

**EB-2022-0200**  
**Enbridge Gas Rebasing Application**

**Interrogatories of Environmental Defence re OEB Staff Evidence on  
Depreciation (InterGroup)**

**Interrogatory # M1-ED-1**

Reference: Report, p. 65-66

Question(s):

- (a) If a 2050 Economic Planning Horizon is not appropriate, please comment on alternative, more appropriate methods to accelerate depreciation to account for the possibility that assets will no longer be used and useful prior to what the Iowa Curves would predict based on physical factors alone?
- (b) For the sake of discussion, say that a review of scenarios determined that there is a X% chance that Y% of steel pipes would no longer be used and useful by 2050. Could this be reflected in depreciation amounts by way of adjusting the Iowa Curves for that asset class? What other mechanisms could be used?
- (c) Would InterGroup agree that the current depreciation methodology implicitly assigns a 0% probability that a substantial portion of assets will reach the end of their economic life before the end of their physical life due to decarbonization? If not, please explain, and provide the probability of this implicitly accounted for in the current methodology.
- (d) Does InterGroup agree that the current depreciation methodology implicitly assigns a 0% probability that a substantial portion of assets will reach the end of their economic life before the end of their physical life due to decarbonization?
- (e) Please discuss the merits of addressing decarbonization risks through accelerated depreciation for: (A) all assets, (B) only new assets, and/or (C) assets facing the greatest stranded asset risks (e.g. “small pipes” serving residential customers that can easily switch to more cost-effective heat pumps, pipes that are incompatible with hydrogen, etc.).