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Enbridge Gas Inc.
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VIA RESS and EMAIL

October 1, 2020

Ms. Christine Long
Board Secretary
Ontario Energy Board
P.O. Box 2319,
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Long:

**Re: EB-2020-0095 Enbridge Gas Inc. (“Enbridge Gas”)
2021 Rates – Enbridge Gas Response to Supplementary Interrogatory**

Please find attached Enbridge Gas’s response to the supplementary interrogatory from Energy Probe.

Please contact the undersigned if you have any questions.

Yours truly,

(Original Digitally Signed)

Rakesh Torul
Technical Manager,
Regulatory Applications

cc: David Stevens, Aird and Berlis LLP
EB-2020-0095 Intervenors

ENBRIDGE GAS INC.

Answer to Supplementary Interrogatory from
Energy Probe ("EP")

INTERROGATORY

Dawn-Parkway Capacity and PDO

Reference:

Exhibit I.FRPO.3; Exhibit I.OGVG.1 c)

Preamble:

c) The PDO will exist in 2021 because there has been no Dawn to Kirkwall turn-back that would facilitate a shift of all Union South direct purchase customers to a Dawn obligation point. Elimination of the PDO would require an expansion of the Dawn Parkway System which would be a higher cost option than the current cost of the PDCI.

Questions:

- a) Please provide the, capacity TJ/d, capital costs and 2021 revenue requirement of the
- i W15/16 D-P Expansion
 - ii W16/17 D-P Expansion
 - iii W17/18 D-P Expansion

Indicate for each the mix of Compression and Pipe.

- b) Assume that the PDO is to be eliminated. As a hypothetical, provide the capital costs and annual revenue requirement for replacing (build) the 260 TJ/d provided by the PDO. List all relevant assumptions.
- c) Compare the costs of continuing the PDO/PDCI and the hypothetical build, over 10 years.
- d) Discuss the most cost effective long-term option (PDO/PDCI or build).

Response

- a) Please see Table 1. The projects listed in Lines 1 and 2 were a mix of compression and pipe, while Line 3 was compression and Line 4 is pipe.

Table 1
Details on Dawn Parkway Expansion Projects

Line No.	Particulars	Capacity (TJ/d) (a)	Capital Costs (1) (\$ millions) (b)	2021 Revenue Requirement (2) (\$ millions) (c)
1	Brantford-Kirkwall / Parkway D Project	433	197	15.3
2	2016 Dawn Parkway Project	443	347	26.0
3	2017 Dawn Parkway Project	457	620	45.2
4	2021 Dawn Parkway Project	92	204	17.1

Notes:

- (1) Capital cost as at December 31, 2019 as filed in 2019 Deferrals and Earnings Sharing (EB-2020-0134).
- (2) 2021 revenue requirement based on the 2019 forecast of capital costs filed in 2019 Rates (EB-2018-0305). 2021 Dawn Parkway Project revenue requirement based on 2022 (the first full year in service).
- b) The capacity of the Dawn-Parkway system would need to increase by 218 TJ/d as of November 2020 without the obligated deliveries at Parkway. Assuming the build would come in at a capital cost at least double the 2021 Dawn Parkway Project, the associated revenue requirement would be at least \$34 million. In addition, it would take time for the facilities to be scoped and a leave to construct application adjudicated before the Board.
- c) The PDCI cost in 2021 Rates is \$13.1 million for continued obligated deliveries at Parkway which is less than the approximate low end revenue requirement associated with a build required to eliminate the PDO.
- d) Based on the responses above, it does not appear that a build makes sense to alleviate the remaining PDO. Enbridge Gas will continue to monitor turnback in accordance with the Settlement Agreement.