

ENBRIDGE GAS INC.

Answer to Undertaking from  
Environmental Defence (ED)

Undertaking

Tr: 67

To advise how much it costs to connect a home to the gas grid, on average, focusing only on those costs paid for via rates, and also how long it would take for the rates from that single home to pay off those connection costs for an average home, without TCS or SES. On average how much are the connection costs and on average how long would it take with rates to pay off those connection costs. Not including the SES or TCS costs.

Response:

The average cost to connect a home<sup>1</sup> to the gas system in the EGD rate zone is \$5,673 /u which would take approximately 31 years to recover through distribution rates. The data to determine the cost to connect a home to the gas system in the Union rate zones is not available, however the average cost to connect a customer for the Union rate zones is \$8,097 which would take approximately 23 years to recover through distribution /u rates.<sup>2</sup>

Inadvertently, the revenue from the large volume customers was not included in calculating the recovery period for the Union rate zones in the original response. The correct recovery period corresponding to an average connection cost of \$4,791 would have been 14 years instead of 30 years as provided in the original response.

The average costs provided in the original response represented only the direct capital cost and excluded the incremental overheads e.g. normalized system reinforcement, /u which were already included in calculations of the recovery period. The updated response /u represents the fully burdened costs of connecting a customer which are required for /u testing feasibility as per OEB guidelines in E.B.O. 188, Appendix B, section 2.1. The /u updated cost fully reflects the capital cost which is paid via rates – this will have no impact /u on the referenced recovery period. /u

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<sup>1</sup> The average cost to connect a home in the EGD rate zone includes the weighted average cost of both new construction and existing homes and is based on the 2024 forecast revenues and costs.

<sup>2</sup> The average cost to connect a customer in the Union rate zones, is the average cost of all types of customers including residential, commercial, apartments and industrial and is based on the 2024 forecast revenues and costs.