

FACILITIES & PROJECT COSTS

1. Table 1 below sets out Enbridge Gas Inc.'s ("Enbridge Gas") forecasted capital cost for well TL9.

Table 1

New Well and Type	Forecasted Capital Cost (\$000's)
2019 & 2020 - TL 9 Stratigraphic Well – drilling, coring, testing, analysis	\$3,720.0

2. The total projected capital cost for drilling the stratigraphic test well and testing/monitoring the well is \$3.72 million. The drilling activities (rig, fuel, and coring services) are approximately 59% of the project costs. The remaining costs are comprised of Materials 21% (casing, wellheads, valves, etc.), labour 8% (Supervision, Mechanical Contractors, Logging Contractors, etc.) and Site preparation and cleanup 12% (Build drilling pad, restore site after drilling.)
3. The well will be subject to annual O&M costs for maintenance, municipal taxes and casing inspection logging. The cost is approximately \$2,500 per year. These costs will be expensed annually.
4. A discussion of rate impacts to Enbridge Gas ratepayers and project financing can be found at Exhibit E, Tab 1, Schedule 1.