ISSUE 2: PROJECT ALTERNATIVES

REF: Exhibit C, Tab 1, Schedule 1, Exhibit D, Tab 1, Schedule , Exhibit B, Tab 1, Schedule 1, Page 8, Table 2
AND EB-2022-0081 Natural Gas Facilities Handbook, p. 32-33

Preamble: We would like to understand the assessment of the project need and alternatives considered in this application. The referenced pages of the Natural Gas Facilities Handbook provide the Board's expectation for information to filed in respect of Project Need and Alternatives. The content of the application does not provide the reader with the necessary understanding to determine the appropriateness of the application.

1) Please provide a major main map (NPS 4 or larger) that includes:
   a) the surrounding 550 kPa system(s)
   b) the proposed project in its entirety including the NPS 2 proposed
   c) any additional pipelines higher than 560 kPa pressure lines with 30 km of the project area including the pipe that feeds station that is proposed to be rebuilt

2) Using the forecasted customer additions in Table 2, for each year and each customer type, please provide the peak winter loads associated with the respective customer classes.

3) Please provide the network analysis of the peak day of the 550 kPa system for the Winter of 2022/23 providing the winter station settings and pressures and the locations at low points in the respective systems.
   a) Please provide the network analysis of the peak day for the Winter of 2022/23 or Winter of 2023/24 with the proposed project in place using the same station settings.
      i) Please provide the winter peak load forecasted to be added with the proposed project for both year 1 and year 10 assuming no additional growth from the existing system.
      ii) Please provide the pressure and location of the low points in the respective systems.
   b) Please provide the same network analysis described in a) including subsections in i) and ii) using NPS 2 instead of NPS 4 for the proposed project sections.

4) Using the results of the comparative analysis requested for the proposed NPS 4 vs the alternative NPS 2, please provide EGI's views on the pipe sizing proposed and the ability of NPS 2 as an appropriate alternative.

Preamble: Paragraph 5 in the Exhibit D reference speaks to a station rebuild being proposed in conjunction with the proposed project. We would like to understand the alternatives considered.

5) Please provide the date the existing station was built.
   a) Please provide the date and the specific modifications made to the station since the initial installation.
   b) Please provide the existing station as-built drawing that provides equipment details.
      i) If an as-built drawing is not available, please provide a schematic showing pipe layouts and sizes and details on all operating components beyond pipe and valves (e.g., regulator model, orifice size (if appropriate), filter, relief valve, etc.)
      ii) Please provide the current design load fed by the station
      iii) Please provide actual minimum inlet pressure experienced at the station in the last 3 years.
   c) Is there any other station feeding the system beside the station proposed to be replaced? If yes, please provide the equipment details of that station.
   d) Please provide a schematic or drawing of the proposed replacement station, the design capacity and the cost estimate for the station only.

6) Please provide the design specifications including:
   a) Existing inlet pressure parameters: MOP and design minimum inlet
   b) The design capacities of the respective components under design conditions
   c) Please provide any alternatives considered to replace the orifices in the regulators or the regulators themselves to increase the capacity
      i) Please provide the potential capacity from a regulator modification or replacement
      ii) Please explain fully why this alternative was not proposed
   d) Please provide the fulsome assessment of the considerations to refurbish or modify the station as opposed to re-building.
      i) Please provide any cost estimates prepared for the option of refurbishing or modifying the station.

7) Please provide any assessment that EGI undertook of providing a Compressed Natural Gas station at a strategic location in the system as an initial IRP treatment to avoid or defer the rebuild of the station and/or downsize the NPS 4 to NPS 2.
   a) If not done, please explain fully why not.

ISSUE 3.0 PROJECT COST & ECONOMICS

REF: Exhibit E, Tab 1, Schedule 1, p.1, Table 1, and Attachments 1 & 2

8) Please revise the cost estimates of Project in Table 1 using NPS 2 instead of the proposed sections of NPS 4.
   a) Please provide resulting PI of the project using the NPS 2 estimate by revising the economics in Attachment 1 & 2 using the NPS 2 estimate to show:
      i) Initial PI (without NGEP/ SES funding)
      ii) PI with SES contributions
      iii) Remaining shortfall (i.e., needed additional contribution to achieve PI of 1.0)

9) For projects included in the NGEP, please explain fully how the contributions are treated from a Discounted Cash Flow perspective including:
   a) Offset to initial capital like CIAC
   b) Impact on rate base (gross vs. net)
   c) Impact to CCA Tax Shield and resulting project benefits (i.e., who receives benefits)

10) Please clarify the impacts of the following: A residential customer signs up and receives natural gas service in year 1 and they stay connected for 10 years. That customer sells their property to a third party who converts the home to some form of electrical heating and water heating.
   a) Are there obligations on the property for the SES surcharge that transfers the obligation for some lump sum payment from either the new or previous owner?
   b) If not, would that expected shortfall of revenue be made up by the company in some deferral account or by included in rates subsequent rebasing proceeding? Please explain fully.