

ENBRIDGE GAS DISTRIBUTION INC. RESPONSE TO  
GEC INTERROGATORY #30

INTERROGATORY

Enbridge, Issue A.3. Costs and Rates, Issue A.5. Timing

Ref: EB-2012-0451, ExC, T2, S1

EB-2006-0305, "Post-Construction Financial Report on Costs and Variances"  
report dated January 7, 2010

- a) Please describe the similarities and differences between the proposed north-south portion of the proposed Segment B facilities, and the north section of the transmission project that was approved by the Board in EB-2006-0305, which looped 6.5 km of the NPS 30 Don Valley line with NPS 36 XHP pipeline.
- b) Please provide a side-by-side comparison of the estimated cost per km of the north-south portion of the Segment B facilities and the north section of the EB-2006-0305 project, with the EB-2006-0305 project costs adjusted to 2013\$.
- c) Enbridge reported that actual Construction Labour costs for the EB-2006-0305 project were \$13.4 million higher than the original estimate, and that this variance was "primarily attributed to increased construction costs in 2007 and 2009, a period of intense activity and limited labour supply in the pipeline construction industry." Given Enbridge's experience with the EB-2006-0305 project, please explain how Enbridge has accounted for the fact that other major projects that have been proposed for 2015 could cause the costs of materials, equipment, and labor for the GTA Project to be significantly higher than they would be in a typical construction year.

RESPONSE

- a) The EB-2006-0305 project installed 6.5 km of NPS 36 (north section) through the Buttonville Hydro corridor extending south from Sheppard Avenue to Jonesville Station for added capacity for the Portlands Energy Center (PEC). At the time of screening options for EB-2006-0305, the north-south route of Segment B was evaluated and determined to be more challenging than the chosen north section of

Witness: T. Horton

EB-2006-0305. The north-south section of Segment B is an extension of the north section of EB-2006-0305 and is 7.6 km of NPS 36 extending from Sheppard Avenue to Hwy 407 in the same Buttonville Hydro corridor.

Details of the proposed facilities for Segment B can be found in Exhibit A, Tab 3, Schedule 6. Scope details for EB-2006-0305 can be found in the public LTC filing of EB-2006-0305.

b)

	<b>EB-2006-0305 (North Section)</b>	<b>Segment B (North-South)</b>
Cost / km (\$millions 2013)	8	

Cost breakdown information is available only to those who have signed a Declaration and Undertaking as the information is confidential.

c) Please refer to Exhibit C, Tab 2, Schedule 3, pages 1 to 2 for an explanation of the project management framework that has since been implemented from when EB-2006-0305 was submitted. Additional to the project management framework for managing large capital projects, the estimated costs within this LTC include escalation, which accounts for market fluctuations in labour and material costs. Please refer to Exhibit C, Tab 2, Schedule 1, paragraph 5, starting on page 2.