

ONTARIO ENERGY BOARD

**Enbridge Gas Inc.
2024 Rebasing**

**POLLUTION PROBE INTERROGATORIES
To
IGUA Experts**

April 28, 2023

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Consultant for Pollution Probe

15-PP-IGUA -1

Reference: Table from Exhibit JT5.33 of major pipeline projects constructed but not approved for rate recovery.

| Project Name | Applicant | Docket Number | Total Capital Cost (Forecasted) | Total Capital Cost (Actual) | Total Capital Cost Ex. 12.1-SEC-98 | Variance Driver | Capital Overhead Amount | In-Service Date (Actual or Expected) | Amortization Period | Amortization Period - Leave to Construct |
|----------------------------------------------------------------------|---------------------------|---------------|---------------------------------|-----------------------------|------------------------------------|------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------|---------------------|------------------------------------------|
| 2018 Oxford Reinforcement Project | Union Gas | EB-2018-0003 | \$ 7,398,000.00 | \$ 4,662,754.00 | n/a | Not included in Ex. 12.1-SEC-98 | \$ 872,204.84 | October 4, 2018 (Actual) | 55 years | 40 years |
| Kingsville Transmission Reinforcement Project | Union Gas | EB-2018-0113 | \$ 105,716,000.00 | \$ 77,042,559.00 | \$ 91,553,885.00 | The Forecasted and Actual costs are presented without overheads. Ex. 12.1-SEC-98 includes overheads. | \$ 15,440,932.60 | October 24, 2019 (Actual) | 60 years | 40 years |
| Liberty Village Project | Enbridge Gas Distribution | EB-2018-0066 | \$ 3,623,263.00 | \$ 4,151,681.00 | n/a | Not included in Ex. 12.1-SEC-98 | \$ 1,124,045.73 | March 28, 2019 (Actual) | 55 years | 40 years |
| Bathurst Reinforcement Project | Enbridge Gas Distribution | EB-2018-0097 | \$ 9,147,651.00 | \$ 9,442,615.00 | n/a | Not included in Ex. 12.1-SEC-98 | \$ 3,237,782.72 | December 11, 2019 (Actual) | 55 years | 40 years |
| Don River 30" Pipeline Project | Enbridge Gas Distribution | EB-2018-0108 | \$ 25,318,141.00 | \$ 23,706,759.00 | \$ 31,013,254.00 | The Forecasted and Actual costs are presented without overheads. Ex. 12.1-SEC-98 includes overheads. | \$ 7,394,061.65 | April 21, 2020 (Actual) | 55 years | |
| Chatham-Kent Rural Project | Union Gas | EB-2018-0188 | \$ 19,100,000.00 | \$ 14,797,695.00 | \$ 14,812,202.00 | Immaterial completion costs | \$ 1,286,671.24 | November 22, 2019 (Actual) | 55 years | 20 years |
| Georgian Sands Pipeline Project | Enbridge Gas Inc | EB-2018-0226 | \$ 2,827,537.00 | \$ 2,112,532.00 | n/a | Not included in Ex. 12.1-SEC-98 | \$ 623,330.48 | June 1, 2020 (Actual) | 55 years | 40 years |
| Stratford Reinforcement Project | Union Gas | EB-2018-0306 | \$ 28,540,000.00 | \$ 24,796,716.00 | \$ 25,002,541.00 | Immaterial completion costs | \$ 4,217,373.09 | September 14, 2019 (Actual) | 60 years | 40 years |
| St Laurent Pipeline Project | Enbridge Gas Inc | EB-2019-0006 | \$ 5,510,519.00 | \$ 5,549,818.00 | n/a | Not included in Ex. 12.1-SEC-98 | \$ 1,927,394.47 | September 4, 2020 (Actual) | 60 years | |
| Windsor Line Replacement Project | Enbridge Gas Inc | EB-2019-0172 | \$ 106,805,000.00 | \$ 82,929,808.00 | \$ 83,123,644.00 | Immaterial completion costs | \$ 14,550,069.08 | September 10, 2021 (Actual) | 55 years | |
| Owen Sound Reinforcement Project | Enbridge Gas Inc | EB-2019-0183 | \$ 68,965,000.00 | \$ 70,121,772.00 | \$ 70,165,009.00 | Immaterial completion costs | \$ 11,959,209.96 | October 20, 2020 (Actual) | 60 years | 40 years |
| Saugeen First Nation Community Expansion | Enbridge Gas Inc | EB-2019-0187 | \$ 2,637,360.00 | \$ 3,058,999.00 | n/a | Not included in Ex. 12.1-SEC-98 | \$ 2,132.13 | August 24, 2020 (Actual) | 60 years | 40 years |
| North Bay Community Expansion Project | Enbridge Gas Inc | EB-2019-0188 | \$ 10,995,250.00 | \$ 11,981,840.00 | \$ 11,981,840.00 | No variance | \$ 37,664.98 | October 1, 2021 (Actual) | 60 years | 40 years |
| Garnia Reinforcement Project | Enbridge Gas Inc | EB-2019-0218 | \$ 30,791,000.00 | \$ 36,966,604.00 | \$ 36,966,604.00 | No variance | \$ 6,631,845.22 | November 1, 2021 (Actual) | 60 years | 20 years |
| Low Carbon Energy Project | Enbridge Gas Inc | EB-2019-0264 | \$ 5,232,265.00 | \$ 6,779,329.00 | n/a | Not included in Ex. 12.1-SEC-98 | \$ 1,256,973.56 | October 1, 2021 (Actual) | 55 years | |
| NPS 20 Replacement Cherry to Bathurst Project | Enbridge Gas Inc | EB-2020-0136 | \$ 133,047,891.00 | | | | | December 8, 2022 (Actual) | 55 years | |
| London Lines Replacement Project | Enbridge Gas Inc | EB-2020-0162 | \$ 164,098,000.00 | | | | | December 10, 2021 (Actual) | 55 years | |
| Greenstone Pipeline Project | Enbridge Gas Inc | EB-2021-0205 | \$ 25,777,759.00 | | | | | March 2023 (Expected) | 55 years | |
| Waterfront Toronto Relocation Project | Enbridge Gas Inc | EB-2022-0003 | \$ 23,461,558.00 | | | | | August 2024 (Expected) | 55 years | 20 years |
| Dawn to Corunna Pipeline Project | Enbridge Gas Inc | EB-2022-0086 | \$ 250,749,703.00 | | | | | November 1, 2023 (Expected) | 55 years | |
| Haldimand Shores Community Expansion Project | Enbridge Gas Inc | EB-2022-0088 | \$ 4,048,709.00 | | | | | February 8, 2023 (Actual) | 55 years | 40 years |
| Covey and Kimball-Colinville Well Drilling Project (Gathering Lines) | Enbridge Gas Inc | EB-2021-0248 | \$ 5,076,600.00 | | | | | September 9, 2022 (Actual) | 55 years | |

Enbridge has proposed that the OEB approve in this proceeding an amortization period significantly greater (in some cases increasing from 20 years to 60 years) than what was filed in several major pipeline applications through the OEB Leave to Construct proceeding for those projects.

Please provide what additional costs and other risks would likely occur if the OEB were to approve the longer amortization period for these projects. Please provide any other appropriate comments or opinions on the appropriateness of this proposal.

15-PP-IGUA-2

Please clarify what responsibility Enbridge has to ensure that amortization periods are not longer than the expected useful life of capital assets and what options are open to the OEB to mitigate rate payer risks and related costs in cases where Enbridge proposes amortization periods that are longer than what is prudent.

15-PP-IGUA-3

Please list any tools and regulatory approaches you are aware of that are used by regulators to mitigate rate payer risks and related costs due to regulated utilities using longer amortization periods for capital assets.

15-PP-IGUA-4

Concentric has outlined energy transition and other risks to natural gas capital assets becoming stranded, yet Enbridge is proposing to increase the amortization period for capital assets (e.g. pipeline) which would increase risk of stranded assets if the issues raised by Concentric have merit.

- a) Please explain your position on this apparent dichotomy and what approach(es) the OEB could use to mitigate the risks, including to those to rate payers.
- b) What are the pros and cons of decreasing the amortization period for capital assets (e.g. pipelines) from the existing amortization period rather than increasing them as proposed by Enbridge.