

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

Reference: AMP – Exhibit C1/Tab 2/Schedule 1/Pgs. 859-896

Question:

The AMP Fitting Replacement Program is a proactive replacement program to replace copper risers and the AMP fittings that transition plastic services to copper risers. Enbridge Gas intends to start with 4,000 units per year in 2019 and increasing to 20,000 units per year by 2026 and beyond.

- a) Please provide details with respect to retirement costs that are referred to in the business case.
- b) The retirement cost starts at \$3.6 million in 2019, gradually increasing to \$10.5 million in 2028. The retirement costs constitute 30% to 40% of the total capital costs. Please explain the relatively high amounts for retirement costs.

Response

a-b) The retirement cost listed for this program is an estimate of the cost to remove the copper risers to take them out of service, which entails the excavation of the riser, isolation and removal of the fitting. The cost of removing the copper riser is estimated to be approximately 30-40% of the total cost for a copper riser replacement. Enbridge Gas believes these retirement costs to be reasonable.