

ENBRIDGE GAS INC.
Answer to Interrogatory from
Building Owners and Managers Association of Greater Toronto (BOMA)

Reference: Exhibit C1, Tab 1, Schedule 1; Utility System Plan/EGD, p35

Question:

Please explain what EGD meant by "tacit knowledge". Your evidence suggests that EGD and Union currently use two different risk assessment approaches in their capital planning. What are the relative strengths and weaknesses of each approach? How do you propose to reconcile those two approaches to achieve the best possible approach for the new combined utility?

Response

The EGD rate zone uses the term tacit knowledge to distinguish information that comes from people, and information that comes from databases and other structured sources. In the context of risk assessment, it is often necessary to rely on tacit knowledge to identify hazards, and to establish their likelihood and potential consequence.

Both the EGD and Union rate zones use tacit knowledge extensively in risk assessments. Union has used a 5 x 5 matrix to define the severity of the risk whereas EGD has developed more quantitative risk assessments.

Risk assessment methods can range from qualitative through semi-quantitative and quantitative. The strength of a more qualitative approach is that it can be done relatively quickly if the risk is clearly low (requiring no further action) or clearly high (requiring mitigation). A qualitative assessment is not as useful if there are a number of potential hazards that may interact and lead to consequences that are magnified by the interaction of the potential hazards. Conversely, a quantitative risk assessment can account for increased complexity with many contributing and escalating factors and layers of protection. The weakness of the quantitative risk assessment is that it requires a lot of data and a lot of time from risk specialists and those that are knowledgeable about the process that is under examination. These methods are all widely used and are appropriate based on the purpose of the risk assessment.

As per the response at STAFF.34, Enbridge Gas is still assessing its future asset management processes.