

ONTARIO ENERGY BOARD

Enbridge Gas Inc.
2024 Rebasing

POLLUTION PROBE INTERROGATORIES
To
InterGroup Consultants Ltd. (via OEB Staff)

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Submitted by: Michael Brophy
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Consultant for Pollution Probe

15-PP-InterGroup -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	\$ 4,151,981.00	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	\$ 24,796,718.00	\$ 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-2019-0008	\$ 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	\$ 10,095,250.00	\$ 11,981,840.00	\$ 11,981,840.00	No variance	\$ 37,664.98	October 1, 2021 (Actual)	60 years	40 years
Samia 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-InterGroup-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-InterGroup-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-InterGroup-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.