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BY EMAIL

April 6, 2023

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto ON M4P 1E4

Dear Ms. Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas)
Selwyn Community Expansion Project
OEB Staff Interrogatories
Ontario Energy Board File Number: EB-2022-0156**

In accordance with Procedural Order No. 1 please find attached the OEB staff interrogatories for the above proceeding. This document has been sent to Enbridge Gas and to all other registered parties to this proceeding.

Enbridge Gas is reminded that its responses to interrogatories are due by April 27, 2023.

Yours truly,

Catherine Nguyen
Advisor, Natural Gas Applications

Encl.

**OEB Staff Interrogatories
Enbridge Gas Inc.
EB-2022-0156**

Please note, Enbridge Gas is responsible for ensuring that all documents it files with the OEB, including responses to OEB staff interrogatories and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

Staff-1

Ref: Letters of Comment

Preamble:

Following publication of the Notice of Application, the OEB received several letters of comment.

Questions:

Please file a response to the matters raised in the letters of comment. Going forward, please ensure that responses to any matters raised in subsequent comments or letters that Enbridge Gas receives are filed in this proceeding. Please ensure that name and contact information is redacted for public filings. All responses must be filed before the argument (submission) phase of this proceeding.

ISSUE 1.0 NEED FOR THE PROJECT

Staff-2

Ref: Exhibit B, Tab 1, Schedule 1, page 2 & 7, paragraphs 8 & 16

EB-2019-0255, Enbridge Gas Selwyn Community Expansion Proposal, Schedule DDDD

Preamble:

The Selwyn Community Expansion Project (Project) will serve approximately 87 new customers in the Township of Selwyn, who currently do not have access to natural gas service. Enbridge Gas's expected ten-year growth forecast for the customer additions in the Project area is provided in the table below.

Table 2: Forecasted Customer Attachments for the Project

Selwyn Customer Additions	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total Forecasted
Residential	25	13	8	6	4	4	2	2	1	1	66
Commercial	6	4	3	1	1						15
Industrial	3	2	1								6
Total	34	19	12	7	5	4	2	2	1	1	87

Enbridge Gas stated that is in various stages of executing applications for natural gas attachment with approximately 40 customers (representing nearly half of the total ten-year forecasted attachments and exceeding the first year of the forecasted customer attachments for the Project).

Questions:

- Please clarify if the 40 customers Enbridge Gas is in the stage of executing applications for natural gas attachment is forecasted for 2024 and provide a breakdown of the customer type (residential, commercial, industrial). If applicable, please provide an updated table of the ten-year forecasted customer attachments for the Project.
- What is the assumed capture rate of the forecast attachments by the end of the tenth year? Please explain if the Project can support a 100% capture rate.
- Please explain the significant reduction in forecast industrial attachments from Enbridge Gas's project proposal for funding under Phase 2 of the Government of Ontario's Natural Gas Expansion Program (NGEP).
- Please describe Enbridge Gas's plans to ensure that the customer attachments will be realized as forecast for each customer type (residential, commercial, industrial).

Staff-3

Ref: Exhibit B, Tab 1, Schedule 1, Page 4, paragraph 12 and Attachment 4

Preamble:

Enbridge Gas retained Forum Research to conduct quantitative research of potential customers in Selwyn, Ontario between August 23 and September 18, 2022. A total of 49 surveys were completed from a list of 116 homeowners. The level of completeness represents a 42% response rate.

Enbridge Gas stated that is also conducted in-person surveys of potential commercial/industrial customers within the Project area to gauge interest in natural gas distribution service and obtain customer load information.

Questions:

- a) Please confirm that the surveys were conducted within the proposed Project area.
- b) Since the completion of the market research survey, has Enbridge Gas obtained additional or updated information regarding the interest for natural gas service as part of the Project. Please discuss.
- c) Please describe the outcomes of the in-person surveys conducted with potential commercial/industrial customers within the Project area.

ISSUE 3.0 PROJECT COST AND ECONOMICS

Staff-4

Ref: Exhibit E, Tab 1, Schedule 1, Pages 1-4, paragraphs 1, 2, 11 and Attachment 2

EB-2022-0200, Enbridge Gas 2024 Rebasing Application, Exhibit I.2.6-Staff-74

Preamble:

The total cost of the Project is estimated to be \$4.5 million. The total cost estimate is lower than the estimate in Enbridge Gas's project proposal for funding under Phase 2 of the NGEP by approximately \$1.5 million. Enbridge Gas stated that the cost variance is attributed primarily to the refinement and maturity of the Project design and schedule.

Enbridge Gas also provided a Discounted Cash Flow (DCF) for the Project which includes a System Expansion Surcharge (SES) and funding to be obtained from Phase 2 of the NGEP.

In its 2024 Rebasing application, Enbridge Gas stated that it proposed to include the original net capital cost of the Project that underpinned the NGEP funding proposal in rate base.

Questions:

- a) Please explain in more detail the reasons for the \$1.5 million cost variance from Enbridge Gas's project proposal for funding under Phase 2 of the NGEP. To support your response, please provide a table (breaking down the itemized cost description) separately comparing the NGEP cost estimate to

the current cost estimate. Please discuss any major variances in each itemized cost estimate.

- b) The DCF analysis for the Project shows a significant reduction in SES revenue beyond year 22. Please confirm if this is a result of an assumed 20-year commitment from industrial customer attachments. Please explain.
- c) Please confirm that matters relating to the appropriate net capital amount to be included in rate base is properly addressed as part of Enbridge Gas's 2024 Rebasing proceeding.

ISSUE 4.0 ENVIRONMENTAL IMPACTS

Staff-5

Ref: Exhibit F, Tab 1, Schedule 1, Page 5, paragraph 14

Preamble:

Enbridge Gas stated that a Stage 2 Archaeological Assessment (AA) has been completed and will be submitted and approved by the Ministry of Citizenship and Multiculturalism (MCM) prior to the start of construction.

Question:

- a) Please provide an update on the Stage 2 AA by the MCM and indicate when Enbridge Gas expects to receive this approval.

Staff-6

Ref: Exhibit F, Tab 1, Schedule 1, Attachment 2

Preamble:

The Environmental Report (ER) was circulated to the Ontario Pipeline Coordinating Committee (OPCC), Indigenous communities, Municipalities, and Conservation Authorities on May 16, 2022. Enbridge Gas filed the comments received on the ER as of August 17, 2022.

Questions:

- a) Please provide the supporting documentation, i.e. the email correspondence referenced in Attachment 2.
- b) Please file an update of the comments provided in Attachment 2 (summarized in tabular format) that Enbridge Gas has received as part of its consultation since the application was filed, including the supporting documentation, i.e.

email correspondence that is referenced. Please include the dates of communication, the issues and concerns identified by the parties, as well as Enbridge Gas's responses and actions to address these issues and concerns.

ISSUE 5.0: ROUTE MAP AND FORM OF LANDOWNER AGREEMENTS

Staff-7

Ref: Exhibit D, Tab 1, Schedule 1, Page 1, paragraph 1

Exhibit A, Tab 2, Schedule 1, Attachment 1, updated

Preamble:

Enbridge Gas stated that the Project will tie into the existing Enbridge Gas pipeline near the intersection of Eighth Line and Selwyn Road and will travel east to the terminal point at Eighth Line and Buckhorn Road in Selwyn, Ontario.

Enbridge Gas also provided a map showing the general location of the Project.

Question:

- a) Please clarify if the terminal point of the Project at Eighth Line and Buckhorn Road will tie-in to any existing or proposed Enbridge Gas facilities.
- b) The map of the general location of the Project shows proposed lateral pipelines at the following intersections with Eighth Line: Holden Road, Centre Line, and Buckhorn Road. Please clarify and provide a description of these proposed lateral pipelines including tie-in location, length, nominal pipe size, material, and pressure.

Staff-8

Ref: Exhibit G, Tab 1, Schedule 1, Page 1, paragraph 3 and Attachment 3

Preamble:

Enbridge Gas stated that temporary working areas may be required along the preferred route where the road allowance is too narrow or confined to facilitate construction and that temporary working rights will be negotiated where required.

Enbridge Gas provided the list of directly and indirectly impacted landowners and stated that it will provide notice to all of these impacted landowners.

Questions:

- a) Please file drawings showing the location of the preferred route for the Project.

- b) Please confirm if Enbridge Gas will require any permanent easements for the Project. Please update Attachment 3 to include the dimensions (in metres) and approximate area (in hectares and acres) of the permanent and temporary land rights required for the Project.
- c) Please provide an update on the status and prospect of remaining land negotiations where permanent and temporary easements are required. Please include any concerns raised by landowners and Enbridge Gas's responses.
- d) Please discuss any expected delays with respect to obtaining the required land rights for the Project and its impact to the construction start and in-service date.

Staff-9

Ref: Exhibit G, Tab 1, Schedule 1, Page 1-2, paragraphs 4-5

Preamble:

Enbridge Gas identified the potential permits/approvals that may be required for the Project at the reference above and in the ER.

Enbridge Gas also stated that other authorizations, notifications, permits and/or approvals may be required in addition to the ones listed.

Questions:

- a) Please advise whether Enbridge Gas has identified any other permits/approvals required for the Project other than those listed in the application. If so, please provide a description of the required permit/approval.
- b) Please provide an update on the status of each permit/approval including when Enbridge Gas expects to receive the required permit/approval. Please discuss any anticipated potential delays that may affect the construction schedule for the Project.

ISSUE 6.0 INDIGENEOUS CONSULTATION

Staff-10

Ref: Exhibit H, Tab 1, Schedule 1, Attachments 5 and 6

Preamble:

The Ministry of Energy's Delegation Letter identified six Indigenous communities that Enbridge Gas should consult in relation to the Project:

- Alderville First Nation (AFN)
- Curve Lake First Nation (CLFN)
- Hiawatha First Nation (HFN)
- Huron Wendat Nation (HWN)
- Kawartha Nishnawbe First Nation (KNFN)
- Mississaugas of Scugog Island First Nation (MSIFN)

Enbridge Gas filed a summary of the Indigenous consultation activities (Attachment 5). The information Enbridge Gas filed at Attachments 5 and 6 describes the Indigenous consultation up to January 16, 2023.

Questions:

- a) Please provide an update on Indigenous consultation activities set out in Attachments 5 and 6, summarizing any issues and concerns raised and how these are being addressed. Please include any supporting documentation, i.e. email correspondence that is referenced.
- b) Please provide an update on the status of Enbridge Gas's responses to the outstanding concerns from CLFN and HFN. Please provide a summary of Enbridge Gas's response and any replies from CLFN and HFN.
- c) Please update the evidence with any correspondence between the Ministry of Energy and Enbridge Gas since the application was filed, regarding the Ministry of Energy's review of Enbridge Gas's consultation activities.
- d) Please indicate when Enbridge Gas expects to receive a Letter of Opinion from the Ministry of Energy.
- e) Please comment on any issues arising from the Project that could adversely impact constitutionally protected Aboriginal or treaty rights. Have any Indigenous communities identified any Aboriginal or treaty rights that could be adversely impacted by the project? If any potential adverse impacts have been identified, please comment on what Enbridge Gas is doing to address these issues.