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Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
P.O. Box 2319, 27th Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

April 11, 2023

**EB-2022-0248 – Mohawks of the Bay of Quinte Community Expansion Project Leave to Construct  
Pollution Probe Interrogatories to Applicant**

Dear Ms. Marconi:

In accordance with OEB direction, please find attached Pollution Probe's Interrogatories to the Applicant.

Respectfully submitted on behalf of Pollution Probe.

A handwritten signature in black ink, appearing to read "Michael Brophy", with a horizontal line underneath.

Michael Brophy, P.Eng., M.Eng., MBA  
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Cc: Eric VanRuymbeke, Enbridge Regulatory (via email)  
Tania Persad, Enbridge Legal (via email)  
All Parties (via email)  
Richard Carlson, Pollution Probe (via email)

**ONTARIO ENERGY BOARD**

**Enbridge Gas Inc.  
Mohawks of the Bay of Quinte Community Expansion Project  
Leave to Construct**

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**POLLUTION PROBE INTERROGATORIES**

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**April 11, 2023**

**Submitted by: Michael Brophy  
Michael Brophy Consulting Inc.  
Michael.brophy@rogers.com  
Phone: 647-330-1217  
28 Macnaughton Road  
Toronto, Ontario M4G 3H4**

**Consultant for Pollution Probe**

1-PP-1

- a) Please provide a copy of the project application details submitted for funding assistance as part of Phase 2 of the Government of Ontario's Natural Gas Expansion Program ("NGEP"). If there are any differences between the project details (e.g. facilities, cost, customers, etc.) in the NGEP application and this Leave to Construct application, please explain the differences.
- b) Please provide a copy of the award/approval correspondence received from the NGEP for this project, including any conditions for funding.
- c) Is there a mandated timeframe under NGEP for completion of the proposed pipeline? If yes, please provide the relevant condition that dictates specific timing.

1-PP-2

- a) Do the 179 customers (166 residential and 13 commercial and industrial customers) represent all residential, commercial and industrial consumers along the proposed route? If not what is the full number of residential, commercial and industrial consumers along the proposed route?
- b) How many firm confirmations have been received from potential customers (please provide numbers by customer type, e.g. residential, commercial, industrial, etc.).
- c) What excess capacity is available in the proposed pipeline to service additional customers in the future beyond the 179 customers forecasted, if any?

1-PP-3

- a) Please confirm that all potential commercial and industrial customers along the route responded to the questionnaire and indicated they would like to connect to the project in year 1. If that is not correct, please provide a list of all the potential commercial and industrial customers and a copy of their responses.
- b) Please provide a load sheet for each commercial and industrial customer included in the project. If a load sheet is not available for a potential customer, please explain why.

1-PP-4

Is this proposed project included in the most current Enbridge Asset Management Plan (AMP) and Utility System Plan (USP)? If not, why not. If yes, please provide the references and documents (or links).

1-PP-5

What OEB approvals other than the requested Leave to Construct are required for Enbridge to proceed with construction of this project? Please provide details on when Enbridge expects those approvals, if applicable.

1-PP-6

- a) How many questionnaires were handed out or delivered in total?
- b) How many door-to-door packages including the questionnaire were delivered?
- c) Why did Enbridge not engage a formal polling company (e.g. Forum Research or equivalent) for this project, similar to what has been done for other community expansion projects?

1-PP-7

Reference: Questionnaire Results Table [Exhibit B, Tab 1, Schedule 1, Attachment 4]

- a) What number and percent of commercial and industrial potential customers completed the questionnaire?
- b) Is Enbridge extrapolating the 66/68 positive response rate across all potential residential, commercial and industrial customers? If not, please explain how Enbridge has extrapolated the questionnaire results to reach the 166 residential and 13 commercial/industrial forecasted.

2-PP-8

What low income energy program information was provided to homes and businesses along the proposed pipeline? Please provide copies.

2-PP-9

- a) Please provide a copy of all marketing and communication material provided by Enbridge or partners to the following stakeholders to promote DSM or other energy efficiency opportunities when considering renovation of a primary (water/space) heating systems:
  - o Municipalities and Indigenous communities
  - o Consumers/businesses along the proposed route
  - o Other forums including outreach events or the Virtual Information Session
  - o Contractors that support the Hidden Valley area for HVAC and related home renovations

- b) Please provide a copy of all communication material provided by Enbridge or partners to educate the following stakeholders on options and incentives under the Greener Homes program (delivered by Enbridge in Ontario):
- o Municipalities and Indigenous communities
  - o Consumers/businesses along the proposed route
  - o Other forums including outreach events or the Virtual Information Session
  - o Contractors that support the Hidden Valley area for HVAC and related home renovations.

2-PP-10

References:

Figure 1: Annual Energy Costs & Savings Versus Natural Gas, Including SES

Figure 2: Annual Energy Costs & Savings Versus Natural Gas, Including SES (First Nations Communities)

- a) Please confirm that the values in Figures 1 and 2 relate to fuel only and do not include incremental equipment costs to retrofit a home or business with natural gas.
- b) Please provide the estimated cost per residential, commercial and industrial consumer to convert to a natural gas system, including required ducting or other related retrofits, if applicable.
- c) Please confirm that the values in Figures 1 and 2 relate to electricity are for electric baseboard heating only. If that is not correct, please state the assumptions.
- d) Please provide a list of the monthly non-commodity Enbridge bill costs (not including SES which is covered in Figures 1 and 2) that consumers will experience once on natural gas. If this differs for residential, seasonal and commercial consumers, please provide the information by each appropriate classification.

2-PP-11

References: Table 1: Estimated Annual Fuel Costs, Fuel Cost Savings & Payback Period for a Typical Rate 01 Residential Customer

- a) Please provide the information source for the annual bill estimates in Table 1.
- b) Please provide the equivalent to Table 1 for a typical commercial for this project.

- c) Please provide the equivalent to Table 1 for a typical industrial customer for this project.

### 3-PP-12

Reference: Exhibit A, Tab 2, Schedule 1 and Exhibit E (SES): Enbridge indicates that the System Expansion Surcharge (“SES”) to all new customers taking gas distribution service from the Project will be a fixed volumetric rate of \$0.23 per cubic metre of gas to be charged in addition to Enbridge Gas’s base distribution rates as approved by the OEB, in accordance with EB-2020-0094. The SES is proposed to be charged to all customers taking gas distribution service from the Project for a term of 40 years.

- a) The SES period of 40 years in EB-2020-0094 aligned with the amortization period of 40 years for distribution expansion projects. Please indicate the SES impact if the amortization period the OEB approves is different (either more or less) than 40 years.
- b) Please confirm that the same SES rate of \$0.23 per cubic metre applies equally to all proposed residential, commercial and industrial customers.
- c) Please explain why an Hourly Allocation Factor (“HAF”) under EB-2022-0094 is not applied to any of the proposed commercial or industrial customers.

### 3-PP-13

Reference: Proposed Project Milestones [Exhibit B, Tab 1, Schedule 1, Page 9].

- a) What is the time window and cost related to the winter construction premium, compared to summer construction?
- b) Please explain why Enbridge is proposing winter construction rather than planning a construction period which avoids winter.
- c) Placing a pipeline into service in the fall (i.e. after September) does not provide the ability for customers to switch to natural gas equipment for space heating prior to the heating season. Please explain the impact if Enbridge constructed the project during the summer 2024 and placed the project into service late summer 2024.

### 3-PP-14

Please confirm that Enbridge will fund this project from its capital envelope for 2024 if approved by the OEB. If that is not correct, please clarify.

3-PP-15

Please confirm what distribution and transmission systems this project will be fed by on a peak design day and please confirm what excess capacity those systems have to accommodate this project.

3-PP-16

- a) What is the minimum number of residential and business customers that will need to attach to the proposed pipeline for it to remain feasible?
- b) Please explain what the financial implications are if less customers attach than are forecasted?

3-PP-17

- a) Please confirm that the amortization period for the proposed pipeline is 40 years. If that is incorrect, please provide the correct figure.
- b) Has Enbridge conducted a risk assessment on the probability that the proposed pipeline will become a stranded asset before being fully depreciated? If yes, please provide a copy of the assessment and all related materials. If no, what evidence exists to support that the pipeline will remain used and useful for the full amortization period.
- c) Please explain how any residual (unamortized) costs will be recovered from rate payers if the proposed pipeline becomes stranded before it is fully depreciated.

3-PP-18

Reference: Exhibit E, Tab 1, Schedule 1, Table 1.

- a) Please provide details on the Ancillary Facilities.
- b) If the Ancillary Facilities are an essential requirement for the proposed Project, please explain why they are external to the Leave to Construct.
- c) Please explain why the Direct Overheads are greater for the Ancillary Facilities compared to the Project Costs, even though the Ancillary Facilities are less than  $\frac{1}{4}$  the Project Costs.
- d) Please explain why this project does not include indirect capital overheads.

3-PP-19

Reference: The cost estimate set out above differs from the amount estimated in the Company's original project proposal to the Government of Ontario (2019/2020) for funding under Phase 2 of the NGEF by approximately \$1.5 million (EB-2019-0255). This cost variance is attributed primarily to the completion of Project design and schedule. [Exhibit E, Tab 1, Schedule 1, Page 1].

The NGEF subsidy is intended to bring a project to the minimum project threshold. Please explain how the subsidy is adequate if the project costs increased by approximately \$1.5 million compared to the application. If additional funding or revenues have been added since the NGEF application, please provide those details and the impact on the Profitability Index (PI).

4-PP-20

Reference: EGI\_LTC Mohawks\_Appl\_F-1-1\_Attachment 1\_Redacted\_20221220  
Appendix L.

- a) Most of the entries in the Consultation Log indicate that Enbridge (or its agents) did not receive feedback based on local outreach. Please indicate what actions were taken to mitigate this communication gap, if any.
- b) Is there a Consultation Log for non-Indigenous consultation feedback. If yes, please provide a copy.

4-PP-21

The Environmental Report identified significant wildlife habitat, breeding and nesting zones along the proposed route. Please provide the mitigation measures Enbridge will put in place during construction and restoration to mitigate impacts.

4-PP-22

Please provide a copy of the detailed mitigation plan for the proposed pipeline.

4-PP-23

Please confirm that Enbridge will implement all "Recommended Mitigation and Protective Measures" included in the Dillon Consulting Ltd. ("Dillon") Environmental Report.



4-PP-24

Reference: Project Schedule [Exhibit D, Tab 2, Schedule 1]

The project schedule document looks like to was truncated when it was cut and paste into the application and does not include additional activities such as project restoration and clean-up. Please provide the complete schedule including post in-service activities. Please provide any schedule updates in the revision, to the extent they exist.