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December 17, 2021

VIA E-MAIL

Christine E. Long  
Board Secretary and Registrar (registrar@oeb.ca)  
Ontario Energy Board  
Toronto, ON

Dear Ms. Long:

**Re: EB-2021-0148 – Enbridge Gas Inc. (EGI) 2022 Rates Phase 2 Incremental Capital Module Interrogatories of the Vulnerable Energy Consumers Coalition (VECC)**

Please find attached the interrogatories of VECC in the above-noted proceeding. We have also directed a copy of the same to the Applicant.

Yours truly,

A handwritten signature in black ink, appearing to read 'Mark Garner', is written in a cursive style.

Mark Garner  
Consultants for VECC/PIAC

Email copy:  
[EGIRegulatoryproceedings@enbridge.com](mailto:EGIRegulatoryproceedings@enbridge.com)

**REQUESTOR NAME**            **VECC**  
**TO:**                                **Enbridge Gas Inc. (EGI)**  
**DATE:**                            **December 17, 2021**  
**CASE NO:**                        **EB-2021-0148**  
**APPLICATION NAME**           **2022 ICM Application**

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**VECC-1**

Reference: Exhibit B, Tab 2, Schedule 2

- a) Do any of the following projects require any additional Board approval other than those being sought in this application?
- Dawn to Cuthbert Replacement and Retrofits Project
  - Byron Transmission Station Project in the Union South rate zone
  - Kirkland Lake Lateral Replacement Project in the Union North rate zone.
- b) Please provide the Utility System Plan (or Asset Management Plan) date(s) in which these projects were first identified. Please provide the extract describing the project, estimated costs and projected start date that were provided in that Plan.

**VECC-2**

Reference:    Exhibit B, Tab 2, Schedule 1

Enbridge Gas filed a Leave to Construct application with the OEB for the NPS 20 Replacement Cherry to Bathurst on July 31st, 2020 under docket number EB-2020-0136. The OEB approved the Leave to Construct application on December 17, 2020. Conditions of the Board's order require the project to start within 8 months of the Order. In addition, the Board is required to be notified 10 days before construction begins.

- a) Has EGI begun construction of this project? If yes, when did construction begin – if no when will it be started?
- b) Why was an ICM application not made in conjunction or at the same time as the Leave-to-Construct Application?

### VECC-3

Reference: Exhibit B, Tab 2, Schedule 1

*“The ICM unit rates presented in Appendix G were prepared assuming an implementation date in rates of January 1, 2022. Following the OEB’s Decision in this proceeding, Enbridge Gas will file a draft rate order including updated ICM unit rates to reflect recovery of the total revenue requirement of the projects for the deferred rebasing period beginning with the implementation date if different than January 1, 2022.”*

### Leave to Construct Performance Standards <https://www.oeb.ca/applications/how-file-application/performance-standards-processing-applications>

There are two Leave to Construct performance standards. One performance standard is for more complex applications and one performance standard is for more straightforward applications. These performance standards will be in effect on April 1, 2021.

	Decision Writing Period (Elapsed Calendar Days)	Total Cycle Time (Elapsed Calendar Days)
Complex Electricity & Natural Gas	60	210
Short-form Electricity & Natural Gas	30	135

The Application was filed October 15, 2021 The Board’s standard (above) shows a minimum of 210 to 135 calendar days for an application to be decided. Enbridge Gas is seeking approval of ICM unit rates beginning in 2022. The minimum cycle time implies that a decision of the Board would be no earlier than March 1, 2022.

- a) Please recalculate the total revenue requirement of the projects for the deferred rebasing period beginning with the implementation date of March 1, 2022 for the 2022 and 2023 rate periods.
- b) Based on the application filing date and the Board’s standards for processing this type of application a Board decision is expected no earlier than March or April of 2022. Please clarify whether an ICM rate rider would collect for any costs incurred prior to the date of the Board’s Order. If yes, and if EGI rates are not currently set on an interim basis, please explain why these amounts would not be considered retroactive ratemaking.

#### VECC-4

Reference: EB-2019-0194, Exhibit C, Tab 1, Schedule 1 – EGI Asset Management Plan Addendum – 2020, October 25, 2019. /Exhibit B, Tab 2, Schedule 1, Appendix A

Table 1.1-1: Summary of 2020 Capital Spend - EGD Rate Zone, Union Rate Zone and total EGI (Includes Overheads)

2020 Budget	EGD Rate Zone	UG Rate Zone	Total EGI
General Plant	46.8	52.0	98.8
System Access	141.5	96.0	237.5
System Renewal	136.9	191.5	328.4
System Service	13.4	128.5	141.9
Total Overheads	146.5	78.4	225.0
<b>TOTAL</b>	<b>485.2</b>	<b>546.4</b>	<b>1031.6</b>

(costs expressed in millions of Canadian dollars)

- a) Please explain the variances as between EGI's 2020 capital forecast filed in October 2019 Asset Management Plan and the actual 2020 spending.

#### VECC-5

Reference: Exhibit B, Tab 1, Schedule 1,

- a) How many meters of existing NPS 42 pipeline has EGI (Union and Enbridge) replaced (i.e., like for like) in each year 2017 through 2021.

#### VECC-6

Exhibit B, Tab 2, Appendix C

*“Enbridge Gas has identified the need to replace the existing NPS 4 Kirkland Lake Lateral (“Existing Line”) running through the Municipality of Kirkland Lake in the District of Timiskaming with 8 km of NPS 4 pipeline....”*

*“The NPS 4 Kirkland Lake Lateral was installed in 1958. The NPS 8 Kirkland Lake Loop was installed in 1990. Various sections, totaling approximately 4 km of the total 12 km of the Existing Line were replaced in 2018....”*

- a) EGI states that the Kirkland Lake project is a like for like replacement. For each year 2018 through 2021 how many kilometers of NPS 4 pipeline has EGI (Union/Enbridge zones) replaced like for like.

## VECC-7

Reference: Exhibit D, Tab 1, Schedule 1. Page 2-3

Table 1: Estimated Project Costs

<u>Item No.</u>	<u>Description</u>	<u>Cost</u>
1.0	Material Costs	\$4,893,000
2.0	Contractor Labour Costs	\$8,428,000
3.0	Internal Labour Costs	\$180,000
4.0	Third Party Services	\$1,111,000
5.0	Land Acquisition Costs	\$277,000
6.0	Contingency Costs	\$1,781,000
<b>7.0</b>	<b>Project Cost</b>	<b>\$16,670,000</b>
8.0	Indirect Overheads	\$3,648,311
9.0	IDC	\$62,517
<b>10.0</b>	<b>Total Project Costs</b>	<b>\$20,380,828</b>

*“The project cost has increased from the previous estimate reported in the Asset Management Plan.1 This is largely due to: (i) reclassification of the cost estimate from a Class 5 estimate (based on historical project costs and rangeability of -50% to +100%) to a Class 1 estimate, (ii) increased civil scope based on Site Plan Approval consultations, (iii) increased scope due to land acquisition agreement; and (iv) increased construction labour costs as a result of project construction being spread over two years.”*

- a) Please provide the previous estimate referenced above.

## VECC-8

Reference: Exhibit B, Tab 2, Schedule 3 EGI Asset Management Plan Addendum – 2022

- a) Please provide a listing, with short description of all projects planned to begin construction in 2022 which are currently costed at \$19 million or above.
- b) Please provide the same listing for all the projects begun in 2020 and (separately) in 2021.

**VECC-9**

Reference: Exhibit D, Tab 1, Schedule 1,

Table 1: Estimated Project Costs

<u>Item No.</u>	<u>Description</u>	<u>Cost</u>
1.0	Material Costs	\$1,982,400
2.0	Labour Costs	\$7,728,000
3.0	External Permitting, Land	\$168,000
4.0	Outside Services	\$3,074,400
5.0	Direct Overheads	\$487,200
6.0	Contingency Costs	\$3,360,000
<b>7.0</b>	<b>Project Cost</b>	<b>\$16,800,000</b>
8.0	Indirect Overheads	\$ 3,750,059
9.0	IDC	\$116,281
<b>10.0</b>	<b>Total Project Costs</b>	<b>\$20,666,340</b>

- a) What Class estimate (Cost Estimating and Management Standard) is the Kirkland Lake project cost estimate?

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