

ENBRIDGE GAS INC.  
Answer to Interrogatory from  
Energy Probe Research Foundation (EP)

Reference: Exhibit B1, Tab 1, Schedule 1, Page 40 and Appendix H

Preamble: *“The MAADs Decision requires Enbridge Gas to track actual costs and amounts recovered through rates related to the PDO during the deferred rebasing period for review at the time of rebasing. Enbridge Gas proposes to update the allocation of the PDO and PDCI demand-related costs based on the 2019 Dawn-Parkway design day demands and the allocation of the in-franchise compressor fuel costs based on 2019 forecast volumes.”*

Question:

- a) Is the Feasibility Study filed for Board Approval or information?
- b) What changes are there to the Connection Policy Guidelines? Please list any major amendments.
- c) Are the Policy/Guidelines applicable to all EGI rate zones?
- d) What conclusions should existing ratepayers reach from the feasibility analysis regarding cost consequences of infill projects and Community Expansion projects? Please discuss.

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**Response**

- a) Enbridge Gas filed the referenced exhibit for information to the Board in compliance with its commitment made in the 2017 ESM Proceeding, EB-2018-0131. In this proceeding, Enbridge Gas committed to file evidence about the refined feasibility analysis approach for residential infill customers.
- b) The change to the Connection Policy Guidelines can be found in Exhibit B1, Tab 1, Schedule 1, Appendix H, page 2, paragraph 9.
- c) Please see Exhibit I.STAFF.2, part e).

- d) The new approach for determining the economic feasibility of infill services is intended to improve the accuracy of project feasibility calculations. Accurate project feasibility ensures that under contributing projects pay an appropriate amount of contribution ("CIAC") without causing undue burden on existing ratepayers, an objective of the Board's E.B.O.188 guidelines for determining the economic feasibility of gas distribution system expansion.

Since the Company's approach to the determination of the economic feasibility requires system expansion projects to achieve a Profitability Index value of 1.0 or greater there is little, if any, opportunity for existing ratepayers to subsidize the expansion of the Company's gas distribution system with respect to the addition of new customers. The same holds true for community expansion projects, except that such projects may receive financial assistance from the exiting ratepayers as provided for in Bill 32, the Access to Natural Gas Act, 2018 and its accompanying regulation (Ontario Regulation 24/19).