, resolution 110-20 was passed by the Municipality of West Grey Council as follows:

Councillor Hergert-Councillor Townsend, be it resolved that, the Council of the Municipality of West Grey requests the mayor to send a letter to Murray Costello, Director, Southeast Operations, Enbridge Gas Inc., formally expressing the Municipality of West Grey's interest to have the Elmwood Expansion 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; and further

Be it resolved that, the council of the Municipality of West Grey hereby request the mayor to send a letter of support to MPP and Associate Minister of Energy, Bill Walker for the Enbridge natural gas expansion project into Elmwood. Resolution #110-20.
Carried.

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,



Christine Robinson, Mayor
Municipality of West Grey
Ph: 519-369-2200 x.232 (office); 519-369-1505 (cell);
Email: mayor@westgrey.com

Schedule K6
Enbridge Gas Community Expansion Project Proposal
Elmwood, Chepstow and Cargill

EB-2009-0090

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 Brockton

This certificate replaces the parts of Certificate E.B.C. 29 currently held by Union Gas Limited that is associated with the former Township of Brant and the former Town of Walkerton that are now within the Municipality of Brockton.

DATED at Toronto, June 24, 2009

ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

EB-2007-0819

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 West Grey

This certificate replaces the certificates and portions of certificates associated with the former entities that are now within the Municipality of West Grey.

DATED at Toronto, January 17, 2008
ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

Schedule L
Enbridge Gas Community Expansion Project Proposal
Cumnock

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: Cumnock Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1

Redacted

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

Enbridge Gas is proposing to serve the community of Cumnock which straddles the municipal boundaries of the Township of Centre Wellington and the Township of Mapleton in Wellington County. The proposed facilities will provide access to natural gas to a forecasted 88 customers (86 residential and 2 commercial / institutional).

The proposed tie-in point will be near intersection of _____ and _____ connecting to an existing 2" polyethylene pipeline. The proposed distribution pipeline will consist of 12,800 m of 2" polyethylene and 3,480 m of 4" polyethylene pipe. The proposed distribution system will extend east of _____ on _____ to _____, _____ and _____.

Approximately 1,125 m of 4" steel reinforcement pipeline is required just north of _____ in order to meet minimum inlet for the fall condition. Upsizing is proposed for one station to accommodate additional loads onto the system.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	12,800

The approximate length and size of the reinforcement required:

Pipe Type	Diameter (NPS)	Length (m)
Steel	4	1,125

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	3,480

Please refer to Schedule L1 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 L2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule L2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule L3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule L4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule L5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule L6 for Enbridge's CPCNs for the Township of Centre Wellington (RP-2004-0190 / EB-2004-0379) and the Township of Mapleton (EB-2008-0067) that cover the entire area of the proposed project.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule L2, Table 4.2.</p>

4.3

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

Complete the tables below:

Revenue Requirement

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

Description	Year 10
Closing Rate Base	

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

Please refer to Schedule L2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$8,332,123</p> <p>Please refer to Schedule L2 Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$94,683</p> <p>Please refer to Schedule L2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$40.47</p> <p>Please refer to Schedule L2, Table 5.3.</p>

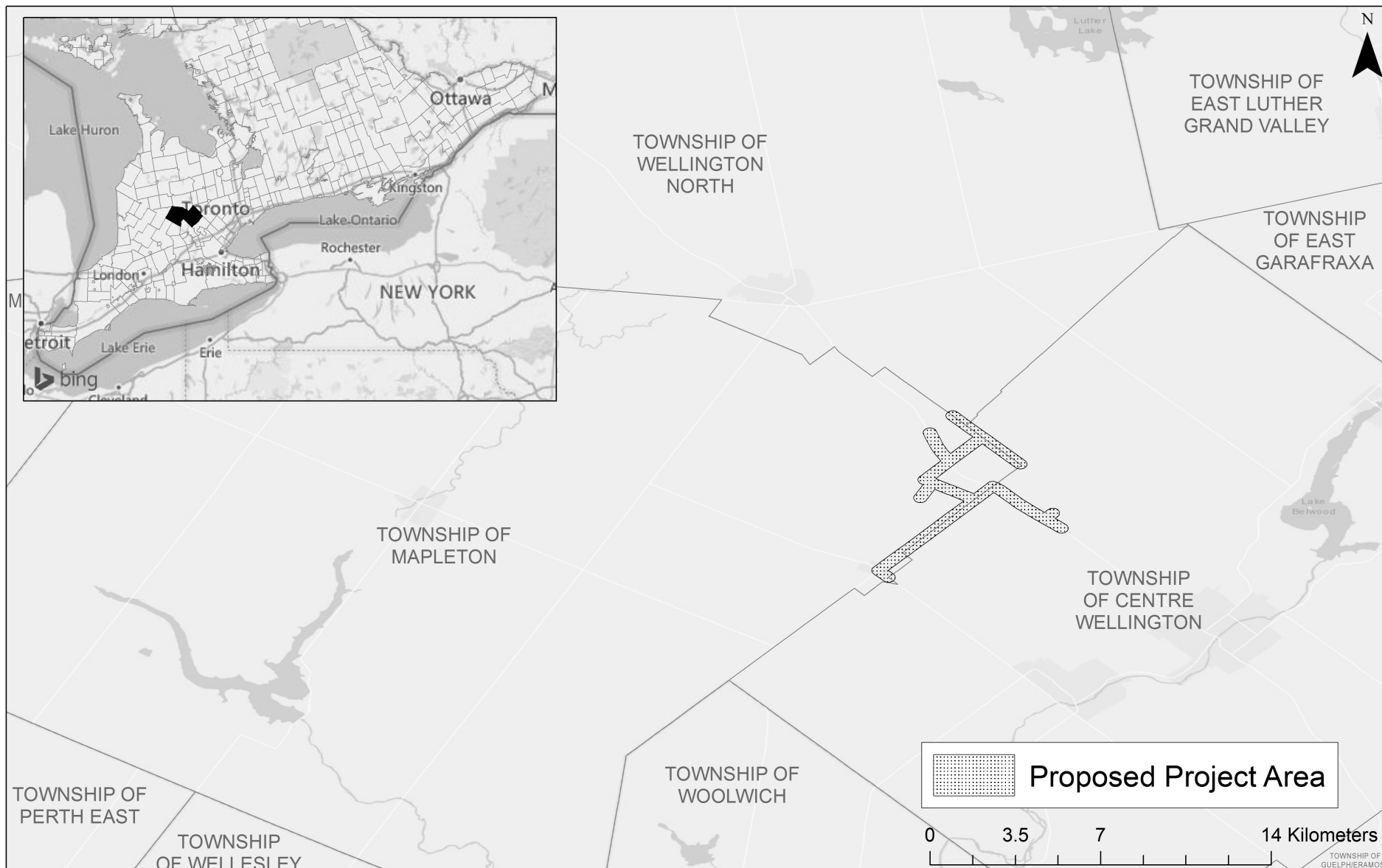
Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule L2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule L2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule L2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct • System Expansion Surcharge (SES) rate approval (subject to OEB determinations in the EB-2020-0094 harmonization proceeding)
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule L4.</p>

Schedule L1
Enbridge Gas Community Expansion Project Proposal
Cumnock

Cumnock (Township of Mapleton)



Schedule L2
Enbridge Gas Community Expansion Project Proposal
Cumnock

Table 3.2 - Customer Attachments Over The Rate Stability Period

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

<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
	26	18	13	7	7	3	3	3	3	3	86
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	2	-	-	-	-	-	-	-	-	2
	-	-	-	-	-	-	-	-	-	-	-
	<u>26</u>	<u>20</u>	<u>13</u>	<u>7</u>	<u>7</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>88</u>
	26	46	59	66	73	76	79	82	85	88	

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

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

Project Year	Annual Volumes - m3										
	1	2	3	4	5	6	7	8	9	10	Total
	28,600	77,000	111,100	133,100	148,500	159,500	166,100	172,700	179,300	185,900	1,361,800
	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
	-	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	170,000
	-	-	-	-	-	-	-	-	-	-	-
	<u>28,600</u>	<u>87,000</u>	<u>131,100</u>	<u>153,100</u>	<u>168,500</u>	<u>179,500</u>	<u>186,100</u>	<u>192,700</u>	<u>199,300</u>	<u>205,900</u>	<u>1,531,800</u>

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

<u>Cumulative Volumes - m3</u>										
<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
	28,600	105,600	216,700	349,800	498,300	657,800	823,900	996,600	1,175,900	1,361,800
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	10,000	30,000	50,000	70,000	90,000	110,000	130,000	150,000	170,000
	-	-	-	-	-	-	-	-	-	-
	<u>28,600</u>	<u>115,600</u>	<u>246,700</u>	<u>399,800</u>	<u>568,300</u>	<u>747,800</u>	<u>933,900</u>	<u>1,126,600</u>	<u>1,325,900</u>	<u>1,531,800</u>

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

Total Capital Costs

Year 10

Table 4.3 - Revenue Requirement Over The Rate Stability Period

Revenue Requirement

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

Year 10

Closing Rate Base (net of proposed Section 36.2 funding)

Table 5.1 - Total Amount of Section 36.2 Funding

Section 36.2 Funding Needed to Support the Project	\$ 8,332,123
--	--------------

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served	<u>Year 10</u> \$ 94,683
---	-----------------------------

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> \$ 40.47
---	----------------------------

Table 6.1 - Distribution Charge

	<u>Project Year</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>Total</u>
Distribution Revenue	\$	4,246	11,974	17,578	20,844	23,131	24,764	25,744	26,724	27,703	28,683	\$ 211,390
SES Revenue		6,578	20,010	30,153	35,213	38,755	41,285	42,803	44,321	45,839	47,357	352,314
Total Distribution Charge	\$	<u>10,824</u>	<u>31,984</u>	<u>47,731</u>	<u>56,057</u>	<u>61,886</u>	<u>66,049</u>	<u>68,547</u>	<u>71,045</u>	<u>73,542</u>	<u>76,040</u>	<u>\$ 563,704</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 L3
Enbridge Gas Community Expansion Project Proposal
Cumnock

Section 3.4 Cumnock

Total Forecasted Customers 88 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	18	21%	\$ 5,000	\$ 2,829	\$ 1,258	\$ 1,571	\$ 29,032	6.7	-2.5	123	(47)
Electricity F/A	8	9%	\$ 5,000	\$ 2,028	\$ 1,258	\$ 770	\$ 6,101	0.5	3.6	4	28
Electricity Baseboard	11	12%	\$ 12,000	\$ 1,626	\$ 1,258	\$ 368	\$ 3,885	0.5	3.6	6	38
Propane	39	44%	\$ 600	\$ 1,626	\$ 1,258	\$ 368	\$ 14,246	5.2	-1.1	201	(41)
Wood	8	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	4	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	88	100%	\$ 31,100	\$ 8,109	\$ 5,031	\$ 3,077	\$ 53,264	12.9	3.6	334	(22)

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

Notes:

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

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

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

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

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

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

Schedule L4
Enbridge Gas Community Expansion Project Proposal
Cumnock

Cumnock Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule L5
Enbridge Gas Community Expansion Project Proposal
Cumnock



Reply to: Kerri O'Kane
519-846-9691 x 243
kokane@centrewellington.ca

May 6, 2020

Brian Lennie
Senior Advisor, Municipal Affairs & Stakeholder Relations – Ontario South/West
Enbridge Gas INC.
50 Keil Drive North
Chatham ON N7M5M1

Dear Mr. Lennie:

Re: Natural Gas Expansion Program - Belwood

The Council of the Township of Centre Wellington at their meeting held May 4, 2020, passed the following resolution with respect to the above noted matter:

WHEREAS access to natural gas infrastructure is limited in parts of the Township of Centre Wellington and increased access will provide more affordable and reliable energy;

AND WHEREAS expanding access to natural gas within Centre Wellington (Belwood) is a key strategic priority supported by Council;

AND WHEREAS access to natural gas for residents, farms and businesses 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 Centre Wellington formally supports an application submitted by a natural gas distributor (Enbridge Gas Inc.) or supplier to the Government of Ontario, for a grant from the Provincial Natural Gas Expansion Support Program, to expand the natural gas system to service Centre Wellington (Belwood) or any other areas in Centre Wellington;

AND THAT Council 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 period of 10 years as a financial support to the proposed project per the Ontario Energy Board (OEB) guidelines for the Natural Gas Expansion Support Program;

AND THAT the Mayor be authorized to sign the required supporting letter for Enbridge

AND THAT a copy of this resolution be forwarded along with the application to Ontario's Natural Gas Expansion Support Program.

Should you have any questions or require anything further, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "K O'Kane", with a stylized flourish at the end.

Kerri O'Kane
Manager of Legislative Services & Municipal Clerk

March 2nd. 2020

Murray Costello, P. Eng.
Director, Southeast Operations

RE: Expression of Support for Natural Gas Expansion to the Township of Mapleton

In December 2019, the Government of Ontario announced plans to further increase access to natural gas by making financial support available to 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 Mapleton, I would like to formally express our interest to have Cumnock (map attached) included on the 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 (EB-2019-0255), we are aware that Enbridge Gas Inc. may be required to include support for the proposed project from Band Councils and/or local government, as applicable, demonstrated through written expression of support and/or a commitment to financial support in its project submission.

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.

Regards,



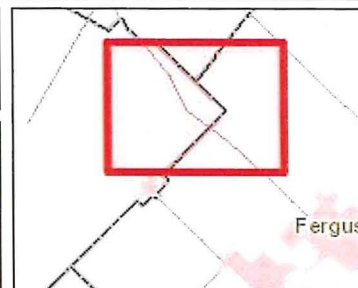
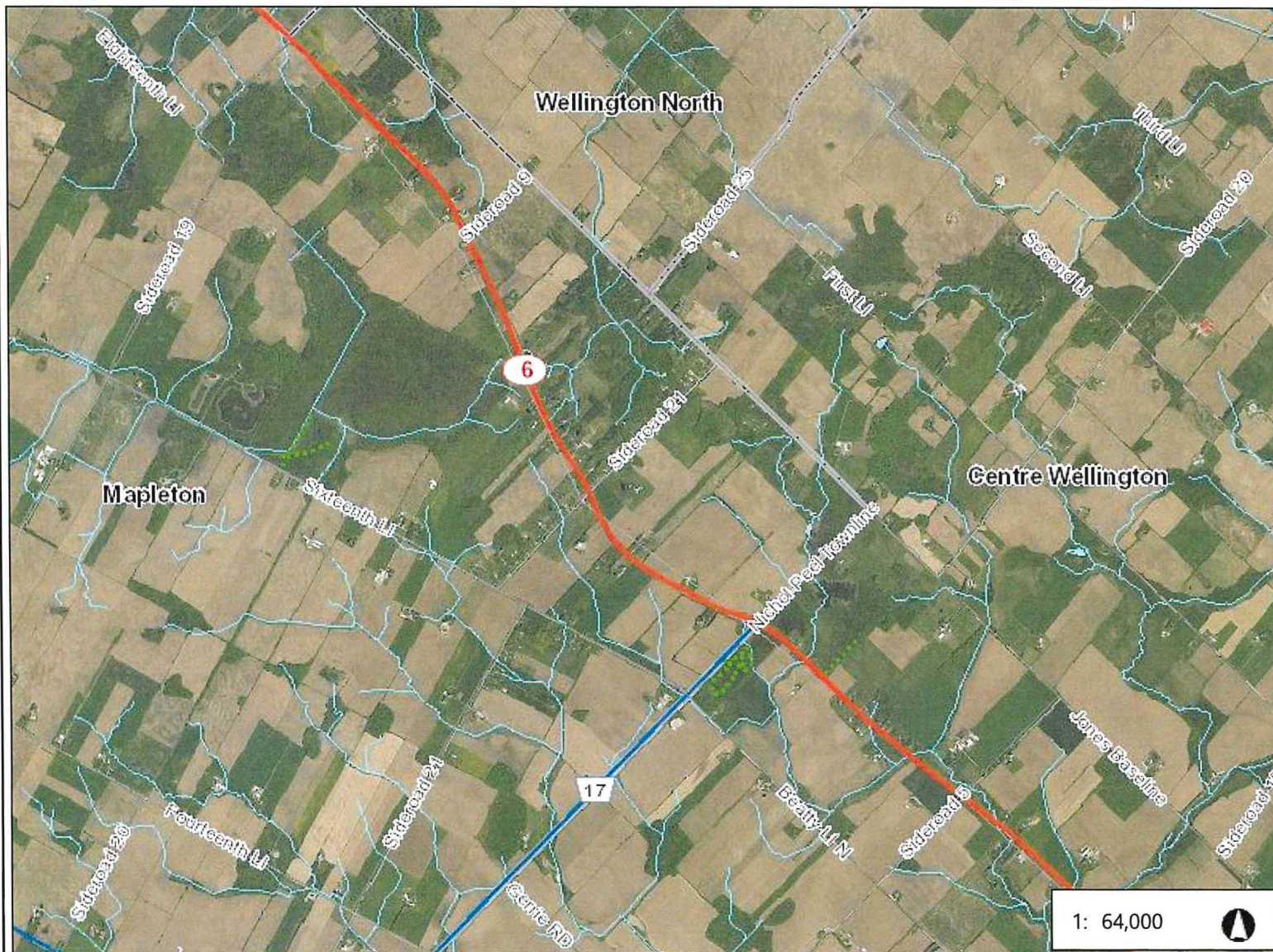
Mayor Gregg Davidson

cc: Randy Pettapiece,
Member of Provincial Parliament



Explore
Wellington

Map of Wellington County



Legend

- Roads - Small Scale**
 - Local Road
 - County Road
 - Highway
- Railways**
- Trails**
- Waterbodies**
- Watercourses**
- Parks**
- Urban Centres and Hamlets**
- Municipalities**
- Ontario - Urban Centres**
- Ontario - Roads**
 - Ontario Highway
 - Major Road
 - Local Road
- Ontario - Waterbodies**
- Ontario - Municipalities**
- RoadsLookup**

3.3 0 1.63 3.3 Kilometers

WGS_1984_Web_Mercator_Auxiliary_Sphere
Includes material © 2016 of the Queen's Printer for Ontario. All rights reserved.

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

Produced using information under License with the Grand River Conservation Authority. Copyright © Grand River Conservation Authority, 2016.

THIS IS NOT SURVEY DATA. Parcels - Teranet 2002, Wellington County 2018

Notes

Schedule L6
Enbridge Gas Community Expansion Project Proposal
Cumnock



RP-2004-0190

EB-2004-0379

Certificate of Public Convenience and Necessity

The Ontario Energy Board hereby grants

Union Gas Limited

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

Township of Centre Wellington.

This certificate replaces the certificates of the former municipalities that are now within the Township of Centre Wellington.

DATED at Toronto, July 29, 2004.

ONTARIO ENERGY BOARD

Peter H. O'Dell
Acting Board Secretary

EB-2008-0067

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 Mapleton

This Certificate of Public Convenience and Necessity replaces those aspects of Certificate E.B.C. 29 for the former Village of Drayton, the former Township of Peel and the former Township of Maryborough that are now within the Township of Mapleton.

DATED at Toronto, May 13, 2008

ONTARIO ENERGY BOARD

Original signed by

Neil McKay
Manager, Facilities Applications

Schedule M
Enbridge Gas Community Expansion Project Proposal
Curran

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: Curran Community Expansion Project	
Address of Head Office: 50 Keil Drive North Chatham, ON N7M 5M1	Telephone Number: 519-436-4600
Name of Individual to Contact: Patrick McMahon	Office Telephone Number: 519-436-5325
	Cell Phone Number: 519-437-0759
	Email Address: patrick.mcmahon@enbridge.com

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

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

Part III – Description of and Support for Project

3.1

Redacted

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

Enbridge Gas is proposing to serve the community of Curran located 50 km east of Ottawa in the Township of Alfred and Plantagenet. The proposed facilities will provide access to natural gas to a forecasted 106 customers (93 residential, 12 commercial / institutional and 1 industrial).

The proposed project will tie-in to an existing NPS 4 polyethylene HP line on _____ approximately 650 m north of _____. The proposed distribution system will be 650 m south from tie-in and 1.8 km west to Curran. Facilities are proposed to be extended 1.5 km west of Curran as well as along _____, _____ and _____. There is a total of approximately 9 km of pipeline proposed to serve the community.

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	4,030
Polyethylene	4	5,000

Please refer to Schedule M1 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 M2, 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 M2, Table 3.3.

3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule M3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule M4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule M5.</p>
3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule M6 for Enbridge's CPCN for the Township of Alfred and Plantagenet (EB-2006-0103) that covers all of the Township of Alfred and Plantagenet and covers the entire area of the proposed project.</p>

Part IV – Cost of Project															
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>														
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule M2, Table 4.2.</p>														
4.3	<p>Provide the total annual forecast revenue requirement of the project over the ten-year rate stability period (using fully allocated OM&A costs) and rate base amount at the end of year ten.</p> <p>Complete the tables below:</p> <p>Revenue Requirement</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Year 1</th> <th>Year 2...</th> <th>Year 10</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Revenue Requirement</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Description</th> <th>Year 10</th> </tr> </thead> <tbody> <tr> <td>Closing Rate Base</td> <td></td> </tr> </tbody> </table> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>Please refer to Schedule M2, Table 4.3.</p>	Description	Year 1	Year 2...	Year 10	Total	Revenue Requirement					Description	Year 10	Closing Rate Base	
Description	Year 1	Year 2...	Year 10	Total											
Revenue Requirement															
Description	Year 10														
Closing Rate Base															

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$2,082,170</p> <p>Please refer to Schedule M2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$19,643</p> <p>Please refer to Schedule M2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$5.28</p> <p>Please refer to Schedule M2, Table 5.3.</p>

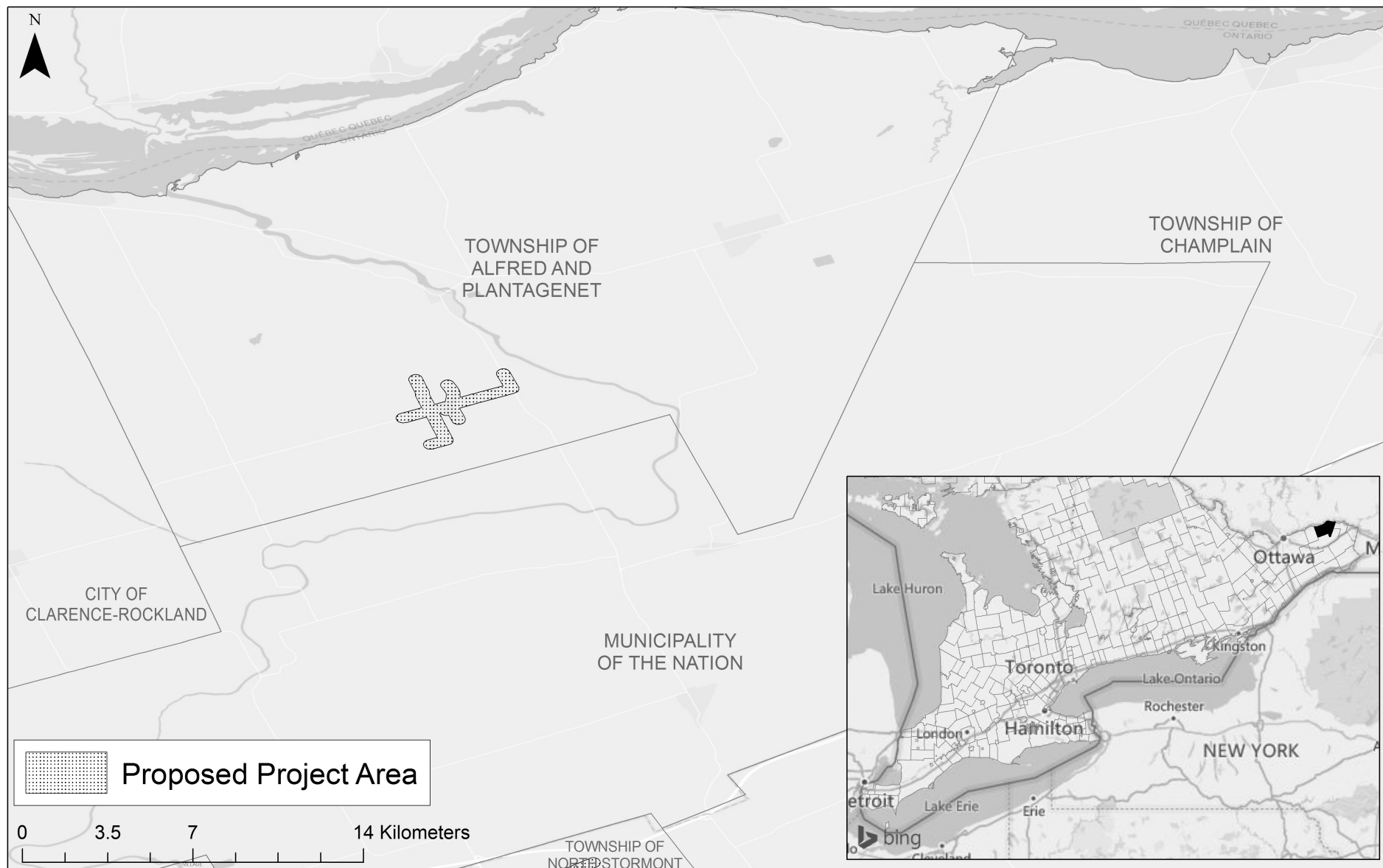
Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule M2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule M2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule M2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB’s website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule M4.</p>

Schedule M1
Enbridge Gas Community Expansion Project Proposal
Curran

Curran, Alfred-Plantagenet Township



Schedule M2
Enbridge Gas Community Expansion Project Proposal
Curran

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		25	22	8	6	5	6	5	6	5	5	93
Commercial	Firm		-	7	3	1	-	-	-	-	-	-	11
Institutional	Firm		-	-	-	-	-	-	-	-	-	-	-
Agricultural	Firm		-	1	-	-	-	-	-	-	-	-	1
Industrial	Firm		-	1	-	-	-	-	-	-	-	-	1
Total Customers			<u>25</u>	<u>31</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>106</u>
Cumulative Customers			25	56	67	74	79	85	90	96	101	106	

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		30,000	86,400	122,400	139,200	152,400	165,600	178,800	192,000	205,200	217,200	1,489,200
Commercial		-	18,600	45,900	55,800	57,000	57,000	57,000	57,000	57,000	57,000	462,300
Institutional		-	-	-	-	-	-	-	-	-	-	-
Agricultural		-	10,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	170,000
Industrial		-	50,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	850,000
Total Volumes		<u>30,000</u>	<u>165,000</u>	<u>288,300</u>	<u>315,000</u>	<u>329,400</u>	<u>342,600</u>	<u>355,800</u>	<u>369,000</u>	<u>382,200</u>	<u>394,200</u>	<u>2,971,500</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		30,000	116,400	238,800	378,000	530,400	696,000	874,800	1,066,800	1,272,000	1,489,200
Commercial		-	18,600	64,500	120,300	177,300	234,300	291,300	348,300	405,300	462,300
Institutional		-	-	-	-	-	-	-	-	-	-
Agricultural		-	10,000	30,000	50,000	70,000	90,000	110,000	130,000	150,000	170,000
Industrial		-	50,000	150,000	250,000	350,000	450,000	550,000	650,000	750,000	850,000
Total Volumes		<u>30,000</u>	<u>195,000</u>	<u>483,300</u>	<u>798,300</u>	<u>1,127,700</u>	<u>1,470,300</u>	<u>1,826,100</u>	<u>2,195,100</u>	<u>2,577,300</u>	<u>2,971,500</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

\$2,082,170

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$19,643

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

Section 36.2 Funding Amount Per Volume (m3)

Year 10

\$5.28

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	5,257	23,030	39,137	44,515	47,354	49,667	51,980	54,293	56,606	58,709	\$430,550
SES Revenue		6,900	37,950	66,309	72,450	75,762	78,798	81,834	84,870	87,906	90,666	683,445
Total Distribution Charge	\$	12,157	60,980	105,446	116,965	123,116	128,465	133,814	139,163	144,512	149,375	\$1,113,995

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 M3
Enbridge Gas Community Expansion Project Proposal
Curran

Section 3.4 Curran

Total Forecasted Customers 106 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	22	21%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 34,943	7.2	-2.7	160	(60)
Electricity F/A	10	9%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 6,740	0.6	3.9	6	37
Electricity Baseboard	13	12%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 8,986	0.6	3.9	7	50
Propane	47	44%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 13,214	5.6	-1.1	261	(51)
Wood	10	9%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	5	5%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	106	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 63,883	13.9	4.1	433	(23)

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 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 M4
Enbridge Gas Community Expansion Project Proposal
Curran

Curran Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule M5
Enbridge Gas Community Expansion Project Proposal
Curran



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 M6
Enbridge Gas Community Expansion Project Proposal
Curran

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

Schedule N
Enbridge Gas Community Expansion Project Proposal
Dunrobin Shores

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

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

Part III – Description of and Support for Project

3.1

Redacted

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

Enbridge Gas is proposing to serve the community of Dunrobin Shores, located within the City of Ottawa, east of the urban area along the river. The proposed facilities will provide access to natural gas to a forecasted 458 customers (454 residential and 4 commercial / institutional).

The nearest existing gas infrastructure is on _____ and _____. A station is proposed to tie-in to the existing steel high pressure system to reduce pressure to intermediate for the supply line and distribution to Dunrobin Shores. The proposed supply line is approximately 4 km and runs east along _____ into Dunrobin Shores and surrounding area. The distribution system within Dunrobin Shores includes approximately 41 km of polyethylene pipe. The project requires approximately 428 m of NPS 8 steel pipe to upsize the outlet of the existing station on _____ and _____ in Ottawa.

The approximate length and size of the supply laterals required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	4	4,199

The approximate length and size of the reinforcement required:

Pipe Type	Diameter (NPS)	Length (m)
Steel	8	428

The approximate length and size of the distribution pipelines required:

Pipe Type	Diameter (NPS)	Length (m)
Polyethylene	2	40,919

Please refer to Schedule N1 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 N2, Table 3.2.

3.3	<p>Provide the annual and cumulative forecast of volumes (in m³) over the ten-year rate stability period by residential, commercial/institutional and industrial sectors for each community.</p> <p>For the residential segment, the default value for the average consumption level is 2,200 m³ per year. A proponent that has more accurate information regarding the annual consumption for residential customers in a given community may use that value, in which case it must explain how it has determined that it is more accurate than the default.</p> <p>Please refer to Schedule N2, Table 3.3.</p>
3.4	<p>Provide the estimated conversion costs to convert each of the existing heating systems (e.g., propane forced air, oil forced air, electric forced air and electric baseboard) and water-heating systems (e.g., electric, oil and propane) to natural gas. To the extent available, provide information on the current proportion of customers on each type of heating system.</p> <p>Provide the estimated annual costs of the existing alternative fuels relative to natural gas, including the annual savings with natural gas. The calculation of household energy costs for natural gas should include conversion costs, commodity costs, associated upstream transportation costs to Ontario, incremental CNG and LNG costs (where applicable), costs under the federal <i>Greenhouse Gas Pollution Pricing Act</i> and distribution costs. The assessment of household energy cost impacts should include greenhouse gas (GHG) emission estimates (whether positive or negative) related to converting existing heating and water heating systems to natural gas. The major assumptions (e.g., conversion factors) used in the calculations must also be provided.</p> <p>Please refer to Schedule N3, Table 3.4.</p>
3.5	<p>Provide the proposed schedule for construction including the start date, all major milestones (with any phases) and the projected in-service date.</p> <p>Please refer to Schedule N4 for Proposed Construction Schedule.</p>
3.6	<p>Provide letter(s) from the Band Council(s) and/or local government, as applicable, stating support for the project, including details of any commitment to financial support.</p> <p>Please refer to Schedule N5.</p>

3.7	<p>Provide a copy of the Certificate of Public Convenience and Necessity (Certificate) for the area to be served, if held by the project proponent. If not, indicate whether another entity holds the Certificate for the area to be served, if known, and if so, identify the Certificate holder.</p> <p>Where the project proponent holds a Certificate for the areas to be served, specify the boundaries of the Certificate and indicate whether the boundaries encompass the entire area that would be supplied by the proposed project.</p> <p>Please refer to Schedule N6 for Enbridge's CPCN for the former Township of March (FBC 143) which is now part of the City of Ottawa within which Dunrobin Shores is located.</p>
Part IV – Cost of Project	
4.1	<p>Confirm that the proposed project includes a ten-year rate stability period.</p> <p>The proposed project does include a ten-year rate stability period.</p>
4.2	<p>Provide the total forecast of capital costs (including any forecast of upstream reinforcement costs) of the project at the end of the rate stability period (i.e., year ten).</p> <p>Where applicable, the inflation rate to be used is the most recent quarter average GDP IPI FDD. For interest during construction, the proponent is to use the OEB-prescribed interest rate for construction work in progress (CWIP).</p> <p>For projects proposing to use CNG and/or LNG, the costs of required infrastructure and other associated costs must be included as part of the total project capital costs.</p> <p>Include any upstream reinforcement costs in the total cost of the project. To the extent that the reinforcement costs for an incumbent utility's proposed project are materially different from the reinforcement costs that the utility has estimated for another proponent's project in the same area, the incumbent utility must identify in its filing that two separate estimates exist and explain the reasons for the differences.</p> <p>Please refer to Schedule N2, Table 4.2.</p>

4.3

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

Complete the tables below:

Revenue Requirement

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

Description	Year 10
Closing Rate Base	

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

Please refer to Schedule N2, Table 4.3.

Part V – Section 36.2 Funding	
5.1	<p>Provide the total amount of section 36.2 funding needed to support the project.</p> <p>\$22,952,530</p> <p>Please refer to Schedule N2, Table 5.1.</p>
5.2	<p>Provide the section 36.2 funding amount per customer number served in year ten of the project.</p> <p>\$50,115</p> <p>Please refer to Schedule N2, Table 5.2.</p>
5.3	<p>Provide the section 36.2 funding amount per volume (m³) in year ten of the project.</p> <p>\$21.22</p> <p>Please refer to Schedule N2, Table 5.3.</p>

Part VI – Distribution Charge	
6.1	<p>Provide the estimated amount that the proponent proposes to recover from residential customers on an annual basis (inclusive of any system expansion surcharge) in the form of an estimated annual distribution charge inclusive of fixed and variable charges over the rate stability period.</p> <p>Provide a confirmation that there would be no material cross-subsidization between rate classes.</p> <p>Please refer to Schedule N2, Table 6.1.</p> <p>Enbridge Gas confirms that there will be no material cross-subsidization between rate classes.</p>

Part VII – Profitability Index / Benefit to Cost Ratio	
7.1	<p>Provide, in a summary table, the expected Profitability Index (PI) of the project, inclusive of the proposed section 36.2 funding. Provide any major assumptions used in the calculation, and specify all proposed section 36.2 funding, revenue from rates (including any proposed system expansion surcharges), capital contributions and municipal tax holidays or other municipal financial support.</p> <p>The project must have a PI of 1.0. The PI is to be calculated based on an individual project (i.e., not a “portfolio” of projects).</p> <p>Please refer to Schedule N2, Table 7.1.</p>
7.2	<p>Provide, in a summary table that otherwise meets the requirements of section 7.1, the expected PI of the project without the proposed section 36.2 funding.</p> <p>Please refer to Schedule N2, Table 7.2.</p>

Part VIII – OEB Approvals	
8.1	<p>Identify any OEB approvals that will be required for the project (Leave to Construct, Certificate of Public Convenience and Necessity, Municipal Franchise Agreement, Rate Order).</p> <ul style="list-style-type: none"> • Leave to Construct
8.2	<p>For OEB approvals identified in section 8.1, provide a schedule for applying for them and the date by which each of these approvals is required to meet the proposed in-service date. For this purpose, proponents should reference the performance standards posted on the OEB's website and where applicable assume a written hearing process.</p> <p>Please refer to Schedule N4.</p>

Schedule N1
Enbridge Gas Community Expansion Project Proposal
Dunrobin Shores

Dunrobin Shores



Schedule N2
Enbridge Gas Community Expansion Project Proposal
Dunrobin Shores

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		123	109	41	29	23	28	25	28	25	23	454
Commercial	Firm		-	4	-	-	-	-	-	-	-	-	4
Institutional	Firm		-	-	-	-	-	-	-	-	-	-	-
Agricultural	Firm		-	-	-	-	-	-	-	-	-	-	-
Industrial	Firm		-	-	-	-	-	-	-	-	-	-	-
Total Customers			<u>123</u>	<u>113</u>	<u>41</u>	<u>29</u>	<u>23</u>	<u>28</u>	<u>25</u>	<u>28</u>	<u>25</u>	<u>23</u>	<u>458</u>
Cumulative Customers			123	236	277	306	329	357	382	410	435	458	

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		147,600	426,000	606,000	690,000	752,400	813,600	877,200	940,800	1,004,400	1,062,000	7,320,000
Commercial		-	9,900	19,800	19,800	19,800	19,800	19,800	19,800	19,800	19,800	168,300
Institutional		-	-	-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Industrial		-	-	-	-	-	-	-	-	-	-	-
Total Volumes		<u>147,600</u>	<u>435,900</u>	<u>625,800</u>	<u>709,800</u>	<u>772,200</u>	<u>833,400</u>	<u>897,000</u>	<u>960,600</u>	<u>1,024,200</u>	<u>1,081,800</u>	<u>7,488,300</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		147,600	573,600	1,179,600	1,869,600	2,622,000	3,435,600	4,312,800	5,253,600	6,258,000	7,320,000
Commercial		-	9,900	29,700	49,500	69,300	89,100	108,900	128,700	148,500	168,300
Institutional		-	-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-	-
Industrial		-	-	-	-	-	-	-	-	-	-
Total Volumes		<u>147,600</u>	<u>583,500</u>	<u>1,209,300</u>	<u>1,919,100</u>	<u>2,691,300</u>	<u>3,524,700</u>	<u>4,421,700</u>	<u>5,382,300</u>	<u>6,406,500</u>	<u>7,488,300</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

\$22,952,530

Table 5.2 - Section 36.2 Funding Amount Per Customer Served

Section 36.2 Funding Amount Per Customer Served

Year 10

\$50,115

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

Section 36.2 Funding Amount Per Volume (m3)

Year 10

\$21.22

Table 6.1 - Distribution Charge

	Project Year	1	2	3	4	5	6	7	8	9	10	Total
Distribution Revenue	\$	25,864	77,081	111,057	125,776	136,710	147,434	158,578	169,723	180,867	190,960	\$1,324,050
SES Revenue		33,948	100,257	143,934	163,254	177,606	191,682	206,310	220,938	235,566	248,814	1,722,309
Total Distribution Charge	\$	59,812	177,338	254,991	289,030	314,316	339,116	364,888	390,661	416,433	439,774	\$3,046,359

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 N3
Enbridge Gas Community Expansion Project Proposal
Dunrobin Shores

Section 3.4 Dunrobin Shores

Total Forecasted Customers 458 Penetration Rate 74%

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	147	32%	\$ 5,000	\$ 3,050	\$ 1,481	\$ 1,570	\$ 231,089	7.2	-2.7	1,056	(394)
Electricity F/A	16	4%	\$ 5,000	\$ 2,187	\$ 1,481	\$ 706	\$ 11,556	0.6	3.9	10	64
Electricity Baseboard	93	20%	\$ 12,000	\$ 2,187	\$ 1,481	\$ 706	\$ 65,481	0.6	3.9	54	363
Propane	120	26%	\$ 600	\$ 1,764	\$ 1,481	\$ 283	\$ 33,986	5.6	-1.1	670	(131)
Wood	38	8%	\$ 3,500	N/A	N/A	\$ -	N/A	N/A	N/A	N/A	N/A
Other	44	10%	\$ 5,000	N/A	N/A	\$ -	N/A				
Total	458	100%	\$ 31,100	\$ 9,188	\$ 5,923	\$ 3,266	\$ 342,112	13.9	4.1	1,790	(98)

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 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 N4
Enbridge Gas Community Expansion Project Proposal
Dunrobin Shores

Dunrobin Shores Community Expansion Project Pipeline Construction Schedule

[illegible]

Schedule N5
Enbridge Gas Community Expansion Project Proposal
Dunrobin Shores



Jim Watson
Mayor / Maire

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Tél.: (613) 580-2496
Télééc.: (613) 580-2509
Courriel : Jim.Watson@ottawa.ca

EB-2019-0255
Schedule N5
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)

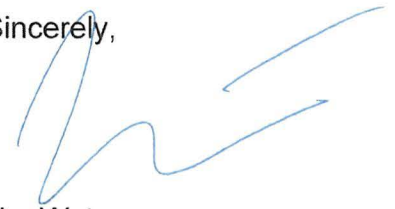
Based on the guidelines issued by the Ontario Energy Board (EB-2019-0255), we are aware that Enbridge Gas may be required to include support for the proposed projects from Council, as applicable, demonstrated through a written expression of support or a commitment to financial support in its project 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 N6
Enbridge Gas Community Expansion Project Proposal
Dunrobin Shores

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

**AND IN THE MATTER OF an Application
by The Consumers' Gas Company of
Toronto for a certificate of public
convenience and necessity to construct
works and to supply natural gas to the
Township of March, in the County of
Carleton**

B E F O R E:

**A. R. Crozier, Chairman } Tuesday, the 12th day of
W. R. Howard, Commissioner } November, 1957.**

**CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

**UPON THE APPLICATION OF The Consumers' Gas Company of
Toronto (hereinafter called 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 at the City of Toronto on the
12th day of November, 1957 after due notice had been given as
directed by the Board in the presence of Counsel for the Applicant
no one else appearing the Board being pleased to adjourn the
said application until November 22nd, 1957 and the same coming on
that day 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 for the Applicant.**

**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 of Toronto for the supply of natural
gas to the inhabitants of the Township of March and for
the construction of the works necessary therefor.**

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

DATED at Toronto this 9th day of December 1957.

ONTARIO FUEL BOARD

**.....*A. R. Crozier*.....
Chairman**

**.....*W. R. Howard*.....
Commissioner**

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

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

**CERTIFICATE OF PUBLIC CONVENIENCE
AND NECESSITY**

**EDMUNDSON, HAYWOOD & TURVILLE
111 Richmond Street West,
TORONTO, Ontario.**