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BY EMAIL

December 4, 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)
Eganville Community Expansion Project
OEB Staff Interrogatories
Ontario Energy Board File Number: EB-2023-0201**

In accordance with Procedural Order No. 1 please find attached OEB staff interrogatories for the above proceeding. This document has been sent to Enbridge Gas and to all other registered parties to this proceeding.

Enbridge Gas is reminded that its responses to interrogatories are due by January 12, 2024.

Yours truly,

Catherine Nguyen
Advisor, Natural Gas Applications

Encl.

**OEB Staff Interrogatories
Enbridge Gas Inc.
EB-2023-0201**

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](#).

Staff-1

Ref: Letter of Comment

Preamble:

Following publication of the Notice of Application, the OEB received a letter of comment.

Questions:

Please file a response to the matters raised in the letter of comment. 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.

FRANCHISE AGREEMENTS AND CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

Staff-2

Ref: Exhibit A, Tab 2, Schedule 1, page 1, paragraph 26

Preamble:

In addition to leave to construct approval for the project, Enbridge Gas requested approval of municipal franchise agreements with and certificates of public convenience and necessity for the Townships of Bonnechere Valley and North Algona Wilberforce.

Questions:

- a) Please confirm that Enbridge Gas will ensure the franchise agreements are executed and the bylaws have passed third and final reading with the Townships

of Bonnechere Valley and North Algona Wilberforce prior to the start of construction of the project.

- b) Please file a customer density map or “heat map” illustrating the customers to be served in the Townships of Bonnechere Valley and North Algona Wilberforce.¹
- c) Please clarify whether Enbridge Gas’s certificate requests are for the entire municipal boundaries of the Township of Bonnechere Valley and the Township of North Algona Wilberforce.
 - i. If not, please provide a written description of the proposed certificate area in each Township and an accompanying map illustrating the proposed certificate area in each Township.
 - ii. If yes, please explain why Enbridge Gas requires a certificate for the entire municipal boundaries of the Townships of Bonnechere Valley and North Algona Wilberforce instead of certificates that cover the boundaries required for the project. Please explain whether Enbridge Gas plans to serve additional areas in the Townships of Bonnechere Valley and North Algona Wilberforce in the future.

LEAVE TO CONSTRUCT

ISSUE 1.0 NEED FOR THE PROJECT

Staff-3

Ref: Exhibit B, Tab 1, Schedule 1, page 1

Preamble:

The Eganville Community Expansion Project was approved to be eligible to receive funding assistance as part of Phase 2 of the Government of Ontario’s Natural Gas Expansion Program (NGEP).

OEB staff notes that Enbridge Gas filed unredacted versions of its NGEP proposals in the following community expansion proceedings: Selwyn, EB-2022-0156; Mohawks of the Bay of Quinte, EB-2022-0248; Hidden Valley, EB-2022-0249.

Questions:

- a) Please file an unredacted version of Enbridge Gas’s NGEP proposal for the Eganville Community Expansion Project.

¹ See for example, EB-2023-0312, Enbridge Gas Franchise Renewal Application with the Town of Fort Frances, Schedule A

Staff-4

Ref: Exhibit A, Tab 2, Schedule 1, page 2, paragraph 1
Exhibit D, Tab 2, Schedule 1, page 1

Preamble:

Enbridge Gas proposed to construct the project in two phases:

- Phase 1: approximately 11 km of 8-inch PE natural gas pipeline and approximately 50 m of a combination of 6-inch and 8-inch steel natural gas pipeline
- Phase 2: approximately 11 km of 8-inch PE natural gas pipeline

Enbridge Gas plans to commence construction of Phase 1 in August 2024 with a planned in-service of December 2024. Enbridge Gas plans to commence construction of Phase 2 in October 2024 with a planned in-service of June 2025. Enbridge Gas's project construction schedule anticipates receipt of OEB approval by April 2024.

Questions:

- a) Please explain why Enbridge Gas proposed to construct the project in two phases with separate proposed construction starts and in-service dates. Please explain why the proposed pipelines in Phase 1 and Phase 2 could not be constructed simultaneously to achieve one in-service date for the project.
- b) Please provide an updated construction schedule at Exhibit D, Tab 2, Schedule 1, page 1, if applicable.

Staff-5

Ref: Exhibit B, Tab 1, Schedule 1, pages 6-7, paragraph 15
EB-2019-0255, Enbridge Gas Eganville Community Expansion Proposal, Schedule 6A

Preamble:

The Eganville Community Expansion Project will serve approximately 723 new customers in the Townships of Admaston/Bromley, North Algona Wilberforce and Bonnechere Valley who currently do not have access to natural gas service. Enbridge Gas's expected ten-year growth forecast for the customer additions in the project area is provided in the table below.

Table 2: Forecasted Customer Attachments for the Project

Eganville Customer Additions	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total Forecasted
Residential Units (Singles)	56	140	111	56	56	28	28	28	28	28	559
Residential Multi-Units (Semis, Towns, Apartments)	0	22	19	20	19	5	3	3	3	3	97
Commercial/Industrial Units	7	16	14	14	7	3	2	2	2	0	67
Total	63	178	144	90	82	36	33	33	33	31	723

Questions:

- a) Please update Table 2 separating the forecasted commercial and industrial customer attachments, if possible.
- b) Please provide a separate breakdown of the forecast customer attachments in the Township Bonnechere Valley, North Algona Wilberforce and Admaston/Bromley.
- c) Please confirm that the residential multi-unit customer attachments are counted as the total potential customers per property and not counted as a single potential customer. If not, please file updates to the application as necessary reflecting this.
- d) What is the assumed capture rate of the forecast attachments by the end of the tenth year? Please explain if the project can support a 100% capture rate.
- e) Please explain in further detail any variances in forecast customer additions from Enbridge Gas’s project proposal for funding under Phase 2 of the NGEP including the reduction in forecast commercial and industrial attachments.
- f) Please describe Enbridge Gas’s plans to ensure that the customer attachments will be realized as forecast for each customer type (residential, commercial, industrial).

Staff-6

Ref: Exhibit B, Tab 1, Schedule 1, page 3, paragraph 12 and Attachment 6

Preamble:

Enbridge Gas retained Forum Research to conduct quantitative research of potential customers in the community of Eganville in the Township of Bonnechere Valley. Letters were distributed between May 27, 2022 and June 2, 2022 and CATI surveys were

conducted between June 14-18, 2022. A total of 195 surveys were completed from a list of 934 homeowners. The level of completeness represents a 21% response rate.

Enbridge Gas stated that it also conducted in-person surveys of potential commercial/industrial customers within the project area to obtain customer load information where possible.

Questions:

- a) Did Enbridge Gas also conduct surveys in the project area for the Townships of Admaston/Bromley and North Algona Wilberforce?
 - i. If yes, please file the results of those surveys.
 - ii. If not, please explain why not and discuss the method and data Enbridge Gas used to forecast customer attachments in the Townships of Admaston/Bromley and North Algona Wilberforce.
- b) Please comment on the acceptance of a 21% response rate. On what basis did Enbridge Gas determine that 5 calendar days to conduct the CATI surveys was sufficient time to yield responses from potential customers. Please explain if the acceptance rate and survey timeline is comparable to other Enbridge Gas Phase 2 NGEF projects.
- c) Please explain how Enbridge Gas forecasted 723 customer attachments with only a total of 195 surveys completed. Please discuss any other outreach activities Enbridge Gas conducted to obtain its forecast customer attachments for the project.
- d) Since the completion of the market research survey, has Enbridge Gas obtained additional or updated information regarding the interest for natural gas service as part of the project. Please discuss.
- e) Please describe the outcomes of the in-person surveys conducted with potential commercial/industrial customers within the project area and comment on how these in-person surveys have impacted Enbridge Gas's forecasted customer attachments/volumes for these customers.

ISSUE 3.0 PROJECT COST AND ECONOMICS

Staff-7

Ref: Exhibit E, Tab 1, Schedule 1, pages 1-5, paragraphs 1, 3, 12, 14
EB-2022-0200, Enbridge Gas 2024 Rebasing Application, Exhibit JT6.3

Preamble:

The total cost of the project is estimated to be \$35.6 million. The total cost estimate is lower than the estimate in Enbridge Gas's project proposal for funding under Phase 2 of the NGEF by approximately \$1.2 million. Enbridge Gas stated that the cost variance is attributed primarily to a reduction in forecasted large volume industrial customers driven by market research and field verification, and the identification of a more constructible route and running line that minimizes anticipated rock content.

In its application, Enbridge Gas stated that in its 2024 Rebasing application, it included the forecasted customer additions and capital cost of the project as outlined in its proposal for Phase 2 NGEF funding.

In its 2024 Rebasing proceeding, at Exhibit JT6.3, Enbridge Gas stated that the Eganville Community Expansion Project is expected to be in-service after 2024 and would not be part of 2024 rate base.

The estimated Profitability Index (PI) for the project is 0.99 (inclusive of system expansion surcharge and NGEF funding). Enbridge Gas stated that the primary factors affecting the current PI compared to the PI in its project proposal for funding under Phase 2 of the NGEF include a reduction in forecasted large volume industrial customers offset by a lower capital cost estimate, an overall increase in customer forecast, higher forecasted distribution rates and lower property taxes.

Questions:

- a) Please explain in more detail the reasons for the \$1.2 million cost variance from Enbridge Gas's project proposal for funding under Phase 2 of the NGEF. In your response, please also clarify how a reduction in forecasted large volume industrial customers attributed to the lower cost estimate. To support your response, please provide a table (breaking down the itemized cost description) separately comparing the NGEF cost estimate to the current cost estimate. Please discuss any major variances in each itemized cost estimate.
- b) Please confirm whether the net capital amount associated with this project is included in the proposed 2024 rate base in Enbridge Gas's 2024 rebasing proceeding.²
 - i. If the net capital amount is included, please provide the net capital amount that was proposed for inclusion in 2024 rate base.
 - ii. If the net capital amount is not included, please confirm that matters relating to the appropriate net capital amount to be included in rate

² EB-2022-0200

base is properly addressed as part of Enbridge Gas's next rebasing proceeding.

- c) Please advise whether, after the conclusion of the rate stability period and assuming that the current forecast of costs and revenues is accurate, there will be a small subsidy from Enbridge Gas's other ratepayers to the customers connected to the project in the context of a realized PI of 0.99 in this scenario.

ISSUE 4.0 ENVIRONMENTAL IMPACTS

Staff-8

Ref: Exhibit D, Tab 1, Schedule 1, page 8, paragraph 13

Preamble:

Enbridge Gas sent the design for the proposed facilities to the Technical Standards & Safety Authority (TSSA) for review and is awaiting a response from TSSA.

Question:

- a) Please provide an update on TSSA's review of the design of the proposed facilities.

Staff-9

Ref: Exhibit F, Tab 1, Schedule 1, page 5, paragraphs 13-14

Preamble:

Enbridge Gas stated that a Cultural Heritage Report will be completed and submitted to the Ministry of Citizenship and Multiculturalism (MCM) prior to the start of construction.

Enbridge Gas also stated that a Stage 2 Archaeological Assessment (AA) will be completed, submitted and approved by the MCM prior to the start of construction.

Question:

- a) Please provide an update on the Cultural Heritage Report.
- b) Please provide an update on the Stage 2 AA and indicate when Enbridge Gas expects to receive approval from the MCM.

Staff-10

Ref: Exhibit F, Tab 1, Schedule 1, Attachment 2

Preamble:

The Environmental Report was circulated to the Ontario Pipeline Coordinating Committee (OPCC) and municipalities on April 4, 2023. Enbridge Gas filed the comments received on the Environmental Report as of July 28, 2023.

Questions:

- a) Please file an update to Attachment 2 with any additional OPCC comments received since July 28, 2023.

ISSUE 5.0: ROUTE MAP AND FORM OF LANDOWNER AGREEMENTS

Staff-11

Ref: Exhibit G, Tab 1, Schedule 1, page 1, paragraphs 2-3

Preamble:

Enbridge Gas stated that there are specific segments of the proposed route on McGaghran Road in the Township of Admaston/Bromley that are owned by the Township and others a “forced road”, deeded to private landowners and partially maintained by the Township as a public highway. Enbridge Gas will work with the Township and private landowners to determine if a municipal permit or permanent easement will be required on these segments.

Enbridge Gas stated that temporary working areas may be required along the preferred route where the road allowance is too narrow or confined to facilitate construction and that temporary working rights will be negotiated where required.

Questions:

- a) Please confirm whether Enbridge Gas has determined the requirement for any other permanent easements for the project aside from those potentially on McGaghran Road. Please also provide an update, if any, on the requirement for any permanent easements on McGaghran Road.
- b) Please provide an update on the status and prospect of remaining land negotiations where permanent and temporary easements are required.
- c) Please discuss any concerns raised by landowners and Enbridge Gas’s responses to any concerns.
- d) Please discuss any expected delays with respect to obtaining the required land rights for the project and its impact to the construction starts and in-service dates.

Staff-12

Ref: Exhibit G, Tab 1, Schedule 1, pages 1-3, paragraphs 4-5

Preamble:

Enbridge Gas identified the potential permits/approvals that may be required for the project at the reference above and in the Environmental Report.

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

Questions:

- a) 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.
- b) Please provide an update on the status of each permit/approval including when Enbridge Gas expects to receive the required permit/approval. Please discuss any anticipated potential delays that may affect the construction schedule for the project.

ISSUE 6.0 INDIGENEOUS CONSULTATION

Staff-13

Ref: Exhibit H, Tab 1, Schedule 1, Attachments 7 and 8

Preamble:

The Ministry of Energy's delegation letter identified nine Indigenous communities that Enbridge Gas should consult in relation to the project:

- Algonquins of Pikwàkanagàn
- Algonquins of Ontario
- Alderville First Nation
- Curve Lake First Nation
- Hiawatha First Nation
- Mississaugas of Scugog Island
- Beausoleil First Nation
- Chippewas of Georgina Island First Nation
- Chippewas of Rama First Nation

Enbridge Gas filed a summary of the Indigenous consultation activities. The information Enbridge Gas filed at Attachments 7 and 8 describes the Indigenous consultation up to August 1, 2023.

Questions:

- a) Please provide an update on Indigenous consultation activities set out in Attachments 7 and 8, summarizing any issues and concerns raised and how these are being addressed. Please include any supporting documentation, i.e. email correspondence that is referenced.
- b) Please update the evidence with any correspondence between the Ministry of Energy and Enbridge Gas since the application was filed, regarding the Ministry of Energy's review of Enbridge Gas's consultation activities.
- c) Please indicate when Enbridge Gas expects to receive a letter of opinion from the Ministry of Energy.
- d) 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.