

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

Reference: AMP – Exhibit C1/Tab 2/Schedule 1/Pgs. 375-377

Question:

Enbridge Gas has indicated that it is eligible to request rate recoveries for qualifying incremental capital investments over and above the calculated materiality threshold through the OEB's ICM. The applicant has provided a list of ICM eligible projects in Table 6.1-3. Some of the specific projects are listed below.

Project Name	In Service Year	Total In-Service Capital (\$ million)
Kennedy Road Expansion	2022	\$21.7
NPS 12 Martin Grove Rd. Main Replacement – Phase 2	2024	\$11.8
VPC Core and Shell Obsolescence	2025	\$20.0

- a) Is it the understanding of Enbridge Gas that any capital spending above the materiality threshold is eligible for ICM funding?
- b) In the Toronto Hydro Electric Systems Ltd.'s three year application for 2012 to 2014 rates (EB-2012-0064), the OEB in its decision regarding the application for ICM funding noted, "the Board does not expect that projects that are minor expenditures in comparison to the overall budget should be considered eligible for ICM treatment. A certain degree of project expenditure over and above the threshold calculation is expected to be absorbed within the total capital budget." (pgs.18-19) Please provide the proportion of each individual project noted above to the overall capital budget for the respective year.
- c) Why is it not possible to absorb the costs of the projects noted above considering the quantum of the in-service capital, specifically the NPS 12 Martin Grove Rd Main Replacement?

Response

- a) For a description of the criteria used to determine Enbridge Gas's ICM funding request for 2019, please refer to Exhibit B1, Tab 2, Schedule 1, page 8, Section 2.

b-c) Enbridge Gas is not seeking any relief for the projects specified in the question in 2019. Accordingly, Enbridge Gas declines to respond.