



**Pollution
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Ms. Nancy Marconi
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Toronto, ON M4P 1E4

April 6, 2023

**EB-2022-0249 – Hidden Valley Community Expansion Project Leave to Construct
Pollution Probe Interrogatories to Applicant**

Dear Ms. Marconi:

In accordance with Procedural Order No. 1 for the above noted proceeding, please find attached Pollution Probe's Interrogatories to the Applicant.

Respectfully submitted on behalf of Pollution Probe.

Michael Brophy, P.Eng., M.Eng., MBA
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All Parties (via email)
Richard Carlson, Pollution Probe (via email)

ONTARIO ENERGY BOARD

**Enbridge Gas Inc.
Hidden Valley Community Expansion Project
Leave to Construct**

POLLUTION PROBE INTERROGATORIES

April 6, 2023

**Submitted by: Michael Brophy
Michael Brophy Consulting Inc.
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Phone: 647-330-1217
28 Macnaughton Road
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Consultant for Pollution Probe

1-PP-1

- a) Please provide a copy of the project application details submitted for funding assistance as part of Phase 2 of the Government of Ontario's Natural Gas Expansion Program ("NGEP"). If there are any differences between the project details (e.g. facilities, cost, customers, etc.) in the NGEP application and this Leave to Construct application, please explain the differences.
- b) Please provide a copy of the award/approval correspondence received from the NGEP for this project, including any conditions for funding.
- c) Is there a mandated timeframe under NGEP for completion of the proposed pipeline? If yes, please provide the relevant condition that dictates specific timing.

1-PP-2

- a) Please provide a breakdown of proposed 110 customers by type, (e.g. residential, seasonal, commercial, industrial) and confirm that these would all be general service customers.
- b) The proposed distribution main does not continue down Turner Drive where there are approximately 23 townhouses located. Please explain why the proposed main does not extend to those building and whether those buildings were included in the 110 estimated customers.
- c) Enbridge has estimated to attach approximately 110 customers along proposed pipeline. Please indicate how the 110 estimate was calculated.
- d) If 100% of potential customers along the proposed pipeline attached to it, what number of customers would that represent?
- e) How many firm confirmation requests have been received from potential customers (please provide numbers by customer type, e.g. residential, commercial, etc.).
- f) What excess capacity is available in the proposed pipeline to service additional customers in the future beyond the 110 forecasted, if any?

1-PP-3

Please confirm that Hidden Valley Resort was one of the 61 survey respondents confirming that they would like to connect to the project in year 1.

1-PP-4

Reference: The 2020 Letter from the Town of Huntsville identifies Hidden Valley Resort as the primary customer for considering the use of natural gas in Hidden Valley. [Exhibit B, Tab 1, Schedule 1, Attachment 2]

- a) Does Enbridge have a specific request from Hidden Valley Resort requesting natural gas. If yes, please provide a copy.
- b) Please provide a load sheet and related documentation detailing the proposed use and demand of natural gas for Hidden Valley Resort.
- c) Does Enbridge have any correspondence more recent than 2020 indicating that the Town of Huntsville remains interested in natural gas for Hidden Valley. If yes, please provide a copy of the correspondence.

1-PP-5

Is this proposed project included in the most current Enbridge Asset Management Plan (AMP) and Utility System Plan (USP)? If not, why not. If yes, please provide the references and documents (or links).

1-PP-6

What OEB approvals other than the requested Leave to Construct are required for Enbridge to proceed with construction of this project? Please provide details on when Enbridge expects those approvals, if applicable.

2-PP-7

Reference: Figure 1: Annual Energy Costs & Savings Versus Natural Gas, Including SES

- a) Please confirm that the values in Figure 1 relate to fuel only and do not include incremental equipment costs to retrofit a home or business with natural gas.
- b) Please provide the estimated cost per consumer to convert to a natural gas system, including required ducting if applicable.
- c) Please confirm that the values in Figure 1 related to electricity are for electric baseboard heating only. If that is not correct, please state the assumptions.
- d) Please provide the annual energy savings and costs figures comparable to those in Figure 1 for a consumer using an air source heat pump. Also, if Enbridge is not able

to included A/C in the baseline costs comparison to natural gas plus an air conditioner, please note.

- e) Please provide a list of the monthly non-commodity Enbridge bill costs (not including SES which is covered in Figure 1) that consumers will experience once on natural gas. If this differs for residential, seasonal and commercial consumers in Hidden Valley, please the information by each appropriate classification.

2-PP-8

- a) Please provide a copy of all marketing and communication material provided by Enbridge or partners to the following stakeholders to promote DSM or other energy efficiency opportunities when considering renovation of a primary (water/space) heating systems:
- Town of Huntsville
 - Consumers/businesses along the proposed route
 - Other forums including the Virtual Open House
 - Contractors that support the Hidden Valley area for HVAC and related home renovations.
- b) Please provide a copy of all communication material provided by Enbridge or partners to educate the following stakeholders on options and incentives under the Greener Homes program (delivered by Enbridge in Ontario):
- Town of Huntsville
 - Consumers/businesses along the proposed route
 - Other forums including the Virtual Open House
 - Contractors that support the Hidden Valley area for HVAC and related home renovations.
- c) Please provide a copy of the all materials used for public consultation including those used for the Virtual Open House.

3-PP-9

- a) What is the minimum number of residential and business customers that will need to attach to the proposed pipeline for it to remain feasible?
- b) Please explain what the financial implications are if less customers attach?
- c) Enbridge indicates that 69% of potential customers indicated that they are likely to convert to natural gas. How does this reconcile to the 110 customers included in the financial analysis for this project?

3-PP-10

- a) Please confirm that the amortization period for the proposed pipeline is 40 years. If that is incorrect, please provide the correct figure.
- b) Has Enbridge conducted a risk assessment on the probability that the proposed pipeline will become a stranded asset before being fully depreciated? If yes, please provide a copy of the assessment and all related materials. If no, what evidence exists to support that the pipeline will remain used and useful for the full amortization period.
- c) Please explain how any residual (unamortized) costs will be recovered from rate payers if the proposed pipeline becomes stranded before it is fully depreciated.

3-PP-11

- a) Enbridge indicates that the System Expansion Surcharge (“SES”) to all new customers taking gas distribution service from the Project will be a fixed volumetric rate of \$0.23 per cubic metre of gas to be charged in addition to Enbridge Gas’s base distribution rates as approved by the OEB, in accordance with EB-2020-0094. The SES is proposed to be charged to all customers taking gas distribution service from the Project for a term of 40 years. The SES period of 40 years in EB-2020-0094 aligned with the amortization period of 40 years for distribution expansion projects. Please indicate the SES impact if the amortization period the OEB approves is different (either more or less) than 40 years.
- b) Please confirm that the SES rate of \$0.23 per cubic metre applies to both residential/seasonal properties as well as Hidden Valley Resort (commercial property).
- c) Hidden Valley Resort was identified by the Town of Huntsville as a principal driver for this project. Please explain why an Hourly Allocation Factor (“HAF”) under EB-2022-0094 is not applied to Hidden Valley Resort.

3-PP-12

Please confirm that Enbridge will fund this project from its capital envelope for 2024 if approved by the OEB. If that is not correct, please clarify.

3-PP-13

Reference: Exhibit E, Tab 1, Schedule 1, Table 1.

- a) Please explain why this project does not include indirect capital overheads.
- b) Please explain why the direct overheads for the Ancillary Facilities are approximately three times higher than the Pipeline Direct Overheads, when the Pipeline Costs are greater than the Ancillary Facility costs.

3-PP-14

Please confirm what percent of hydrogen blend the proposed pipeline will be designed and approved to carry (in the future if Enbridge blends hydrogen).

3-PP-15

Reference: The total cost for the proposed Hidden Valley Community Expansion project is estimated to be \$3.5 million (as set out in Table 1 below), of which \$2.2 million is attributed to the Project (pipeline facilities for which the Company is seeking leave to construct via the current Application), and \$1.3 million is attributed to Ancillary Facilities for which the Company is not seeking leave to construct. [Exhibit E, Tab 1, Schedule 1, Page 1]

- a) Please provide details on the Ancillary Facilities.
- b) If the Ancillary Facilities are an integrated and essential element of the proposed Project, please explain why they are external to the Leave to Construct (e.g. how does Enbridge decide what the boundaries of the project are).

4-PP-16

Reference: Exhibit D, Tab 2, Schedule 1.

- a) The project schedule filed by Enbridge indicates that all permits and approvals will be completed by January 2023. Please provide a list of the permits and approvals received and which ones are outstanding (if any).
- b) Please provide an updated project schedule or confirm the schedule filed if still accurate.

4-PP-17

Reference: EGI_F-1-1_Attachment 1_Redacted_20221220 Appendix B6: Project Correspondence

- a) The largest number of concerns from members of the community Enbridge is proposing to serve with natural gas relate to climate change. Please provide any materials and/or information provided by Enbridge or its agents (e.g. Stantec) to resolve those concerns.

4-PP-18

Reference: EGI_F-1-1_Attachment 1_Redacted_20221220 Appendix B6: Project Correspondence

A directly affected landowner indicated concerns related to shallow bedrock along the proposed pipeline route. Please provide a copy of any communications or materials provided related to homes or businesses along the route related to the potential for rock excavation and/or blasting.

4-PP-19

Reference: EGI_F-1-1_Attachment 1_Redacted_20221220

- a) What is the closest distance from the proposed construction and Peninsula Lake?
- b) What specific mitigation is planned in relation to potential blasting near Peninsula Lake?
- c) What approvals (if any) does Enbridge need to construct (including blasting) close to fish habitat (i.e. Peninsula Lake)?

4-PP-20

Reference: Exhibit D, Tab 1, Schedule 1, Page 6.

Enbridge indicates that it has not yet received the TSSA completed review or approval for the proposed project. Please provide a copy of the sign off by TSSA if it has been received.

4-PP-21

Reference: EGI_F-1-1_Attachment 1_Redacted_20221220

- a) How many water well are located within 100 meters of the proposed pipeline?
- b) What is the closest water well located to the proposed pipeline?
- c) Has Enbridge conducted a pre-construction well monitoring program along the proposed pipeline? If yes, please provide a copy.
- d) What cost estimate has Enbridge included in the project for well monitoring during construction?

4-PP-22

Reference: EGI_F-1-1_Attachment 1_Redacted_20221220

- a) Please provide details on the assessment of bedrock along the proposed pipeline route.
- b) What portion of the total length of the proposed pipeline does Enbridge expect to encounter bedrock (meters or % of total length). Please provide the basis for this estimation.
- c) What number of 110 proposed services does Enbridge expect to encounter bedrock. Please provide the basis for this estimation.
- d) Has Enbridge received a contractor cost estimate for the length and method (e.g. blasting) of rock excavation along the proposed route? If yes, please provide a copy. If no, what is the project cost estimate related to rock excavation based on?
- e) Please provide Leave to Construct project references for constructing similar pipelines through bedrock and the cost per meter incurred.

4-PP-23

Reference: Exhibit D, Tab 1, Schedule 1, Page 4.

Please provide a copy of Enbridge Gas Specifications for rock excavation.

4-PP-24

Please provide a copy of the detailed mitigation plan for the proposed pipeline.