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BY E-MAIL

September 11, 2023

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas)
Panhandle Regional Expansion Project
OEB Staff Interrogatories
OEB File Number: EB-2022-0157**

In accordance with Procedural Order No. 6, please find attached OEB staff interrogatories in the above proceeding. The attached document has been forwarded to the applicant and to all other registered parties to this proceeding.

Yours truly,

Original Signed By

Zora Crnojacki
Senior Advisor, Natural Gas Applications

Encl.

**OEB Staff Interrogatories
Enbridge Gas Inc.
EB-2022-0157**

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 has continued the numbering for its interrogatories from the initial interrogatories filed in this proceeding to avoid confusion at the time that Enbridge Gas updates its responses to the previously filed interrogatories.

ISSUE 1.0 NEED FOR THE PROJECT

1.0 Staff.24

Ref: Updated Application, Exhibit B, Tab 1, Schedule 1, page 7, paragraph 26, page 10, paragraph 33; Attachment 8: 2023 Expression of Interest Non-Binding Bid Form, Attachment 9: 2023 Distribution Service Binding Reverse Open Season Form

Preamble:

After the proceeding was placed in abeyance on December 5, 2022, Enbridge Gas updated its forecast of the demand for incremental capacity to support the need for the Project. To re-confirm the customer interest in demand for incremental capacity on the Panhandle System Enbridge Gas launched, on February 23, 2023, the second non-binding Expression of Interest (EOI 2023) and a Binding Reverse Open Season (ROS). A total of 42 EOI 2023 bids were received from 39 entities as of closing the EOI process on April 6, 2023. The prospective customers expressed interest for capacity of 197 TJ/d from 2024 to 2033. Of the 42 bids, 38 were from the greenhouse sector, 2 from the electricity generation (power) sector and 2 from commercial sector.

According to the outcomes of the EOI 2023, 94% of the total incremental potential project demand is by contract rate customers. Enbridge Gas stated that, as of May 2023, 34% of the contract rate customer demand is “underpinned by firm distribution contract”.

Enbridge Gas plans to execute distribution service contracts with customers for the service in 2024 and 2025 and secure the remaining contracts from contract rate customers in the years to follow.

Questions:

- a) Please explain the statement that 34% of the contract customer demand is underpinned by firm distribution contracts. How many firm distribution contracts have been executed to date for incremental firm service in 2024 and 2025? Please provide a total contracted capacity demand for 2024 to 2025 by volume, by customer or by sector.
- b) What is Enbridge Gas’s plan to secure the remaining firm distribution contracts for the incremental capacity demand forecast for the years 2026 to 2033?

ISSUE 3.0 PROJECT COST AND ECONOMICS

3.0 Staff.25

Ref: Procedural Order No. 4, December 14, 2022, page 3; Updated Application Exhibit E, Tab 1, Schedule 1, B. Project Economics, paragraph 4, page 3

Preamble:

In Procedural Order No. 4, which placed the proceeding in abeyance as of December 5, 2022, the OEB confirmed that the issue of the applicability of E.B.O. 134 and E.B.O. 188 is within the scope of the proceeding. The OEB stated:

“...the OEB is of the view that the economics of the project, the applicability of EBO 134 and EBO 188, and the extent to which contributions in aid of construction should be required are issues that are in scope for this proceeding. Enbridge may wish to consider whether to provide additional evidence on those issues as part of its proposed update to its application. Enbridge may also wish to consider whether it should be communicating with potentially affected customers regarding the position of some parties that contributions in aid of construction should be required.”

In the updated application filed on June 16, 2023, Enbridge Gas addressed the issue of applicability of the E.B.O. 134 and E.B.O. 188 by stating that E.B.O. 134 is the appropriate economic test as the Project is entirely a transmission project.

As part of the EOI 2023, Enbridge Gas conducted outreach to customers who indicated their intention to submit an EOI bid to obtain customer's position on paying CIAC. Enbridge Gas asked these customers how a requirement for a CIAC may impact their demands for new/incremental service.

Enbridge Gas stated that the customers feedback was as follows:

- Customers submitting EOI bids for new/incremental service were generally doing so under the assumption that the OEB would apply the established regulatory framework for transmission system expansion projects, which does not require CIAC, consistent with similar projects constructed in the past. Customers generally indicated opposition to being required to provide CIAC to support transmission system expansion in this instance.
- No customer indicated that they would be willing to provide CIAC for a transmission system expansion project without understanding the magnitude of the CIAC and the unique justification for its selective application in this instance.

Questions:

- a) Please provide details on Enbridge Gas's customer outreach activities regarding the requirement for a CIAC including dates, method of communication, and information provided to customers.
- b) Please advise whether any customers will be directly connected to the Project.
- c) Please advise whether Enbridge Gas agrees that the Project almost entirely benefits identifiable contract customers.

3.0 Staff.26

Ref: Updated Application, Exhibit B, Tab 1, Schedule 1, Attachment 1, Panhandle Regional Expansion Projects-Expression of Interest and Capacity Request Form, February 17, 2021, pages 1-2; Exhibit B, Tab 1, Schedule 1, Attachment 8, Panhandle Regional

Expansion Project -Expression of Interest and Reverse Open Season, February 23, 2023, pages 1-7; OEB Decision and Order, December 5, 2020, EB-2020-0094, pages 13-15

Preamble:

The OEB approved, on December 5, 2020, Enbridge Gas's Application for approval of a System Expansion Surcharge, a Temporary Connection Surcharge and an Hourly Allocation Factor. In that proceeding Enbridge Gas stated that it intended to use the Hourly Allocation Factor (HAF) process on development projects that may involve a mix of distribution and transmission facilities.

The OEB in its Decision found that the "...use of the HAF results in allocation of the capital costs of a project in a fair and equitable manner as the costs would be allocated over time to eligible customers seeking access to the incremental capacity generated by the project".¹

Enbridge Gas's Expression of Interest and Capacity Request Form, February 17, 2021 informed the prospective contract customers that the HAF process would be used to charge the prospective contract customers for additional distribution facilities that may be required to serve demands provided by the transmission facilities and that the application of the HAF methodology would be subject to approval of the OEB. There is no mention of the HAF in the EOI 2023 form filed in the updated evidence.

Questions:

- a) In addition to the Enbridge Gas's HAF process statement in the EOI 2021 form, please discuss Enbridge Gas's view on asking the contract customers that benefit from the Project to contribute to the capital cost of the transmission facilities applying the HAF process.
- b) Please advise whether there was any further communication in regard to the HAF with prospective customers following the closing of the EOI process in 2023? If not, please explain why not. If yes, please provide a summary of customers' comments with respect to the application of the HAF.

¹ EB-2020-0095 Decision and Order, December 5, 2020, page 16

ISSUE 4.0 ENVIRONMENTAL IMPACTS

4.0 Staff.27

Ref: Updated Application, Exhibit D, Tab 1, Schedule 1, page 11, paragraph 19
Exhibit I.STAFF.16, Attachment 1

Preamble:

Enbridge Gas has received a letter from the Technical Standards and Safety Authority (TSSA), dated July 26, 2022, indicating that they have completed their review of the design for the proposed facilities and have no concerns.

Enbridge Gas filed the TSSA's letter at Exhibit I.STAFF.16, Attachment 1.

Question:

- a) Please advise whether Enbridge Gas informed the TSSA of the updated Project.
- b) Please advise whether the TSSA confirmed that its review letter dated July 26, 2022 does not need to be updated. If not, please provide an update on the TSSA review letter.

4.0 Staff.28

Ref: Updated Application Exhibit F, Tab 1, Schedule 1, page 2, paragraph 5 and Attachment 2, Updated

Preamble:

In May 2023, Enbridge Gas sent a letter to Ontario Pipeline Coordinating Committee (OPCC) members, affected municipalities, conservation authorities, landowners, Indigenous communities, and other local agencies advising of the updated Project scope.

Enbridge Gas filed a summary of the comments received as of June 5, 2023 at Attachment 2.

Question:

- a) Please provide any updates to Attachment 2 since June 5, 2023.

4.0 Staff.29

Ref: Updated Application Exhibit F, Tab 1, Schedule 1, page 2, paragraph 6; I.STAFF.17

Preamble:

As part of the public consultation, Enbridge Gas held two virtual public information sessions:

- November 17, 2021 to December 3, 2021
- February 14, 2022 to February 28, 2022

Enbridge Gas stated that notification of these virtual information sessions were completed by newspaper publications, letters, social media and radio.

Questions:

- a) Has Enbridge Gas conducted any additional public consultation since updating its application? Please describe.
- b) Please update Exhibit I.STAFF.17 for any additional public consultation Enbridge Gas has undertaken since updating its application.²

ISSUE 5.0 ROUTE MAP AND FORM OF LANDOWNER AGREEMENTS

5.0 Staff.30

Ref: Updated Application, Exhibit G, Tab 1, Schedule 1, page 1, paragraph 4
Exhibit I.STAFF.20

Preamble:

Enbridge Gas stated that the proposed pipelines require approximately 42.0 hectares (104 acres) of permanent easement and approximately 71.6 hectares (177 acres) of temporary easement for the Project.

² OEB staff notes that I.Staff.17 is not on the list of planned interrogatory response updates in Enbridge Gas's August 25, 2023 letter.

In response to Staff-20 (a), Enbridge Gas stated that the total required permanent easement for the Panhandle Loop is 40.62 hectares (100.35 acres) and the total required temporary easement for the Panhandle Loop is 62.03 hectares (153.26 acres).

Questions:

- a) Please explain why Enbridge Gas requires an increase in permanent and temporary land rights since updating its application given that the scope of the Panhandle Loop has not changed since the update to the application.
- b) Please describe any additional changes to the land rights required for the Project since updating the application other than the land rights associated with the Leamington Interconnect that are no longer required.
- c) Please provide the status of land rights for the proposed tie-in station at Richardson Road.

ISSUE 6.0 INDIGENEOUS CONSULTATION

6.0 Staff.31

Ref: Updated Application, Exhibit H, Tab 1, Schedule 1, pages 2, 4, paragraphs 6-7, 15; Attachment 6: Indigenous Consultation Report: Summary Table, June 4, 2023; Attachment 7, Indigenous Consultation Log, June 4, 2023

Preamble:

On June 6, 2023 Enbridge Gas provided an updated description of the Project reflecting changes made to the Project scope and on June 10, 2023 an updated Indigenous Consultation Report (ICR) to the Ministry of Energy.

Enbridge Gas also filed an updated summary of its Indigenous consultation activities for the Project up to June 4, 2023.

Questions:

- a) Has the Ministry of Energy indicated any changes with respect to Enbridge Gas's duty to consult for the Project following its review of the updated Project description? Please confirm that Enbridge Gas is still required to consult all of the Indigenous communities

listed in the Ministry of Energy's August 6, 2021 delegation letter provided at Attachment 2.

- b) Please update the Indigenous Consultation Report: Summary Table, dated June 4, 2023.
- c) Please update the Log of Indigenous Consultation dated June 4, 2023.
- d) Please summarize any new issues and/or concerns raised from Indigenous communities. Please outline Enbridge Gas's plans, actions and commitments to continue to engage and, as appropriate:
 - i. address any concerns
 - ii. resolve any outstanding issues or otherwise provide accommodation
 - iii. offer capacity funding
- e) Please provide an update on the status and anticipated timeline of receiving the Ministry of Energy's letter of opinion for the Project.