

ISSUE 1: NEED

REF: Exhibit A, Tab 4, Sch. 1, p. 4 and Exhibit B, Tab 1, Sch. 1 and Attachments

Preamble: EGI evidence states: *Using the results of the additional EOI/ROS, an updated demand forecast to Winter 2030/2031 was developed which reflects decreases in customer demand, including:*

- *Winter 2023/2024 customer demands decreased by 14 TJ/d, from 744 TJ/d to 730 TJ/d.*
- *The 5-year demand forecast (i.e., the total forecast demand in Winter 2028/2029) decreased by 40 TJ/d, from 932 TJ/d to 892 TJ/d.¹*

....

¹ *As described in Section C of this Exhibit, the existing capacity of the Panhandle System is 737 TJ/d.*

Contract rate customer demand makes up approximately 94% of the capacity of the proposed Project. As of May 2023, approximately 34% of the contract rate customer demand is underpinned by a firm distribution contract. The commitment letters received in 2021 are no longer being relied upon by Enbridge Gas as they were applicable to the former 2021 EOI process only. Based on the timing of the 2023 EOI process and updated leave to construct application, Enbridge Gas will be executing firm distribution contracts with customers that are requesting service in 2024 and 2025 first, followed by securing customer demands for the future years.

We would like to understand better the forecasted growth and the amount of growth for which EGI has a binding commitment.

14) Please expand and update Table 1 with the amount of demand for which EGI has received a binding commitment.

- a) Further please describe any monetary contractual commitments associated with these commitments such as aid-to-construct, minimum annual volume, term, consequences associated with not ultimately contracting for the future demand, etc.
- b) Please provide the letter of indemnity that customers were offered.

Preamble: EGI evidence states: *To provide clarity and respond to any questions regarding the EOI and ROS process, Enbridge Gas account managers directly contacted each contract rate customer in the Panhandle Market. In addition to direct outreach, all existing contract customers were invited to attend an in-person meeting held on March 7, 2023, and/or a virtual meeting held on March 23, 2023. A meeting with local economic development officials was also held on March 2, 2023, to inform them of the process and timelines, and to answer any questions related to the forms.*

- 15) Please summarize what account managers heard from customers on the potential negotiation of firm to interruptible.
- a) Please provide all of the feedback received on page 6 of Attachment 8
 - b) Please provide any notes, minutes or “as we heard it” from the March 7, 2023 meeting.
 - c) Please provide all emails from staff in the account management department that relate to the potential of the provision of interruptible service.
 - d) Were customers provided with a potential range of reduction of interruptible rate as a means of comparison.
 - i) If not, why not.

Preamble: EGI evidence states: *Since the close of the EOI, Enbridge Gas has continued to engage customers that submitted bids to confirm their interest and negotiate contracts for incremental service. Enbridge Gas is requesting a minimum five-year contract from interested contract rate customers for capacity on the Panhandle System starting in November 2024. This practice is consistent with the methodology of contracting for incremental capacity that was used for the PRP and KTRP projects.*

- 16) Please confirm that in the Leamington Expansion Project – EB-2012-0431 – Union required greenhouses to sign 10 year contracts with minimum annual volume requirements to support the project.
- a) If not confirmed, please explain commitments and terms associated with contracting for that project.
 - b) Did EGI consider this approach for the Panhandle Regional Expansion?
 - i) If not, why not?

ISSUE 2: ALTERNATIVES

REF: Exhibit B, Tab 2, Schedule 1, Attachment 1 pg. 1

17) For the schematic structure provided in Attachment 1, in tabular format, please provide the throughput and direction through:

- a) Dover Transmission to the NPS 16 & separately to the NPS 20
- b) Leamington North Gate (please add pressure also)
- c) Grand Marais Station
- d) Sandwich Station
- e) Ojibway Measurement
- f) Detroit River Crossing

18) Please provide the information in Attachment 1, including the flows requested in IR#4 above, with the addition of:

- a) The proposed 19 km of NPS 36 with demands for:
 - i) Winter 2024/25
 - ii) Winter 2033/34 (using Table 1 demands)

REF: Exhibit B, Tab 2, Schedule 1, p. 3, 7 & 9 including Table 1 & Exhibit I.FRPO.7 & .8

Preamble: EGI evidence states: *Two NPS 12 pipelines (“Detroit River Crossing” or “the crossings”) connect the NPS 16 Panhandle Line at Ojibway to the Panhandle Eastern Pipeline System (“Panhandle Eastern”)² at the International Border. This interconnection was established in 1947 and is commercially known as Ojibway. The Detroit River Crossing MOP is 2930 kPag.*

² Panhandle Eastern Pipe Line Company, LP is owned by Energy Transfer Equity L.P.

The response to the above interrogatory 7 states: *As discussed in Enbridge Gas’s most recent Asset Management Plan, Enbridge Gas is planning to replace the existing NPS 12 Detroit River crossings to provide equivalent capacity, and is currently in discussion with Energy Transfer on a joint project to that effect.*

We would like to understand more about EGI’s review of the potential for increasing supply at Ojibway.

- 19) Please summarize the contractual agreements that Union Gas/Enbridge Gas Inc. had/have with Energy Transfer as it relates to Panhandle Eastern deliveries to and through Ojibway to the EGI's Panhandle system.
- 20) Please provide updates from internal discussions on replacement of this crossing.
- a) Please provide the most recent determination of cost estimate for replacing the pipeline across the Detroit River.
- 21) Please provide copies of all communications with Energy Transfer on the crossing replacement or changes to the throughput capacity.
- a) Please provide any commitments to cost sharing to replace the river crossing.
- b) Please provide the most recent determination of cost estimate for increasing capacity across the Detroit River.

Preamble: EGI evidence states: *The Panhandle System's ability to accept supply at Ojibway on a firm basis is limited by the physical Panhandle System assets and the minimum Panhandle Market available to consume gas between Ojibway and Dawn. The minimum firm Panhandle Market is limited by the base load summer Windsor market demands and the capacity of Sandwich Compressor to compress gas from Windsor towards Dawn. The capacity of the Sandwich Compressor is 80 to 88 TJ/d and limited by the fixed amount of horsepower available. Due to the increased amount of heat load, the winter Windsor market is larger than the summer Windsor market. The Panhandle System's ability to accept supply at Ojibway is limited to 108 TJ/d in the summer and 126 TJ/d in the winter.*⁶

*Furthermore, incremental supply deliveries at Ojibway from Panhandle Eastern can only **efficiently serve demands** in the far west end of the Panhandle Market in Windsor between Ojibway, Grand Marais Station and Sandwich Compressor.*
emphasis added

- 22) Please confirm the bolded section is described in Exhibit C, Tab 1, Sch. 1, p. 11.
- a) Please include what demands could be served inefficiently?

- 23) Please provide the cost estimate to modify the Sandwich compressor station to increase the Ojibway receipts to the current capacity of 217 TJ/d.
- a) Please identify any key thresholds of capacity that could be reached with limited cost to increase Sandwich above 88 TJ.
 - b) Please explain why gas could not flow east past Grand Marais toward Dawn on the NPS 16.
 - i) Please provide an estimate for any changes that could be done at Grand Marais to substantially increase the market for Ojibway deliveries.
 - c) How much summer and winter market will be contracted demand at Stellantis and other customers in the boundaries identified by EGI (Ojibway, Grand Marais, Sandwich)

REF: Exhibit I.PP.16

- 24) Please update the above interrogatory with updated alternative assessments.

REF: Exhibit C, Tab 1, Schedule 1, p. 8-9 and Table 3

Preamble: EGI evidence states: *While either an NPS 30 or NPS 36 to Richardson Sideroad would be sufficient to meet the 5-year growth forecast, the NPS 36 pipeline alternative was selected as it is the most cost-effective option with the lowest cost per unit of capacity (see Table 3 below).*

- 25) Who does EGI propose pay for the upsizing cost for the NPS 36?
- a) Please justify this proposal including any recent Board approvals that support such an approach.
 - b) Please provide the Overheads that are stipulated as not included in the footnotes to Table 3.
 - i) What decisions or rules preclude the inclusion of overheads in the assessment of Net Present Value?
 - ii) Please provide Table 3 including Overheads.

REF: Exhibit C, Tab 1, Schedule 1, p.11-13

Preamble: EGI evidence states: *There are no commercial services available to be contracted at Ojibway with third parties that can fully eliminate the forecasted 5-year Panhandle System shortfall. Of the total 108 TJ/d of capacity operationally available to be delivered to Ojibway on an annual basis, 60 TJ/d is already utilized by Enbridge Gas to serve firm design day demands. Of the remaining 48 TJ/d of capacity, 37 TJ/d is contracted by ROVER until October 31, 2025 with renewal rights. As outlined in Exhibit B, Tab 2, Schedule 1 and Exhibit B, Tab 3, Schedule 1, Enbridge Gas currently estimates that only 18 - 21 TJ/d of incremental firm annual capacity is available for deliveries to Ojibway into the Panhandle System.*

26) What precludes working with Energy Transfer to provide an exchange service, even a seasonal winter service, between Ojibway and Dawn.

Preamble: EGI evidence states: *Ojibway supply does not flow directly into the Leamington-Kingsville market, which can only be served by Ojibway through displacement, i.e., additional Windsor volume served by Ojibway means less Windsor market volume served by the NPS 20 Panhandle Line.*

27) Please describe what issues or concerns EGI would have by simply using displacement to “free-up” additional supply into the Leamington-Kingsville market.

Preamble: EGI evidence states: *The Leamington-Kingsville market has a peak hour factor of 1.2, which means that the demand pattern throughout the day does not match the constant volumetric supply rate of Ojibway. In the absence of incremental facilities along the NPS 20 Panhandle Line, there is no mechanism to manage the intra-day peaks in the incremental demand in the Leamington-Kingsville market.*

28) Please describe why linepack could not absorb these differences in supply and demand.

- a) Please provide transient simulation results that show that linepack could not provide the ability to absorb the swings.
 - i) Please ensure that the simulation is optimized to reduce pressures in the summer to maximize the chance of success.

Preamble: EGI evidence states: *The distribution systems that supply the Leamington-Kingsville market are fed from long (10 to 18 km) smaller diameter laterals that require an increase in upstream pressure (along the NPS 20 Panhandle Line) in order to provide the necessary incremental capacity to the market. An increase in Ojibway supply, corresponding to a decrease in the Windsor market demand being fed from the NSP 20 Panhandle Line, does not result in an increase in pressure along the NPS 20 Panhandle Line sufficient to service a corresponding increase in demand in the Leamington-Kingsville market.*

29) Using output from a simulation for both summer and winter, please provide a schematic which shows this effect.

a) Please define the assumptions used to optimize the system.

Preamble: EGI evidence states: *It is not possible to address the 5-year system shortfall of 156 TJ/d with Ojibway deliveries alone because the volume required would greatly exceed the physical import capability at Ojibway.*

30) Further to the answers provided above, with the system enhancements and pressure setting optimized, please indicate the amount of the 156 TJ/d that could be served from Ojibway.

a) Please provide the resulting schematic showing the pressures.

b) Please re-run the length of NPS 36 needed to serve the remaining 156 TJ/d assuming all of the ancillary station work is completed in conjunction.

REF: Exhibit C, Tab 1, Schedule 1, p.17-18

Preamble: We understand that EGI uses a 40 year term to equate the term of the exchange to the presumed economic life of the pipe, however, this approach minimizes the potential for reductions in demand in the term.

31) Notwithstanding EGI's approach, please run economics that use the exchange for 10 years reducing the length of reinforcement required with the assumption that there is a 15 TJ reduction in expected demand thus precluding any additional pipe and elimination of the exchange service in year 10.

REF: Exhibit C, Tab 1, Schedule 1, p. 20

Preamble: EGI evidence states: *In 2021, Enbridge Gas engaged Posterity Group (“Posterity”) to evaluate whether an ETEE IRPA could viably meet the identified system need or reduce the scope of the facilities that would otherwise be required. This alternative examined the extent to which the proposed Project, could be eliminated or reduced through investment in ETEE. Due to the timing of the identified system need, this alternative would require a supply-side solution to bridge the gap between the year that the system is constrained and the year that the full ETEE reductions would be realized. However, as noted below, the ETEE alternative cannot meet the required peak demand reduction.*

32)The above reference assumes a supply side solution is necessary. Please provide EGI’s views on a scenario where the Board requires the implementation of directive to provide interruptible service for incremental demands until sufficient demand reduction is implemented to allow interruptible customers to move to firm unless the customer wants to pay for the costs to make their service firm.

REF: Exhibit D, Tab 1, Schedule 1, p. 1

Preamble: EGI evidence states: *Enbridge Gas will also construct ancillary measurement, pressure regulation and station facilities within the Township of Dawn Euphemia and in the Municipality of Chatham-Kent.*

We would like to understand more about the work referred to in the above sentence.

33)For each station that EGI proposes to be modified, please provide:

- a) A description of the work
- b) Current design parameters
 - i) Inlet pressure: maximum and minimum
 - ii) Outlet pressure: maximum and minimum
 - iii) Design day flow (with current peak day demands)
 - iv) Maximum Flow available: Minimum Pressure in and Maximum Pressure out

- c) Design parameters after proposed work is completed
 - i) Inlet pressure: maximum and minimum
 - ii) Outlet pressure: maximum and minimum
 - iii) Design day flow (with current peak day demands)
 - iv) Maximum Flow available: Minimum Pressure in and Maximum Pressure out