

**EB-2021-0205**  
**Enbridge Gas Inc. – Greenstone Pipeline Project – Leave to Construct**

**Interrogatories of Environmental Defence**

**Financial Risk**

**Interrogatory # D-ED-1**

Reference: Exhibit D, Tab 1, Schedule 1, Page 3

Questions:

- (a) Please confirm the total capital cost for the Project.
- (b) Please confirm the total incremental operating cost of the Project.
- (c) Please confirm the total cost, including capital and incremental operating cost.
- (d) Please confirm the total Contribution In Aid of Construction to be paid by Greenstone Gold.
- (e) Please confirm the total costs to be funded by future forecast distribution revenues from Greenstone Gold.
- (f) Please reconcile these figures with the following figures (Reference: Exhibit B, Tab 1, Schedule 1, Attachment 1, Page 4):

“The Company has completed its initial financial analysis of the work required to complete the construction and commissioning of the Expansion Facilities and other associated upgrades to the Company’s gas distribution system and related infrastructure (collectively referred to as the “Work”) and estimates that, based on current plans, completion of the Work will require a total investment of approximately \$24,590,413.10. The Company will make an estimated capital investment in the Work of \$4,632,402.85 (the “Enbridge Investment”), which will be recovered from Customer through the rates payable to the Company by Customer for Services during the Initial Term. The Company requires a contribution in aid of construction (“CIAC”) from Customer in the estimated amount of \$19,958,010.25 (the “Estimated CIAC”). The Final CIAC Amount (as defined below) will be based upon the actual costs to complete the Work.”

**Interrogatory # D-ED-2**

Reference: Exhibit D, Tab 1, Schedule 4 – DCF Analysis

Questions:

- (a) Please confirm that the total incremental revenue is approximately \$7.831 million.
- (b) Is all of this revenue from the Greenstone Mine? If there are other revenue sources please list and provide estimates.

- (c) Please confirm that the term for payment of the incremental capital is 10 years.
- (d) What would the financial impact be on other ratepayers be if the mine closes and is no longer operational after year 5? Please recalculate the DCF table assuming that the mine ceases operations after year 5 and file a copy.

### **Interrogatory # B-ED-3**

Reference: Exhibit B, Tab 1, Schedule 1, Attachment 1

Questions:

- (a) Please confirm that the parent companies of Greenstone Gold Mines LP are Equinox Gold and Orion.
- (b) Please list the mines owned by the parent companies.
- (c) Please list the mines owned by Greenstone Gold Mines LP.
- (d) How long does Greenstone Gold Mines expect to be in production at the Greenstone site?
- (e) Has Enbridge considered the likelihood that the mine will close down prior to 10 years because there is less gold in the ground than anticipated? If not, why not? If yes, please provide that analysis or describe.
- (f) Has Enbridge considered the likelihood that the mine closes down prior to 10 years because of a decline in gold prices? If not, why not? If so, please provide this analysis or describe.
- (g) What would be the financial consequences for ratepayers if the mine closes down prior to 10 years, Greenstone Gold Mines is wound up and Greenstone Gold Mines defaults on its contract?
- (h) Has Enbridge received any financial guarantees from the parent companies? If not, why not? Is Enbridge willing to seek such guarantees as a condition of approval of the Project?
- (i) If the mine closes down before 10 years and Greenstone Gold Mines is wound up, what recourse does Enbridge have to legally enforce its contract?
- (j) If the mine closes down before 10 years and Greenstone Gold Mines is bankrupt, what recourse does Enbridge have to legally enforce its contract?
- (k) Please confirm that Enbridge has no recourse against the parent companies if Greenstone Gold Mines is wound up or goes bankrupt.
- (l) If Greenstone Gold Mines no longer requires gas service after year 5 (e.g., due to mine closure), what amounts would it owe to Enbridge in penalties or otherwise?

#### **Interrogatory # B-ED-4**

Reference: Exhibit B, Tab 1, Schedule 1, Attachment 1

Questions:

- (a) What is the intended use of gas by Greenstone Gold Mines? Could that use be converted to trucked-in renewable natural gas or hydrogen? Please discuss. Could that use be converted to electricity? Please discuss.
- (b) If the mine converts to another fuel, is Greenstone Gold Mines required to pay-out the rest of the contract?

#### **Interrogatory # B-ED-5**

Reference: Exhibit B, Tab 1, Schedule 1, Attachment 1

Questions:

- (a) Please confirm that Enbridge collects abandonment costs via the depreciation amount.
- (b) Please describe in detail how abandonment costs are covered and how they are collected via rates.
- (c) How much has been collected by Enbridge thus for the abandonment of its pipelines overall? How much, if any, is attributable for the portions of the pipeline being replaced?
- (d) Will this project incur any abandonment costs? If yes, how much and for what length of pipe?
- (e) On a best efforts basis, please explain how much Enbridge collects to abandon pipelines on a unit basis (i.e. \$/m3 or equivalent).
- (f) How much will Enbridge collect for pipeline abandonment with respect to the revenue listed in the DCF table in Exhibit D?
- (g) Approximately how much will it cost to abandon this pipeline at the end of its life?

#### **Interrogatory # B-ED-6**

Reference: Exhibit B, Tab 1, Schedule 1, Attachment 1, Schedule A

Question:

- (a) Please confirm the date of the last payment of Greenstone Gold Mine's Contribution In Aid of Construction, assuming that can be done on the public record without causing commercial harm.