

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

December 21, 2020

**Re: EB-2020-0181 EGI 2021 Rates Phase 2 – Incremental Capital Module
Pollution Probe Interrogatories**

Dear Ms. Long:

Please find attached Pollution Probe's interrogatories for the above noted proceeding.

Respectfully submitted on behalf of Pollution Probe.



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cc: Mark Kitchen, Enbridge Regulatory (via email)
David Stevens, Aird & Berlis (via email)
All Parties (via email)
Richard Carlson, Pollution Probe (via e-mail)

ONTARIO ENERGY BOARD

Enbridge 2021 Rates Phase 2 – Incremental Capital Module

POLLUTION PROBE INTERROGATORIES

December 21, 2020

Submitted by: Michael Brophy
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Consultant for Pollution Probe

Pollution Probe #1

[Ex. A, T2, Sch.1]

Reference: Enbridge has requested ICM approval related to three projects, plus:

- Final rates for the year commencing January 1, 2021, including the full-year impact of all items included in “Phase 1” of the 2021 Rate Application in EB-2020-0095 and the ICM requests in this Application; and
 - The determination of all other issues that bear upon the Board’s approval or fixing of just and reasonable rates for the sale, distribution, transmission, and storage of gas by Enbridge Gas for the year commencing January 1, 2021.
- a) Enbridge is requesting full year rate impact recovery of all items included in Phase 1 of the 2021 Rate Application. The Phase 1 application was approved under a different proceeding. Please explain why elements related to Phase 1 should be considered in the ICM Phase 2 proceeding.
- b) Please identify what issues and related costs are included under the second bullet point listed above.

Pollution Probe #2

[Ex. A, T2, Sch.1]

For the three ICM projects, please provide a table with the following information for each project.

- Project name
- Description of ‘Project’ scope (i.e. facilities included)
- Project costs
- Status and case number of the Leave to Construct application or approvals (if applicable)
- Variance explanation if ‘Project’ scope in ICM proceeding is different than the scope outlined in the Leave to Construct (if applicable)
- Overhead amount
- Project Contingency percentage
- The amount of any Project costs approved by the OEB prior to this proceeding

Pollution Probe #3

[Ex. A, T2, Sch.1]

- a) Please confirm that ICM approval for one or more of the three 2021 proposed projects only provides Enbridge the ability to capitalize the project(s) and does not represent OEB approval of the project itself (i.e. a separate Leave to Construct is required to review and approve the project in more detail). If this is not correct, please explain.
- b) In Enbridge's opinion is it preferred to receive ICM (or equivalent rate case) approval and then apply for Leave to Construct approval, or the other way around? Please explain the answer.
- c) Please confirm that if Enbridge does not receive ICM approval for one or more of the proposed projects, Enbridge will not build the project(s). If not correct, please explain.

Pollution Probe #4

[Ex. B, T2, Sch. 1]

- a) Please explain how projects identified through the Utility System Plan (USP, which includes the Asset Management Plan) are allocated to specific years within the USP 5 year cycle and how changes are made if they exceed the ICM room available for the year targeted.
- b) Please explain how the timing of OEB capital funding (rebasement year vs. ICM treatment) factors into USP development.
- c) Is it possible for Enbridge to bring forward projects for OEB approval in the next 5 years not currently identified in the USP? If yes, please identify how these would be identified and treated from a regulatory (OEB and stakeholder notification) perspective.
- d) System Renewal capital expenditures appear to be increasing over time. For example, the 2020 forecast is approximately 50% greater than previous year actuals. Please explain the drivers for these increases and if that is likely to be an ongoing trend.
- e) For each proposed 2021 ICM project, please describe the impact if it were deferred to 2024 (rebasement).

Pollution Probe #5

[Ex. B, T2, Sch. 1]

Reference: The St. Laurent NPS 12 Replacement project provides natural gas service to the Gatineau regions.

- a) Does this proposed pipeline (directly or indirectly) connect to or provide natural gas to the pipeline system in Quebec? If yes, please identify any contribution being made by other parties to offset costs for this project.
- b) The St. Laurent project consists of four phases. Please provide a description of how the four phases were determined and all materials supporting that decision (e.g. reports, emails, presentations, etc.)
- c) Given that Phase 3 of the St. Laurent project has not yet been filed with the OEB and the earliest in-service date is December 2021, please explain why it would not be more appropriate to include this project in the 2022 ICM request.

Pollution Probe #6

[Ex. B, T2, Sch. 1]

- a) The Sarnia Industrial Line Reinforcement is required “specifically to support a \$2 billion expansion of Nova Chemicals existing Corunna site”. Please indicate the contribution of Nova Chemicals toward the proposed pipeline costs.
- b) The London Line Replacement project is proposed due to integrity issues including sections of the pipeline that are now exposed above ground. Are the current pipelines being replaced by this project compliant with CSA Z662? Please explain the answer.

Pollution Probe #7

[Ex. B, T2, Sch. 1]

- a) Table 8 indicates the business case for the three ICM projects proposed. The London Line Replacement project is the only project where integrated resource planning (IRP) options (including DSM) were identified. Please explain why IRP options were not assessed for the other two projects. If IRP options were assessed for the other two options, please provide a copy of those assessments.

Pollution Probe #8

[Ex. C, T1, Sch.1]

Reference: Enbridge Gas Utility System Plan.

- a) Please explain the relationship between the Enbridge Utility System Plan and the Enbridge 5 Year Gas Supply Plan?
- b) Please explain how the three proposed ICM projects have been considered in the Enbridge 5 Year Gas Supply Plan and what the impact would be to that plan if the proposed ICM projects were deferred or denied.
- c) Please file a copy of the current Enbridge 5 Year Gas Supply Plan and indicate which sections relate to the following:
 - approval or fixing of just and reasonable rates for the sale, distribution, transmission, and storage of gas by Enbridge Gas.
 - Infrastructure planning, such as that proposed in this application.
 - Specific consideration of the three ICM projects proposed in this proceeding.
- d) Does Enbridge consider the Made-in-Ontario Environment Plan when developing the USP? If yes, please explain how it influenced the outcome of the plan. If not, why not.
- e) Does Enbridge consider any municipal energy and emissions plans when developing the USP? If yes, please explain which ones were considered and how they influenced the outcome of the plan. If not, why not.
- f) Please indicate if Enbridge has conducted (directly or through consultants) any analysis related to potentially stranded assets if gas consumption decreases prior to full recovery of capital costs. Please provide a copy of all related material including reports, presentations, emails, etc.

Pollution Probe #9

[Ex. C, T1, Sch.1]

Reference: Integrated Resource Planning (“IRP”) refers to a multi-faceted planning process that includes the identification, implementation, and evaluation of realistic natural gas supply-side and demand-side options.

- a) Please provide the reference for the IRP definition Enbridge defined above. If an external reference was not leveraged, please provide the process used to develop the internal definition and the list of Enbridge staff (by title only) who approved the definition.
- b) Projects (e.g. London Line Replacement) selected through the USP process included an IRP screening and DSM option assessment. Please provide a copy of all existing Enbridge (or EGD/Union if not consolidated) IRP-related process and procedures and indicate which USP projects are subject to those processes and procedures.
- c) Please explain why an IRP screening and related activities (e.g. DSM assessment) were highlighted in the business case for the London Line Replacement project, but not the other two projects identified for ICM treatment in this application.

Pollution Probe #10

[Ex. C, T3, Sch. 1]

Reference: Enbridge Gas commissioned Ipsos Public Affairs to conduct a customer engagement survey to provide insight into the satisfaction, needs and preferences of Gas customers on future investment plans.

- a) Were any municipalities surveyed to provide insight into the satisfaction, needs and preferences on future investment plan. If yes, please provide the survey results.