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BY EMAIL

March 15, 2024

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

Dear Ms. Marconi:

**Re: Enbridge Gas Inc.
East Gwillimbury Community Expansion Project
OEB Staff Interrogatories
Ontario Energy Board File Number: EB-2023-0343**

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 Inc. and to all other registered parties to this proceeding.

Enbridge Gas is reminded that its responses to interrogatories are due by April 4, 2024.

Yours truly,

Arturo Lau
Advisor, Natural Gas Applications

Encl.

**OEB Staff Interrogatories
Enbridge Gas Inc.
EB-2023-0343**

Please note, Enbridge Gas Inc. 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 Rules of Practice and Procedure](#).

ISSUE 1.0 NEED FOR THE PROJECT

1-Staff-1

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

Preamble:

The East Gwillimbury Community Expansion Project was approved to receive funding assistance from 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 many previous community expansion proceedings.

Question:

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

1-Staff-2

Ref: Exhibit B, Tab 1, Schedule 1, Attachment 4, Pages 1-5

Preamble:

Enbridge Gas conducted surveys of potential residential customers to gauge interest in natural gas distribution service and conversion within the Project area. Enbridge Gas retained Forum Research, a third-party research supplier, to conduct surveys by

telephone, online and in-person of potential residential customers in the Project area between May 23 and June 23, 2023. A total of 161 surveys were completed from a list of 460 homeowners, yielding a +/- 6.2% margin of error at the 95% confidence level. The level of completes represents a 35% response rate.

Questions:

- a) Please compare the response rate for the East Gwillimbury Community Expansion Project to response rates in recent market surveys for other Enbridge Gas Phase II community expansion projects.
- b) Since the completion of the market research survey in June 2023, has Enbridge Gas obtained any additional information on the interest for switching to natural gas service as part of this community expansion project? Please provide any additional information.

1-Staff-3

Ref: Exhibit B, Tab 1, Schedule 1, Pages 6-7, including Table 2
Exhibit B, Tab 1, Schedule 1, Attachment 4, Page 2

Preamble:

In June 2021, the proposed East Gwillimbury Community Expansion Project was approved to receive funding assistance as part of Phase 2 of the Government of Ontario's Natural Gas Expansion Program (NGEP). Among other things, the NGEP proposal assumed 422 customer attachment over the 10 year rate stability period.¹

From May to June 2023, Enbridge Gas retained Forum Research to conduct surveys of potential customers by telephone, online and in-person. Forum Research's results indicate that 76% of respondents would likely convert to natural gas if it were made available. Of those likely to convert, approximately 82% indicated that they would convert within 1 year of natural gas service becoming available and 16% indicated they would convert within 1-2 years of natural gas service becoming available.

The East Gwillimbury Community Expansion Project is proposed to go into service in stages between November 2024 and March 2025. The table below shows annual forecasted attachments over ten years, beginning in 2025. Enbridge Gas forecasted 369 customer attachments by the tenth year of the project.

¹ EB-2019-0255, East Gwillimbury Schedule 5A-2, Table 3.2

Table 2: Forecasted Customer Attachments for the Project

East Gwillimbury 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)	84	52	51	34	34	18	18	18	18	17	344
Agricultural Units	0	5	1	0	0	0	0	0	0	0	6
Commercial/Industrial Units	2	8	4	3	2	0	0	0	0	0	19
Total	86	65	56	37	36	18	18	18	18	17	369

Questions:

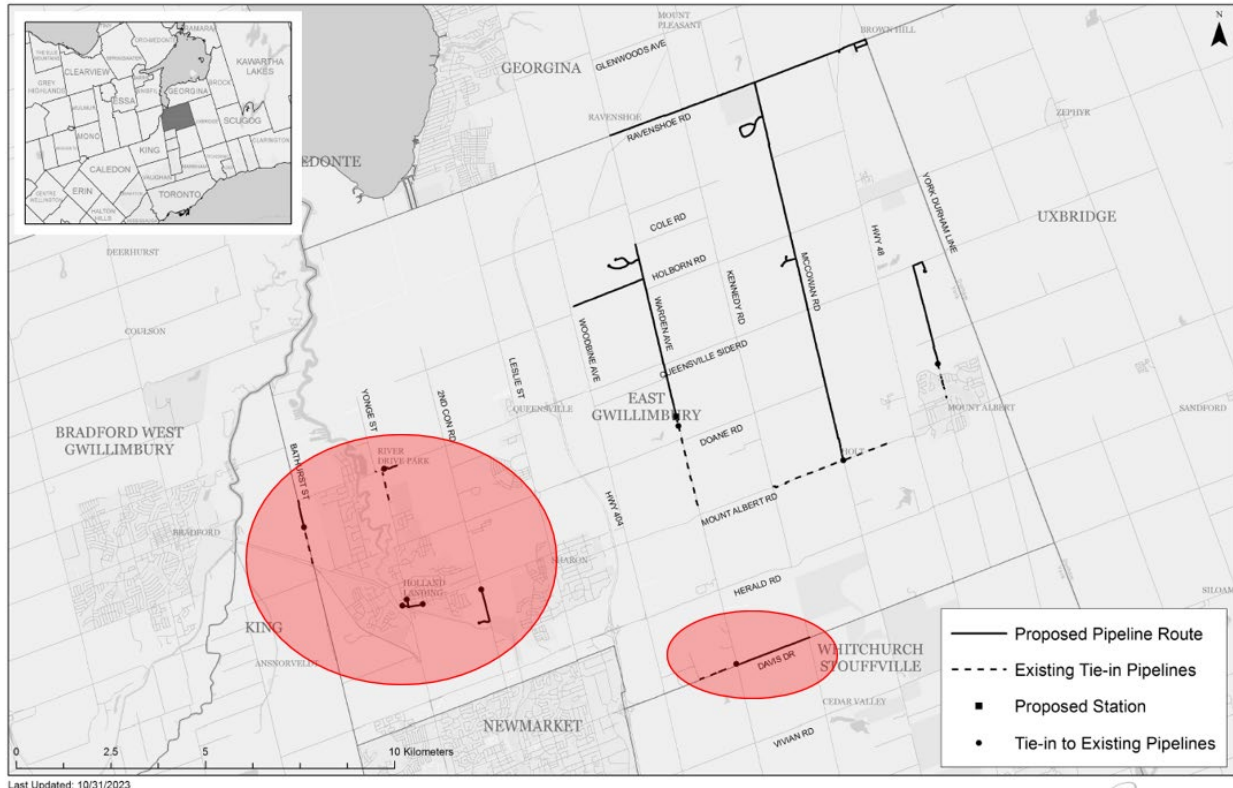
- a) Please discuss the method and data Enbridge Gas used to forecast 369 residential attachments in the community of East Gwillimbury over ten years.
- b) What is the assumed capture rate of the forecast attachments by the end of the tenth year?
- c) Please discuss any anticipated potential delays that may affect the construction schedule for the Project or achieving the forecast number of customer attachments in the first and second year.
- d) Please describe in detail Enbridge Gas’s outreach activities, plans and/or programs to ensure that the customer attachments will be realized as forecasted.
- e) 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 NGEF process and the project subject to this application.
- f) Please provide a comparison of the actual customer attachments relative to the LTC forecasted customer attachments to date for all of Enbridge Gas’s Phase 2 NGEF supported community expansion projects that are already in service.

1-Staff-4

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

Preamble:

The specific pipeline facilities for which Enbridge Gas is seeking OEB approval through the current application are shown on the following map (emphasis added):



Questions:

- a) Please provide the total number of potential connecting customers and how many are forecasted to be connected as part of the current application in the red circles above.
- b) What is the cost of the project if the facilities in the red circles are removed?

ISSUE 3.0 PROJECT COSTS & ECONOMICS

3-Staff-5

Ref: Exhibit B, Tab 1, Schedule 1, Page 7
Exhibit E, Tab 1, Schedule 1, Page 2
Exhibit H, Tab 1, Schedule 1, Attachment 3, Page 3-4
EB-2019-0255, East Gwillimbury Schedule 5A-2

Preamble:

Enbridge Gas submitted its East Gwillimbury project proposal for NGEP funding in November 2020.²

On July 7, 2023, Enbridge Gas notified the MOE of a change in the scope of the East Gwillimbury Community Expansion Project.³

On November 28, 2023, Enbridge Gas filed its application seeking leave to construct (LTC) the East Gwillimbury Community Expansion Project. Enbridge Gas also stated that the cost estimate set out above is lower than the amount estimated original project proposal under Phase 2 of the NGEP by approximately \$820,000. The cost variance is primarily attributed to a reduction in forecasted large volume industrial customers and the identification of a more constructible scope route that bypasses the Highway 404 extension plans and minimizes significant water course crossings and areas with anticipated high-water table.

OEB staff prepared the table below, which compares the NGEP proposal to the LTC application in terms of pipeline lengths, 10-year customer forecast, and capital costs.

² EB-2019-0255

³ H-1-1 Attachment 3, page 1 (dated July 7, 2023)

Comparison of NGEP Proposal, Ministry Update and LTC Application

	NGEP Proposal	Update to Ministry of Energy	LTC Application
Customer Forecast	422		369
Penetration rate	65%		76% ⁴
NPS 2 PE (km)	23.95	27.0	27.0
NPS 4 PE (km)	6.187	10.3	10.1
NPS 2 Steel (km)	0	0	0.115
NPS 4 Steel (km)	0	0	0.06
Total Length (km)	30.137	37.3	37.355
Total Capital Cost	Redacted		\$14,743,806
NGEP Funding	\$8,373,365		\$8,373,365
Net Capital Cost	Redacted		\$6,370,441

Questions:

- a) Please confirm that the summary information provided in the table above is correct. If not, please identify and correct any errors.
- b) Please confirm that matters relating to the appropriate net capital amount to be included in rate base is properly addressed in Enbridge Gas's next rebasing proceeding. Otherwise, please explain.
- c) Please discuss why the scope was updated with steel pipelines in the LTC application but was not included in the NGEP proposal and update to the Ministry of Energy.
- d) Please discuss how the project went from 422 customers forecasted to connect to 369 customers forecasted to connect (65% and 76% penetration rates respectively), while the pipeline length increased from approximately 30 km to 37 km.

⁴ Based on Forum Research, 76% of respondents overall are likely (extremely likely, very likely or likely) to connect to natural gas.

ISSUE 4.0 ENVIRONMENTAL

4-Staff-6

Ref.: Exhibit F, Tab 1, Schedule 1, Page 6

Preamble:

A Cultural Heritage Checklist was completed that recommended a “Cultural Heritage Report: Existing Conditions and Preliminary Impact Assessment” (Existing Conditions Report) be completed for the East Gwillimbury Community Expansion Project. Enbridge Gas stated that it will complete the report and submit it to the Ministry of Citizenship and Multiculturalism (MCM) for acceptance prior to construction.

A Stage 1 Archaeological Assessment (AA) was completed in August 2023. As of September 1, 2023, the report was still being reviewed by the MCM. A Stage 2 AA will be completed based on the recommendations from the Stage 1 AA and will be submitted to the MCM for acceptance prior to construction. Any mitigation measures or recommendations for construction from the Stage 2 AA will be outlined in the site specific Environmental Protection Plan.

Questions:

- a) Please provide an update on the Existing Conditions Report.
- b) Please provide an update on the need for any Stage 2 and 3 AAs.

4-Staff-7

Ref.: Exhibit F, Tab 1, Schedule 1, Attachment 1
Environmental Report (East Gwillimbury), Appendix G -1

Preamble:

A link was provided in the application to the Environmental Report as
<<https://www.enbridgegas.com/about-enbridge-gas/projects/east-gwillimbury>>

The referenced attachment provides an Ontario Pipeline Coordinating Committee (OPCC) Environmental Report Consultation Log.

Questions:

- a) The link is not to the Environmental Report, please updated the link.

- b) Please provide any updates to the OPCC Consultation Log since the time that the application was filed.

ISSUE 6.0 INDIGENOUS CONSULTATION

6-Staff-8

Ref.: Exhibit H, Tab 1, Schedule 1, Page 1

Preamble:

Enbridge Gas contacted the Ministry of Energy (MOE) about the East Gwillimbury project in September 2022. Enbridge Gas received a Delegation Letter from the MOE in December 2022, which indicated that the MOE had delegated the procedural aspects of consultation to Enbridge Gas for the Project. The Delegation Letter identified nine Indigenous communities to be consulted.

Enbridge Gas notified the MOE of a change in the project scope on July 7, 2023.

Enbridge Gas filed the Indigenous Consultation Report for the Project with the MOE on the same date it filed the application with the OEB (i.e., November 28, 2023). The Indigenous Consultation Report reflects Enbridge Gas's Indigenous engagement activities for the Project up to and including November 14, 2023; however, Enbridge Gas says it will continue to engage throughout the life of the Project.

Enbridge Gas said that it would file with the OEB the MOE's opinion letter regarding the sufficiency of Indigenous consultation on the Project as soon as it is received.

Questions:

- a) Has Enbridge Gas received the MOE's opinion letter? If so, please file a copy. If not, when does Enbridge Gas anticipate receiving the letter?
- b) Please provide any other updates regarding Indigenous consultation since the time that the application was filed.

ISSUE 7.0 CONDITIONS OF APPROVAL

7-Staff-9

Ref.: Exhibit I, Tab 1, Schedule 1, page 1

Preamble:

The OEB has developed standard conditions of approval that are typically imposed in leave to construct approvals.⁵ 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.

The OEB's standard conditions of approval, with minor modifications (underlined) to Conditions 2(b) (ii) and (iv), 7(a), and 7(b) as proposed by OEB staff, are provided below.

Questions:

- a) Based on a letter from Enbridge Gas regarding a recently approved project⁶, OEB staff has suggested minor modifications (underlined) to Conditions 2(b) (ii) and (iv), 7(a), and 7(b) to better reflect the intent of those conditions. Please confirm if Enbridge Gas agrees with OEB staff's suggested minor modifications.

- b) If Enbridge Gas does not agree with any of the conditions of approval set out below, please identify the specific conditions that Enbridge Gas disagrees with. Explain the rationale for disagreement and for any proposed changes or amendments.

⁵ 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>

⁶ Enbridge Gas January 12, 2024 letter providing notification of planned in-service date - Mohawks of the Bay of Quinte Community Expansion Project (EB-2022-0248)

Application under Section 90(1) of the OEB Act

**Enbridge Gas Inc.
EB-2023-0343
DRAFT**

Standard Conditions of Approval

1. Enbridge Gas Inc. shall construct the facilities and restore the land in accordance with the OEB's Decision and Order in EB-2023-0343 and these Conditions of Approval.
2. (a) Authorization for leave to construct shall terminate 12 months after the decision is issued unless construction has commenced prior to that date.
(b) Enbridge Gas Inc. shall give the OEB notice in writing:
 - i. of the commencement of construction, at least 10 days prior to the date construction commences
 - ii. of the planned in-service start date, at least 10 days prior to the date the facilities begin to go into service
 - iii. of the date on which construction was completed, no later than 10 days following the completion of construction
 - iv. of the full project in-service date, no later than 10 days after all the facilities go into service
3. Enbridge Gas Inc. shall obtain all necessary approvals, permits, licences, certificates, agreements and rights required to construct, operate and maintain the Project.
4. Enbridge Gas Inc. shall implement all the recommendations of the Environmental Report filed in the proceeding, and all the recommendations and directives identified by the Ontario Pipeline Coordinating Committee review.
5. Enbridge Gas Inc. shall advise the OEB of any proposed change to OEB-approved construction or restoration procedures. Except in an emergency, Enbridge Gas Inc. shall not make any such change without prior notice to and written approval of the OEB. In the event of an emergency, the OEB shall be informed immediately after the fact.
6. Concurrent with the final monitoring report referred to in Condition 7(b), Enbridge Gas Inc. shall file a Post Construction Financial Report, that provides a variance analysis of project cost, schedule and scope compared to the estimates filed in this proceeding, including the extent to which the project contingency was utilized.

Enbridge Gas Inc. shall also file a copy of the Post Construction Financial Report in the proceeding where Enbridge Gas Inc. proposes to start collecting revenues associated with the Project.

7. Both during and after construction, Enbridge Gas Inc. shall monitor the impacts of construction, and shall file with the OEB one electronic (searchable PDF) version of each of the following reports:

(a) A post construction report, within three months of the full project in-service date, which shall:

- i. provide a certification, by a senior executive of the company, of Enbridge Gas Inc.'s adherence to Condition 1
- ii. describe any impacts and outstanding concerns identified during construction
- iii. describe the actions taken or planned to be taken to prevent or mitigate any identified impacts of construction
- iv. include a log of all complaints received by Enbridge Gas Inc., including the date/time the complaint was received, a description of the complaint, any actions taken to address the complaint, the rationale for taking such actions
- v. provide a certification, by a senior executive of the company, that the company has obtained all other approvals, permits, licenses, and certificates required to construct, operate, and maintain the proposed project

(b) A final monitoring report, no later than fifteen months after the full project in-service date, or, where the deadline falls between December 1 and May 31, the following June 1, which shall:

- i. provide a certification, by a senior executive of the company, of Enbridge Gas Inc.'s adherence to Condition 4
- ii. describe the condition of any rehabilitated land
- iii. describe the effectiveness of any actions taken to prevent or mitigate any identified impacts of construction
- iv. include the results of analyses and monitoring programs and any recommendations arising therefrom
- v. include a log of all complaints received by Enbridge Gas Inc., including the date/time the complaint was received; a description of the complaint; any actions taken to address the complaint; and the rationale for taking such actions

8. Enbridge Gas Inc. shall designate one of their employees as project manager who will be the point of contact for these conditions, and shall provide the employee's name and contact information to the OEB and to all affected landowners, and shall clearly post the project manager's contact information in a prominent place at the construction site.