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BY EMAIL

September 6, 2023

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4
Registrar@oeb.ca

Dear Ms. Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas)
Bobcaygeon Community Expansion Project
OEB File Number: EB-2022-0111**

In accordance with Procedural Order No. 1, please find attached the Ontario Energy Board (OEB) Staff interrogatories in the above proceeding. The applicant and intervenors have been copied on this filing.

Any questions relating to this letter should be directed to Judith Fernandes, Senior Advisor at Judith.Fernandes@oeb.ca or at 416-440-7638. The Board's toll-free number is 1-888-632-6273.

Yours truly,

Judith Fernandes
Natural Gas Applications

Encl.

**OEB Staff Interrogatories
Enbridge Gas Inc.
EB-2022-0111**

Please note, Enbridge Gas is responsible for ensuring that all documents it files with the OEB, including responses to OEB Staff interrogatories and any other supporting documentation, do not include personal information (as that phrase is defined in the *Freedom of Information and Protection of Privacy Act*), unless filed in accordance with rule 9A of the OEB's *Rules of Practice and Procedure*.

OEB Staff's interrogatories are focused on the issues set out in the OEB's standard [Issues List](#) for leave to construct applications.

Staff-1

Ref.: Letters of Comment

Preamble:

Following publication of the Notice of Application, the OEB received letters of comment.

Question:

1. Please file a response to the matters raised in the letters of comment filed on the record to date. Going forward, please ensure that responses to any matters raised in subsequent comments or letters that Enbridge Gas receives are filed in this proceeding. Please ensure that name and contact information is redacted for public filings. All responses must be filed before the argument (submission) phase of this proceeding.

Issue 1.0: Need for the Project

Staff-2

Ref.: Exh B/Tab 1/ Sch 1, p.5,7 and Att 4, p.2

Preamble:

Enbridge Gas retained Forum Research to conduct quantitative research to ascertain interest in obtaining natural gas service amongst the residential household and commercial business populations of Bobcaygeon. The research was conducted between October 5 and 18, 2022. Surveying was conducted door-to-door and via letters distributed to residents. A total of 261 surveys were completed from a list of 1,990 homeowners, representing a 13% response rate.

Enbridge stated that it conducted its own in-person survey of local businesses and received a total of eight responses indicating that respondents utilize either one of or a combination of oil, electricity, and propane for their energy requirements.

Questions:

1. What methods were used to collect the responses to the survey undertaken by Forum Research?
2. Please provide responses to the following questions regarding the in-person survey of local businesses undertaken by Enbridge Gas:
 - a) The results of this survey;
 - b) The period of time for when this survey was conducted in 2021;
 - c) The number of businesses that Enbridge Gas contacted for this survey;
 - d) The number of surveys that were completed;
 - e) The response rate; and
 - f) Any additional information that Enbridge Gas has to support the commercial/industrial growth forecast.
3. Please comment on the acceptability of the response rates for the residential and local businesses surveys when compared to the response rates in surveys undertaken for other Enbridge Gas Phase 2 community expansion projects?
4. Since the completion of the residential market research survey conducted in 2022, has Enbridge Gas obtained additional updated information on the interest for switching to natural gas service as part of this community expansion project. Please discuss.

Staff-3

Ref.: Exh B/Tab 1/ Sch 1, p.7, 8 and Table 2

Preamble:

Enbridge Gas provided 10-year growth forecast for customer attachments in the Project area.

Table 2: Projected Customer Additions

Bobcaygeon Customer Additions	Total Potential Customers	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total Forecasted
Conversions												
Residential Units (Singles)	1874	100	149	149	139	119	119	100	40	40	40	995
Residential Multi-Units (Semis, Towns, Apartments)	314	17	25	25	23	20	20	17	7	7	7	168
Commercial/Industrial Units	252	0	16	26	36	35	26	19	8	3	3	172
Total	2440	117	190	200	198	174	165	136	55	50	50	1335
New Construction												
Residential Units (Singles)	1807	0	90	181	361	361	271	271	145	90	37	1807
Residential Multi-Units (Semis, Towns, Apartments)	547	0	27	55	109	109	82	82	44	27	12	547
Total	2354	0	117	236	470	470	353	353	189	117	49	2354
Total												
Residential Total	4542	117	291	410	632	609	492	470	236	164	96	3517
Commercial/Industrial Total	252	0	16	26	36	35	26	19	8	3	3	172
Total	4794	117	307	436	668	644	518	489	244	167	99	3689
Total Cumulative		117	424	860	1528	2172	2690	3179	3423	3590	3689	

Questions:

1. Please discuss the method and data Enbridge Gas used to forecast 3,517 residential attachments and the 172 commercial/industrial attachments by the tenth year.
2. What is the assumed capture rate of the forecast attachments by the end of the tenth year?
3. Please discuss the basis for Enbridge Gas's forecasted 100% customer addition projection for residential customers from new construction in the growth forecast presented in Table 2.
4. Please explain Enbridge Gas's forecast of zero customer additions from conversions of commercial/industrial units in the first year of the growth forecast presented in Table 2.
5. Please provide information on the number of customer applications that have been initiated to date and provide a breakdown of the customer type (residential, commercial, industrial).

6. Please describe in detail Enbridge Gas's outreach activities, plans and/or programs to ensure that the customer attachments will be realized as per the customer growth forecast.
7. Please discuss any anticipated potential delays that may affect the construction schedule for the Project or cause the forecasted number of customer attachments to be below forecast.
8. Please comment on any constraints that Enbridge Gas faces (e.g. availability of HVAC contractors for the conversion to natural gas, other contractors or supplies required) to meet the forecasted customer attachment each year.
9. Please comment on differences in forecasted number of customer attachments Enbridge Gas provided in the project proposal approved for funding in Phase 2 of the NGEP process and the project subject to this application? In particular, please comment on the difference in the projected commercial customer additions (120 versus 172 customer attachments). Please provide any additional information to explain the reasons for this difference.

Staff-4

**Ref.: Exh D/Tab 1/ Sch 1, p.11
Exh D/Tab 2/Sch 2, p.1**

Preamble:

Enbridge Gas stated that construction of the Project is phased. Construction of a Supply Lateral is planned to commence in March 2024 and is projected to be placed into service by January 2025. Construction of a Reinforcement pipeline is planned to commence in March 2026 and to be placed into service in September 2026. Enbridge Gas stated proposed Project will be segmented in order to construct, energize, and commission the pipeline in an efficient and safe manner, and to be able to begin connecting residences and businesses as early as January 2025.

Questions:

1. Please explain why construction of the Reinforcement pipeline is planned to commence in March 2026 and why the construction of this pipeline cannot be started earlier in 2025.

2. Is Enbridge Gas aware of any aspects of the Supply Lateral construction that could potentially delay the commencement of construction of either Phase 1 or Phase 2 of the Supply Lateral or the Reinforcement pipeline? If so, please provide details and a description of any contingency plans that Enbridge Gas has considered should the Project be delayed.
3. Please discuss any associated risks and impacts if the proposed construction start and/or in-service dates for the Project are delayed.
4. Please discuss the impact to the proposed construction schedule and in-service dates if Enbridge Gas receives a decision and order of the OEB later than December 21, 2023.

Issue 3.0: Project Cost and Economics

Staff-5

Ref: Exh E/Tab 1/Sch 1/pp.1-3

EB-2022-0200, Enbridge Gas 2024 Rebasing Application

Preamble:

The total cost for the Project is estimated to be \$115.2 million of which \$44.9 million is attributed to the Project (Supply Lateral and the Reinforcement Pipeline) and \$70.3 million is attributed to Ancillary Facilities. The total cost estimate is lower than the estimate in Enbridge Gas’s project proposal under Phase 2 of the NGEp by approximately \$0.3 million.

Table 1: Estimated Project Costs (\$CAD)
(Supply Lateral + Reinforcement)

Item No.	Description	Pipeline Costs		Ancillary Costs ⁽¹⁾	Total Costs
		Supply Lateral	Reinforcement		
1.0	Material	2,651,460	786,930	6,295,528	9,733,918
2.0	Construction	23,779,538	6,294,903	50,822,216	80,896,658
3.0	Outside Services	4,674,007	1,386,799	6,666,123	12,726,929
4.0	Land, Permits, Approvals and Consultations	235,604	109,714	470,118	815,436
5.0	Contingency	3,010,532	763,040	5,318,465	9,092,037
6.0	Sub-Total	34,351,142	9,341,386	69,572,450	113,264,978
7.0	Interest During Construction	853,126	395,170	683,906	1,932,202
8.0	Total Project Cost	35,204,268	9,736,556	70,256,356	115,197,180
9.0	Original Proposed Cost				115,514,815
10.0	Variance (8 – 9)				(317,635)

NOTES:

(1) Project Ancillary costs include: 6 regulator stations, approximately 75 km of distribution mains, and customer services.

A Discounted Cash Flow analysis was prepared based on \$68 million of NGEF funding and \$47.2 million collected from customers attaching to the Project through Enbridge Gas's distribution rates and the OEB-approved System Expansion Surcharge of \$0.23/per cubic meter for a term of 40 years.

Enbridge Gas stated that consistent with the direction in the OEB's decision¹, upon placing the Project into service, it will apply a 10-year Rate Stability Period (RSP) and at the next rebasing application after the ten-year RSP expires, Enbridge Gas will use actual revenues and actual capital costs of the Project to determine any revenue sufficiency or deficiency for rate-setting purposes.

Questions:

1. In addition to Enbridge Gas's comments provided in the application, please provide any additional information available to explain the cost variance between the application and the project proposal for funding under Phase 2 of the NGEF. To support your response, please provide a table (breaking down the itemized cost description) comparing the NGEF cost estimate to the current cost estimate. As part of this response, please file the original NGEF proposal.
2. In the context of the updated proposed in-service date for the Project, please confirm that the original forecast costs associated with the Project are not included as part of the 2024 rate base proposed in Enbridge Gas's 2024 rebasing proceeding.² Please confirm that Enbridge Gas intends to seek inclusion of the originally forecast Projects costs in rate base in Enbridge Gas's next rebasing application (following the 2024 rebasing) assuming the Project is in-service by that date.
3. Please advise whether, after the conclusion of the rate stability period and at the time of next rebasing, it is Enbridge Gas's intent to seek to close to rate base the actual capital costs of the Project and include the most up-to-date forecast of revenues associated with the Project.

Issue 4.0: Environmental Impacts

Staff-6

¹ EB-2020-0094 Decision- Application for Approval of System Expansion Surcharge, Temporary Connection Surcharge and an Hourly Allocation Factor

² EB-2022-0200

Ref: Exh F/Tab 1/Sch 1, p.1,4,5, Att 3,4,5

Preamble:

Enbridge Gas retained Stantec Consulting Ltd. to complete an environmental assessment for the proposed pipeline, in accordance with the OEB's *Environmental Guidelines for the Location, Construction and Operation of Hydrocarbon Pipelines in Ontario (7th edition, 2016)* (Environmental Guidelines).³ Stantec prepared an Environmental Report for the Project identifying the environmental and socio-economic features along the route of the proposed pipeline.

Enbridge Gas stated that it submitted a copy of the Environmental Report to members of the Ontario Pipeline Coordinating Committee (OPCC), Indigenous communities, and municipal and conservation authorities on December 3, 2021, for their respective review. On May 3, 2023, Enbridge Gas provided a Notice of Project Amendment to the OPCC, Indigenous communities, and all federal, provincial, municipal, and conservation authorities.

Question:

1. Please file an update to the comments provided in Attachments 3, 4, and 5 (summarized in tabular format) that Enbridge Gas has received as part of its consultation since the application was filed, including the supporting documentation, i.e. email correspondence that is referenced. Please include the dates of communication, the issues and concerns identified by the parties, as well as Enbridge Gas's responses and actions to address these issues and concerns.

Staff-7

Ref: Exh F/Tab 1/Sch 1, Att 5, p.1

Preamble:

In Record 2 of the summary of Agency project correspondence, Enbridge Gas noted that a Councillor of the City of Kawartha Lakes requested that Enbridge Gas consider changing the route of the Project as there will be a future expansion on St. Luke's Road

³ The OEB released the 8th Edition of the Guidelines in March 2023 after the initiation, consultation and finalization of the Bobcaygeon Community Expansion Project and associated Environmental Report.

because of the construction of a new subdivision and that construction is scheduled to begin next year.

Question:

1. Please clarify whether the Councillor's request for Enbridge Gas to consider changing the route of the Project was to enable natural gas access to the new subdivision or if this was because of a potential conflict of the Project and the new subdivision.

Staff-8

Ref: Exh F/Tab 1/Sch 1, p.9

Enbridge Gas stated that a Stage 2 Archaeological Assessment (AA) will be completed prior to the start of construction and submitted to the Ministry of Citizenship and Multiculturalism (MCM) for review.

Question:

1. Please provide an update on the Stage 2 AA indicating whether this has been completed, if it has been submitted to the MCM for review, and when Enbridge Gas expects to receive this approval.

Staff-9

Ref: Exh F/Tab 1/Sch 3, Att 1 - Environmental Report, Table 1.1

The application lists several environmental permits/approvals that Enbridge Gas may require for the Project.

Enbridge Gas also stated that other authorizations, notifications, permits and/or approvals may be required in addition to the ones listed.

Questions:

1. For each permit/approval listed in Table 1-1 that Enbridge Gas requires and has yet to obtain, please provide an update on the status of the permit/approval including when Enbridge Gas expects to receive the required permit/approval.

2. Please advise whether Enbridge Gas has identified any other permits/approvals required for the Project other than those listed in the application. If so, please provide a description of the required permit/approval.

Issue 5.0: Route Map and Form of Landowner Agreements

Staff-10

Ref: Exh G/Tab 1/Sch 1/p.1 and Att 3,4

Preamble:

Temporary working areas may be required along the preferred route where the road allowance is too narrow or confined to facilitate construction. These areas will be identified with the assistance of the contractor that will perform the construction. Agreements for temporary working rights will be negotiated where required.

Questions:

1. Please provide an update on the status and prospect of remaining land negotiations where permanent and temporary easements are required. Please include any concerns raised by landowners and Enbridge Gas's responses.
2. Will Enbridge Gas require any permanent easements for the Project? If so, please confirm how many new permanent easements will be required.
3. Please update Attachments 3 and 4 to include the dimensions (in metres) and approximate area (in hectares and acres) of the permanent and temporary land rights required for the Project.
4. Please discuss any expected delays with respect to obtaining the required land rights for the Project and its impact to the construction start and in-service dates.

Issue 6.0: Indigenous Consultation

Staff-11

Ref: Exh H/Tab 1/Sch 1, p.4 and Att 6,7

Preamble:

Enbridge Gas filed an Indigenous Consultation Report with records of consultation activities with the nine Indigenous communities to be consulted in relation to the Project, as identified by the Ministry of Energy (MoE) in its delegation letter to Enbridge Gas dated September 3, 2021.

Questions:

1. Please provide an update to the log of Indigenous consultation activities provided in Exhibit H, Attachments 6 and 7 summarizing any issues and concerns raised and how these are being addressed. Please include any supporting documentation, i.e. email correspondence that is referenced.
2. Please provide an update on the status of Enbridge Gas's responses to the outstanding concerns from Curve Lake First Nation (CLFN). Please provide a summary of Enbridge Gas's response and any replies from CLFN.
3. Please update the evidence with any correspondence between the MoE and Enbridge Gas since the application was filed, regarding MoE's review of Enbridge Gas's consultation activities.
4. Please indicate when Enbridge Gas expects to receive a letter of opinion from the MoE.
5. Please comment on any issues arising from the Project that could adversely impact constitutionally protected Aboriginal or treaty rights. Have any Indigenous communities identified any Aboriginal or treaty rights that could be adversely impacted by the project? If any potential adverse impacts have been identified, please comment on what Enbridge Gas is doing to address these issues.

Issue 7.0 Conditions of Approval

Staff-12

Ref: Exhibit I, Tab 2, Schedule 1

Preamble:

The OEB has developed standard conditions of approval that are typically imposed in leave to construct approvals.⁴ Enbridge Gas stated that it has reviewed these standard conditions and has not identified any additional or revised conditions that it wishes to propose for this project.

Question:

1. Given that construction of the Project is planned to occur in phases, please advise whether Enbridge Gas believes any change is required to Condition 2(a), which sets out that the OEB's approval for leave to construct expires 12 months after the decision is issued unless construction has commenced prior to that date.

⁴ Standard conditions of approval are included in Schedule 1 of the OEB's standard issues list for leave to construct applications: <https://www.oeb.ca/sites/default/files/issues-list-LTC-natural-gas.pdf>