



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

April 10, 2023

**EB-2022-0156 - Selwyn 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, attached are 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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Cc: Brittany Zimmer, Enbridge Regulatory (via email)
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Richard Carlson, Pollution Probe (via email)

ONTARIO ENERGY BOARD

**Enbridge Gas Inc.
Selwyn Community Expansion Project
Leave to Construct**

POLLUTION PROBE INTERROGATORIES

April 10, 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) Do the 87 customers (66 residential and 21 commercial and industrial customers) represent all residential, commercial and industrial consumers along the proposed route? If not what is the full number of residential, commercial and industrial consumers along the proposed route?
- b) How many firm confirmations have been received from potential customers (please provide numbers by customer type, e.g. residential, commercial, industrial, etc.).
- c) What excess capacity is available in the proposed pipeline to service additional customers in the future beyond the 87 customers forecasted, if any?

1-PP-2

- a) Please confirm that all potential commercial and industrial customers along the route responded to the survey and indicated they would like to connect to the project in year 1. If that is not correct, please provide a list of all the potential commercial and industrial customers and a copy of their responses to the survey.
- b) Please provide a load sheet for each commercial and industrial customer included in the project. If a load sheet is not available for a potential customers, please explain why.

1-PP-3

- 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-4

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-5

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.

1-PP-6

Exhibit B, Tab 1, Schedule 1, Attachment 4, Page 2 - A total of 49 surveys were completed from a list of 116 home owners.

- a) Please explain why the survey response rate was low for this project (i.e. less than 50%), despite Enbridge's extra efforts to do customer outreach.
- b) What number and percent of commercial and industrial potential customers completed the survey and what was their response.
- c) Is Enbridge extrapolating the 80% positive response rate from 49 (out of 116) positive responses across all residential, commercial and industrial customers? If not, please explain how Enbridge has extrapolated the survey results to reach the 87 customers predicted.
- d) If the 58% of survey participants that did not agree to respond to the survey represent a lack of interest from those consumers in natural gas, what impact will that have on the project and future cost to rate payers (following the 10 year Rate Stability Period)?

1-PP-7

- a) Please provide the results of the in-person surveys conducted by Enbridge.
- b) Does Enbridge have results (report or statistics) from merging the Forum Research Survey with the in-person surveys, or is the Forum Research Survey the official results being used? If combined results are being used, please provide a copy of the materials.

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:
- Township of Selwyn and the County of Peterborough.
 - Consumers/businesses along the proposed route
 - Other forums including outreach events or the Virtual Information Session
 - 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):
- Township of Selwyn and the County of Peterborough.
 - Consumers/businesses along the proposed route
 - Other forums including outreach events or the Virtual Information Session
 - Contractors that support the Hidden Valley area for HVAC and related home renovations.

2-PP-9

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 residential, commercial and industrial consumer to convert to a natural gas system, including required ducting or other related retrofits, 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 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, please provide the information by each appropriate classification.

2-PP-10

Table 1: Estimated Annual Fuel Costs & Fuel Cost Savings for a Typical Rate Residential Customer

- a) Please provide the information source for the annual bill estimates in Table 1.
- b) Enbridge has commissioned consultants related to DSM, IRP and Energy Transition which includes information related to typical annual costs for homes using electric heat pumps. Enbridge is also delivering heat pump services in Ontario. Please provide the best available data and related source Enbridge has for annual fuel costs related to an air-source heat pump and a ground-source heat pump and replicate Table 1 to include that information.
- c) Please provide the equivalent to Table 1 for a typical commercial for this project.
- d) Please provide the equivalent to Table 1 for a typical industrial customer for this project.

3-PP-11

Reference: Exhibit A, Tab 2, Schedule 1 and Exhibit E (SES): 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.

- a) 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 same SES rate of \$0.23 per cubic metre applies equally to all proposed residential, commercial and industrial customers.
- c) Please explain why an Hourly Allocation Factor (“HAF”) under EB-2022-0094 is not applied to any of the proposed commercial or industrial customers.

3-PP-12

Please confirm what distribution and transmission systems this project will be fed by on a peak design day and please confirm what excess capacity those systems have to accommodate this project.

3-PP-13

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-14

Reference: With leave to construct approval from the OEB, construction of the Project is planned to commence in August 2023 and be placed into service by January 2024. [Exhibit A, Tab 2, Schedule 1].

- a) What is the time window and cost related to the winter construction premium, compared to summer construction?
- b) Please explain why Enbridge is proposing winter construction rather than planning a construction period which avoids winter.
- c) Placing a pipeline into service in the fall (i.e. after September) does not provide the ability for customers to switch to natural gas equipment for space heating prior to the heating season. Please explain the impact if Enbridge constructed the project during the summer 2024 and placed the project into service late summer 2024.

3-PP-15

Please explain why the route map in Exhibit A, Tab 2, Schedule 1, Attachment 1 was altered.

3-PP-16

- 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 than are forecasted?

3-PP-17

- 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-18

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

- a) Please provide details on the Ancillary Facilities.
- b) If the Ancillary Facilities are an essential requirement for the proposed Project, please explain why they are external to the Leave to Construct.
- c) Please explain why the Project attracts Direct Overheads and the Ancillary Facilities do not attract Direct Overheads.
- d) Please explain why the Ancillary Facilities do not include Interest During Construction.
- e) Please explain why this project does not include indirect capital overheads.

3-PP-19

Reference: "... the Regulation establishes the Project as one to receive funding up to \$1,674,964."

Please explain how the final project subsidy will be determined and the impact to the project is if the final subsidy is less than \$1,674,964.

4-PP-20

- a) Please provide a copy of the materials provided at the project Virtual Information Session and customer outreach events.
- b) Please describe the difference in purpose between the Virtual Information Session and customer outreach events held.

4-PP-21

Reference: Rock Excavation: Rock in solid beds or masses will be fractured and removed using either a Hoe Ram and/or an approved blasting method. The blasting will be permitted in accordance with Enbridge Gas's construction procedures and the federal Explosives Act. [Exhibit D, Tab 1, Schedule 1, Page 4]

Does Enbridge expect rock excavation related to this project or ancillary facilities? If yes, please provide details based on geological information and mitigation assessed.

4-PP-22

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

4-PP-23

Please confirm that Enbridge will implement all "Recommended Mitigation and Protective Measures" included in the Stantec Environmental Report dated April 1, 2022.

4-PP-24

Reference: Project Schedule [Exhibit D, Tab 2, Schedule 1]

- a) The project schedule document looks like to was truncated when it was cut and paste into the application and does not include additional activities such as project restoration and clean-up. Please provide the complete schedule including post in-service activities. Please provide any schedule updates in the revision, to the extent they exist.
- b) The project schedule filed by Enbridge indicates that all permits and approvals will be completed by April 2023. Please provide a list of the permits and approvals received and which ones are outstanding (if any).