

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

Reference: AMP – Exhibit C1/Tab 3/Schedule 1/Pg. 204

Question:

Union Gas has identified the Windsor distribution line for replacement. The replacement will address the integrity and operational risks with the Windsor Line. Based on the integrity concerns and the significant effort and resources spent on repairing leaks on the line, the Windsor Line has been deemed a high risk and has therefore been identified as requiring replacement. The project includes the replacement of the entire 65 km Windsor Line. The existing line is a combination of NPS 10 and NPS 8 and will be replaced by an NPS 6 pipeline at an estimated cost of \$88 million. The project will be constructed in 2020.

- a) Union Gas has noted that the Windsor Line has used significant resources to repair leaks. What was the total spend on repairing leaks on the Windsor Line in the past five years (2014 to 2018 inclusive)?
- b) Why is the proposed line a NPS 6 versus the original NPS 8 pipeline?
- c) How much future growth will the NPS 6 pipeline provide as opposed to a NPS 8 pipeline?
- d) What is the estimated difference in costs if a NPS 8 pipeline is considered for the project?

Response

- a) Since 2014 there have been three major repairs to the Windsor line. The costs of these three repairs were approximately \$600,000. In addition, there have been over 25 minor repairs along this line due to condition. The combined costs of these minor repairs were approximately \$90,000. Additionally, between 2005 and 2014 there have been four major repairs the combined costs of which were \$676,000. There are currently 16 active leaks on the segment identified for replacement that are being actively monitored in compliance with Standard Operating Practice requirements.
- b) The proposed NPS 6 3450kPa MOP Windsor Line replacement will operate at a higher pressure than the original NPS 8/NPS 10 1380kPa MOP. By increasing the operating pressure of the pipeline, the diameter can be reduced without impacting

the capacity available along the pipeline. Enbridge evaluated the option of installing an NPS 8 3450kPa replacement pipeline, however the identified growth was not sufficient to support the incremental cost associated with the increase in diameter. Based on the expected growth, the proposed NPS 6 replacement will be able to serve the existing and forecasted demand for the next 20 years.

- c) See response to part b).
- d) The incremental magnitude cost to replace the current line with a NPS 8 pipeline instead of the currently planned NPS 6 pipeline would be approximately \$16 million. The cost increase is due to higher material costs and increased construction labour and equipment costs required to complete installation including larger equipment, deeper/wider trenching, and more welding.