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BY E-MAIL

March 28, 2023

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas)
Application for Mohawks the Bay of Quinte and Shannonville Community
Expansion Project Approval
OEB File Number: EB-2022-0248**

In accordance with Procedural Order No. 1, please find attached OEB staff interrogatories in the above proceeding. The attached document has been forwarded to the applicant and to all other registered parties to this proceeding.

Yours truly,

Original Signed By

Zora Crnojacki
Senior Advisor, Natural Gas Applications

Encl.



OEB Staff Interrogatories

**Application for Mohawks of the Bay of Quinte and Shannonville
Community Expansion Project Approval**

EB-2022-0248

March 28, 2023

ISSUE 1.0 NEED FOR THE PROJECT

1.1 Staff.1 Exhibit B, Tab 1, Schedule 1, page 2 of 9, paragraph 8 and 9 Attachment 3: *Mohawks of the Bay of Quinte & Tyendinaga Township Natural Gas Questionnaire*

Enbridge Gas administered a questionnaire to determine the interest for converting to natural gas. Enbridge Gas distributed the questionnaire at the Fall Fair on September 9 and September 10, 2022. It was also distributed door-to-door to all residents and commercial businesses during the week of September 12, 2022. Enbridge Gas received 68 responses as of October 12, 2022.

- a) Which method Enbridge Gas used to collect the responses to the questionnaires?
- b) What was the response rate to the questionnaire? Please compare the response rate to response rates in recent market surveys conducted for or retained by Enbridge Gas for other Phase II community expansion projects?
- c) How many questionnaires were distributed respectively in the Mohawks of the Bay of Quinte community and in the Shannonville community? How many responses were received in each community? What was the response rate in each community?
- d) Since the completion of the market research survey on October 12, 2022, has Enbridge Gas obtained additional information on the interest for switching to natural gas service as part of this community expansion project. Please discuss.

1.1 Staff.2 Exhibit B, Tab 1, Schedule 1, page 1 of 9, paragraph 1; pages 7 and 8 of 9, paragraphs 16 and 17, Table 2: Forecasted Customer Attachments for the Project

Enbridge Gas plans the Project's in-service date to be December 2023. Enbridge Gas forecasted attachments of 151 customers in the community of Mohawks of the Bay of Quinte (138 residential and 13 commercial and industrial) and 28 residential customers in Shannonville in the next ten years.

Table below shows forecasted attachments over ten years annually starting in 2023. Enbridge Gas indicated that the forecasted attachment assumed a 65% capture rate by the end of 2032.

Table 2: Forecasted Customer Attachments for the Project

Customer Additions	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total Forecasted
Conversions											
Residential Units (Singles, Semis, Towns)	45	40	15	11	8	10	9	10	9	9	166
Residential Cumulative	45	85	100	111	119	129	138	148	157	166	
Commercial/Institutional		5	4	2	1	1					13
Commercial Cumulative		5	9	11	12	13					
Total											179

- a) Please discuss the method and data Enbridge Gas used to forecast 138 residential and 13 commercial and industrial attachments in the Mohawks of the Bay of Quinte and 28 residential customers in the community of Shannonville.
- b) Following the same format in Table 2 above please create a table showing the separately forecasted customer attachments for the Mohawks of the Bay of Quinte and for Shannonville.
- c) Please discuss the basis for the forecast 45 residential customer attachments in 2023 and 40 residential and 5 commercial/industrial customer attachments in 2024.
- d) Discuss any anticipated potential delays that may affect construction schedule for the Project or achieving the forecast number of customer attachments in the first and second year.
- e) Please discuss the 65% capture rate and explain the methodology to determine this rate. Describe the methods and information used to determine the 65% capture rate.
- f) How many customer connections would be possible if the capture rate were 100% and all the residential and commercial/institutional customers in the Project location would be connected?

- g) Please describe in detail Enbridge Gas’s outreach activities, plans and/or programs to ensure that the customer attachments will be realized as forecasted.
- h) Please comment on differences in forecasted number of customer attachments Enbridge Gas provided in project proposal approved for funding in Phase 2 of the NGEF process and the project subject to this application?

ISSUE 3.0 PROJECT COST AND ECONOMICS

3.1 Staff.3 Exhibit E, Tab 1, Schedule 1, page 1 of 5, paragraphs 1-3; Table 1: Estimated Project Costs (\$CAD)

The total estimated Project cost is \$10.7 million. The total pipeline costs are \$8.9 million. The total ancillary costs of \$1.8 million comprises station upgrades related costs. The itemized costs for the Project are presented in the table below.

Table 1: Estimated Project Costs (\$CAD)

Item No.	Description	Pipeline Costs	Ancillary Costs ¹
1.0	Material	123,571	30,100
2.0	Labour and Construction	6,646,356	1,510,423
3.0	Outside Services	1,161,990	17,300
4.0	Land, Permits, Approvals and Consultations	21,403	
5.0	Contingency	801,919	164,266
4.0	Sub-Total	8,755,239	1,722,090
6.0	Interest During Construction	88,329	4,943
7.0	Direct Overheads	65,862	79,032
8.0	Total Project Costs	8,909,430	1,806,069

The estimated costs presented in this application are \$1.5 million higher than the original project proposal presented to the Government of Ontario (2019/2020) for funding under Phase 2 of the NGEP (EB-2019-0255). Enbridge Gas noted that the \$1.5 million cost increase is "...attributed primarily to the completion of the project design and schedule".

- a) Please explain how the completion of the project design and economics resulted in the \$1.5 million increase in estimated cost compared to the original estimates in 2019/2020.
- b) Is any portion of the increased cost associated with the increased number of forecasted customer attachments compared to project proposal in 2019/2020? Please discuss.

ISSUE 4.0: ENVIRONMENTAL IMPACTS

4.1 Staff.4 Exhibit F, Tab 1, Schedule 1: Environmental Matters and Attachment 2: dated December 20, 2022

Enbridge Gas retained Dillon Consulting Ltd. (Dillon) to complete an *Environmental Report: Mohawks of the Bay of Quinte and Shannonville Community Expansion Project* (ER). The ER assessed the existing bio-physical and socio-economic environment in the study area, the alternative routes, proposed the preferred route, conducted public consultation, conducted impacts assessment and proposed mitigation measures to minimize the impacts. The ER and the consultation process were conducted in accordance with the *OEB's Environmental Guidelines for Location, Construction and Operation of Hydrocarbon Pipelines in Ontario [7th Edition, 2016]* (OEB Environmental Guidelines).

Enbridge Gas sent the ER to Mohawks of the Bay of Quinte First Nation (MBQFN) on July 20, 2022 and to other Indigenous communities on August 15, 2022. On August 12, 2022 Enbridge Gas sent the ER for review and comments to the Ontario Pipeline Coordinating Committee (OPCC) members.

- a) Please update the filed Correspondence Tracking with the OPCC and specify any new concerns raised since filing the application on December 20, 2022.
- b) Please describe the status and prospects of resolution of any outstanding concerns raised in the OPCC review and Enbridge Gas's plans to address the outstanding concerns.

- 4.1 Staff.5 Exhibit F, Tab 1, Schedule 1: Environmental Matters and Attachment 2: Environmental Report Review Correspondence, December 20, 2022, page 1, item 4.2

The Technical Standards and Safety Authority (TSSA) is a member of the Ontario Pipeline Coordinated Committee. The TSSA reviewed the Environmental Report and the Project specification and design. On August 15, 2022 the TSSA requested that Enbridge Gas file with the TSSA an application related to the design and operational characteristics of the pipeline. The TSSA protocol requires that upon review it issues a letter to Enbridge Gas summarizing its review of the pipeline design characteristics.

- a) When did Enbridge Gas file the TSSA's required application? What is the status of the application review and the anticipated timing to receive a TSSA's letter acknowledging that the pipeline design and operating characteristics are compliant with the applicable regulatory standards?

- 4.1 Staff.6 Exhibit F, Tab 1, Schedule 1, Attachment 1: Environmental Report: *Mohawks of the Bay of Quinte and Shannonville Community Expansion Project*

Enbridge Gas is required to complete a *Cultural Heritage Assessment Report* (CHAR) prior to construction and submit it to the Ministry of Citizenship and Multiculturalism (MCM) for their review and comment as required by the *Ontario Heritage Act*.

The Environmental Report stated that Enbridge Gas would complete and submit the CHAR to the MCM prior to construction.

- a) What is the status of the CHAR for the Project and when is the anticipated date of filing the CHAR with the MCM for review?

4.1 Staff.7 Exhibit E, Tab 1, Schedule 1, Attachment 1: Environmental Report: *Mohawks of the Bay of Quinte and Shannonville Community Expansion Project, Appendix A, Draft Stage 1 Archaeological Assessment Stage 1 Report*

Enbridge Gas completed the Stage 1 Archaeological Assessment (AA) on July 20, 2022. The Draft Stage 1 AA Report is filed in Appendix A of the Environmental Report. Enbridge Gas stated that a Stage 2 AA is underway. Enbridge Gas noted it would submit a combined Stage 1 AA and Stage 2 AA final report to the MCM for review and approval prior to the construction start.

- a) What is the status of the Archeological Assessment Stage 2 and when is the anticipated date of filing the Archaeological Assessment Stage 2 Report with the MCM for a review?

ISSUE 5.0: ROUTE MAP AND FORM OF LANDOWNER AGREEMENTS

5.1 Staff.8 Exhibit G, Tab 1, Schedule 1, pages 1 and 2, paragraph 4

Enbridge Gas identified in its application the entities that would require approvals, permits and land easements for location, construction and operation of the Project.

- a) Please provide the status and anticipated time of each permit/approval application and the expected date of acquiring each of the permits.
- b) Please describe and discuss any risk of not acquiring the permits on time to the planned project construction schedule and in-service date?

5.1 Staff.9 Exhibit G, Tab 1, Schedule 1, pages 3 and 4, paragraphs 7-9

Enbridge Gas stated that the exact requirements for permanent easement will be determined upon completion of the station design. On the reserve lands held by the Crown and a consent of the MBQNFN Council and consent of Certificate of Possession holders may be required.

- a) Please update the status and prospects of the land permitting requirements and communication with the MBQFN Council and Certificate Possession holders on the Crown land. Please describe the updates in communication with MBQFN Council and Certificate Possession holders.

- b) Does Enbridge Gas anticipate the need for permanent land rights on lands other than Crown land? If so, identify the potential locations and directly affected landowners? Please discuss.

ISSUE 6.0 INDIGNEOUS CONSULTATION

6.1 Staff.10 Exhibit H, Tab 1, Schedule 1 and Attachment 2: Delegation Letter; Attachment 5-ICR Summary Table; Attachment 6-ICR Log and Project Correspondence Environmental Report Review Correspondence

In accordance with the OEB's Environmental Guidelines, Enbridge Gas contacted the Ministry of Energy (MOE) on February 16, 2022 in respect to the requirements for Crown's duty to consult related to the Project. In response the MOE delegated the procedural aspects of the Crown's duty to consult for the Project to Enbridge Gas on April 3, 2022 (Delegation Letter). The Delegation Letter identified the following Indigenous communities to be consulted: Mohawks of the Bay of Quinte FN (MBQFN), Williams Treaties First Nations (specifically Alderville FN, Beausoleil FN, Chippewas of Georgina Island FN, Chippewas of Rama FN, Curve Lake FN, Hiawatha FN, and Mississaugas of Scugog Island), Kawartha Nishnawbe and Huron-Wendat Nation. The MOE assessed that for the Williams Treaties First Nations, Kawartha Nishnawbe FN, and Huron-Wendat Nation "...the consultation is required at the "low" end of the spectrum for this project.". The MOE required a deeper level of consultation with the MBQFN. The MOE provided in the Delegation Letter detailed information on the consultation level and roles and responsibilities delegated to Enbridge Gas.

Enbridge Gas filed the MOE its Indigenous Consultation Report (ICR) for the Project on December 20, 2022. The ICR is also filed with the OEB as part of the application. To date, Enbridge Gas has not filed with the OEB a letter from the MOE indicating that it reviewed the ICR and that, in its opinion, the procedural aspects of consultation undertaken by Enbridge Gas to date are satisfactory (Letter of Opinion).

- a) Please update the ICR Summary Table and the Log of Indigenous consultation activities since December 15, 2022.

- b) Please summarize any issues and concerns that each of the engaged Indigenous communities raised since December 20, 2022.
- c) If any issues were raised, please describe Enbridge Gas's plans, actions and commitments to address these concerns, resolve the outstanding issues and provide accommodation.
- d) Please update the evidence with any correspondence between the MOE and Enbridge Gas after December 20, 2022 regarding the MOE's review of Enbridge Gas's Indigenous consultation activities.
- e) Please obtain an update from the MOE on the status and anticipated timeline of receiving a Letter of Opinion for the Project.