

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998,
S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by Enbridge Gas Inc., pursuant to section 36(1) of the Ontario Energy Board Act, 1998, for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of January 1, 2022.

**INTERROGATORIES
ON BEHALF OF THE
SCHOOL ENERGY COALITION**

SEC-1

[Exhibit B, general] Please provide a copy of all materials provided to the Applicant's Board of Directors regarding each of the proposed ICM projects, or regarding this ICM application.

SEC-2

[Exhibit B, general] Please provide a copy of any internal business cases for the proposed projects, if different from the business cases filed with the Application.

SEC-3

[Exhibit B, general] Please provide any information used by the Applicant in benchmarking of costs for projects similar to the ICM projects, or advise that no benchmarking was carried out.

SEC-4

[Exhibit B-2-1, p.10-11, p.14-15] Please provide details with regard to the "REWS" project and the scope variation of it that contributed to the increase in General Plant spending in both rate zones.

SEC-5

[Exhibit B-2-1, p.18] Please confirm that, under the Board's policies, distributors on Price Cap IRM are expected to make best efforts to manage their capital spending within the ICM envelope, which in this case is \$977 million for 2022. Please provide a detailed explanation of all efforts made by the Applicant to limit its capital spending in 2022 to the threshold limit, and provide an explanation for the reasons why those efforts were unsuccessful. Without limiting the generality of the foregoing, please provide copies of any policies, memoranda, presentations, directives, or other documents directing anyone in the company to limit capital spending to the threshold limit or, alternatively, setting a different capital spending limit for 2022.

SEC-6

[Ex. B-2-1 Appendix E] Please review the table below, summarizing the year two impacts of the five proposed projects, and confirm its accuracy. (A live Excel version has been included.) Further, please confirm:

- a) The Applicant is proposing to add a total of \$276.3 million to rate base for the subject projects.
- b) Before taking into account the tax shield from CCA, the annual cost to ratepayers in 2023 is expected to be \$27.6 million.
- c) If the assets were depreciated over twenty years, the annual cost before tax shield in 2023 would be \$34.3 million.

ICM Summary - First Full Year 2023								
<i>Project</i>	<i>Additions to Rate Base</i>	<i>Depreciation</i>	<i>Cost of Debt</i>	<i>Cost of Equity</i>	<i>Tax Gross-up</i>	<i>Subtotal</i>	<i>Tax Shield</i>	<i>2023 Cost</i>
<i>St. Laurent</i>	\$86,037	\$1,998	\$2,478	\$2,790	\$1,006	\$8,272	-\$832	\$7,440
<i>Cherry to Bathurst</i>	\$125,730	\$3,072	\$3,635	\$4,094	\$1,476	\$12,277	-\$1,174	\$11,103
<i>Dawn to Cuthbert</i>	\$23,508	\$497	\$926	\$763	\$275	\$2,461	-\$437	\$2,024
<i>Byron Transmission Stn.</i>	\$20,381	\$522	\$799	\$660	\$238	\$2,219	-\$746	\$1,473
<i>Kirkland Lake</i>	\$20,666	\$624	\$812	\$670	\$242	\$2,348	-\$149	\$2,199
Totals	\$276,322	\$6,713	\$8,650	\$8,977	\$3,237	\$27,577	-\$3,338	\$24,239

SEC-7

[Ex. B-2-1 Appendix G] Please provide calculations showing the unit rates by rate class for 2023.

SEC-8

[Ex. B-2-2 Appendix B, p.7] Please advise the extent to which the project is still needed in 2022 if the projected growth does not materialize. Please provide further data on load at this station.

SEC-9

[Ex. B-2-2 Appendix C, p.147] Please provide justification for the higher 25% contingency applied to all direct capital costs.

Respectfully submitted on behalf of the School Energy Coalition this December 20, 2021.

Jay Shepherd
 Fred Zheng
 Counsel for the School Energy Coalition