

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Board Staff (STAFF)

Reference: AMP – Exhibit C1/Tab 2/Schedule 1/Pgs. 243-253

Question:

Enbridge Gas has several storage wells. Additional reservoirs have been added to the Gas Storage Operation either by acquisition (Chatham D) or operating agreement (Crowland). Enbridge Gas has identified several maintenance and replacement issues with respect to storage operations including gas compressors for storage, yard auxiliary systems, yard valves and actuators, metering system, flow control systems, dehydrators, incinerators, filters, separators, tanks, pipelines, wells and master valves. The total capital spend for storage is estimated to be \$180 million for the 10-year period (2019 to 2028).

- a) Has Enbridge Gas considered reducing the number of wells or abandon a portion of its storage assets in order to reduce capital spending considering that it now has access to the large storage pool of Union Gas?
- b) Enbridge Gas has indicated that most wells at Crowland do not possess a suitable master valve and wellhead, and have only two casings. Many Crowland wells are re-lined, further justifying replacement. Replacement of well assets, especially at Crowland, is expected to be a significant capital request within the scope of the 10-year Asset Management Plan. Since Crowland has an operating agreement, why has Enbridge Gas not considered abandoning this facility?
- c) What is the total capital expenditure on the Crowland storage facility for the planned period (2019 to 2028)?
- d) Please provide the cost of abandoning the Crowland facility and the associated savings in avoided capital and operating costs?

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**Response**

- a) Enbridge Gas has been operating as an amalgamated entity for only four months and is not in a position to provide estimates of optimization or integration savings.
- b) As described in the response to Exhibit I.STAFF.32, the major capital expenditures identified in the respective AMPs are considered to be essential expenditures. Additional analyses, considering the now-combined storage assets, of various

options to manage Crowland are currently underway. Once the optimal solution is confirmed, the asset management plan will be updated accordingly.

- c) Execution of the proposed well and field line work at Crowland is currently planned for 2024 to 2026 in the AMP. The estimated costs for the well and field lines is \$11,648,000 and \$3,457,000 respectively and is included in Exhibit C1, Tab 2, Schedule 1, page 1181 to 1185, 1196 to 1200. Station upgrades are not included in the maintenance capital portfolio, because the scope and cost are unclear. An updated financial assessment will be completed in 2019 when additional information is available.
- d) Additional analyses of various options to manage Crowland are currently underway.