

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO  
ENVIRONMENTAL DEFENCE INTERROGATORY #33

INTERROGATORY

Issue A.1 “Are the proposed facilities needed? Considerations may include but are not limited to demand, reliability, security of supply, flexibility, constraints, operational risk, cost savings and diversity as well as the Board’s statutory objectives.”

Interrogatory No. A.1-ED-33 Reference: Ex. A, Tab 3, Schedule 1, Page 2

Enbridge’s application describes four purposes of the proposed project and summarizes them as follows:

“4. The GTA Project will:

- a. Meet customer growth requirements over the period from 2015 to 2025 by reinforcing the XHP distribution network;
- b. Reduce operational risks and enhance safety and reliability by:
  - i. Improving diversity and flexibility of the distribution system through additional looping of single feed XHP lines and providing additional supply sources for the major XHP lines in the GTA Project Influence Area; and
  - ii. Providing the ability to lower pressures on key supply lines;
- c. Provide entry point diversity by reducing the dependence upon Parkway Gate Station which currently provides more than 50% of the supply to the GTA Project Influence Area and does not have alternate means of supply; and
- d. Improve supply chain diversity, reduce upstream supply risks and reduce gas supply costs over the period 2015 to 2025.”

Witnesses: C. Fernandes  
S. Murray

- a) Would the project be strictly necessary if it was not needed to meet customer growth requirements? In other words, is it strictly necessary that Enbridge achieve the objectives and benefits of the proposed project other than meeting customer growth requirements (i.e. the objectives listed in b to d above)? Please explain and justify your answer.
- b) If customer growth requirements could be completely met through Demand Side Management alternatives, could any or all of the components of the proposed project be avoided or deferred? Please explain and justify your answer.
- c) Would the project be cost effective if it was not needed to meet customer growth requirements? In other words, would the cost of the project be justified based only on the other benefits of the proposed project (i.e. the objectives listed in b to d above)? Please explain and justify your answer.

## RESPONSE

a) and b)

Please see response to Environmental Defence Interrogatory #20 found at Exhibit I.A4.EGD.ED.20.

c) The Project would be feasible in the absence of the forecasted customer additions and associated costs. Please see Table 1 on the following page for a summary of the inputs assumed for such a scenario and the feasibility results.

Witnesses: C. Fernandes  
S. Murray

**Table 1**

<b>SUMMARY OF INPUTS</b>		
		<b>No customer growth related capital &amp; revenues</b>
	<b><u>Capital Investment</u></b>	
	<b>Mains</b>	
	<b>Stations</b>	
	<b>Land/Land Rights</b>	
	<b>Total</b>	\$554,575,341
	<b><u>Future Reinforcement Projects</u></b>	
	<b>2017</b>	\$0
	<b>2018</b>	\$0
	<b>2019</b>	\$0
	<b>2020</b>	\$0
	<b><u>Capital Maintenance Costs</u></b>	\$5,218,238
	<b><u>Services</u></b>	\$0
	<b><u>Total Capital</u></b>	\$559,793,579
	<b><u>Total O&amp;M Costs</u></b>	\$61,882,905
	<b><u>Total Transportation Savings</u></b>	\$1,632,014,615
	<b><u>Total Transportation Services Charge</u></b>	\$277,595,905
	<b><u>Total Distribution Revenues</u></b>	\$0
	<b><u>Total Customer Additions (2015 - 2024)</u></b>	-
	<b><u>Total Volumes (10<sup>3</sup>m<sup>3</sup>)</u></b>	-
	<b><u>SUMMARY OF RESULTS</u></b>	
	<b>Net Present Value (40 years)</b>	\$415,964,987
	<b>Profitability Index (40 years)</b>	1.81

Witnesses: C. Fernandes  
 S. Murray