

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

Reference: Exhibit C1, Tab 1, Schedule 1, Page 57, Figures 12&13

Question:

- a) Please clarify if the PI shown in the Figures is based on gross cost or net cost (less CIAC).
- b) For Figures 12 and 13 please provide the "Best Fit" Lines and provide the equations.
- c) Please explain and discuss the trends in PI for the Project and Rolling Portfolios for Union and EGD.
- d) Please provide the historic 2015+ and current approved system expansion projects for EGD and Union with summary data such as location, cost, customer additions etc.
- e) Please discuss the outlook for system expansion projects for each rate Zone. Delineate projects using SES and Government support.
- f) How much will be invested in SE during the Deferred rebasing period 2020-2025? Please reconcile to the data in the Utility System Plan.

---

**Response**

- a) The PI shown in figures 12 and 13 are based on net cost (less CIAC).
- b) Please see below the best fit lines and the equation for Figures 12 and 13.

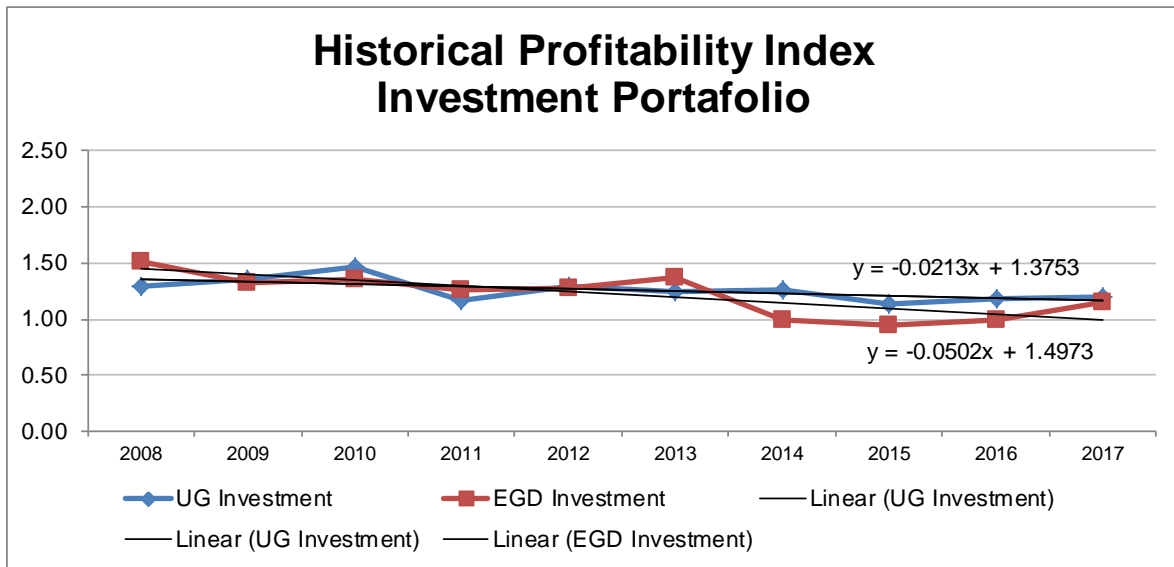


Figure 12

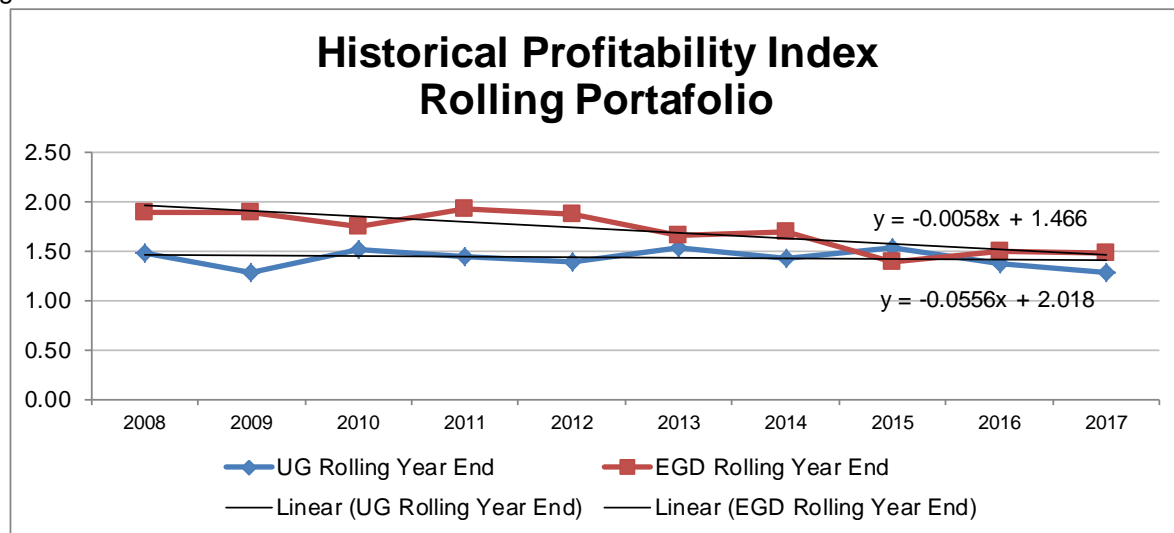


Figure 13

c) Figure 12 shows the Investment Portfolio Trend, where the slope of the best fit line for both the EGD and Union rate zones are negative, which suggests that the PI is trending down over time.

Figure 13 shows the Rolling Project Portfolio Trend, where the slope of best fit lines for the EGD and Union rate zones are negative, which suggests that their portfolio PI is trending downwards.

- d) The rolling and investment portfolios include all of the distribution expansion projects completed by the company. These projects could be as simple as a 20 meter NPS 2 plastic main extension to 5 km steel NPS 8 reinforcement project. As such it is not practical to provide a list of all of the projects that are included in the rolling and investment portfolios.
- e) Enbridge Gas has and will continue to manage its system expansion projects such that the Profitability Index ("PI") requirements of the Board's E.B.O. 188 economic feasibility guideline are met with respect to each of the Company's rate zones. For projects defined as Community Expansion Projects, the Company will apply the System Expansion Surcharge in compliance with the OEB's EB-2017-0147 Decision and any other relevant decision of the Board. In cases where a community expansion project is to receive financial support either through the former Natural Gas Grant Program or under the auspices of Bill 32, the Access to Natural Gas Act, 2018 and its accompanying regulation (Ontario Regulation 24/19) the funds provided under either of these programs will serve as contributions in aid of construction, effectively reducing the capital cost of these projects such that they achieve a PI of 1.0. Should the requirements of Bill 32 change, the Company will revise its applicable policies so as to accommodate and be in compliance with such changes.
- f) To confirm, the deferred rebasing period is 2019 – 2023. As shown on pages 40 and 41, figure 7 and 8 respectively in the USP, filed at Exhibit C1, Tab 1, Schedule 1, system access investment is approximately \$622M for EGD and \$493M for Union.