

OGA INTERROGATORY #19

INTERROGATORY

*Issue 1.2 - Should the new business activity – Geothermal Energy Service Program – be considered as part of the utility’s regulated business?<sup>1</sup>*

Reference: Ex. B, Tab 1, Schedule 1, p. 27-30 & Appendix 11

Preamble:

In EB-2016-0004, the OGA submitted a report and interrogatory responses regarding the cost of geothermal. This evidence discussed how the costs of geothermal energy would decline with economies of scale and technological improvements.

Interrogatory:

Please:

- (a) Discuss whether the Enbridge has assumed that the estimated O&M costs will decline over time based on economies of scale and technological improvements;
- (b) If not, please put forward Enbridge’s best estimates for the reduction in O&M costs due to economies of scale and technological improvements.

RESPONSE

- a) and b) Please see the response to OGA Interrogatory #18 filed at Exhibit I.1.EGDI.OGA.18. The responses in respect of capital costs also generally apply in relation to O&M costs, though it is less foreseeable that O&M costs could decline over time.

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<sup>1</sup> Note that these interrogatories also relate to issue 2.3 - Are the services fees for the Geothermal Energy Service Program reasonable and appropriate?