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November 24, 2017

Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, Ontario  
M4P 1E4

Dear Ms. Walli:

**Re: Enbridge Gas Distribution Inc.; EB-2017-0260 and EB-2017-0261**

Enbridge is writing to respond to a letter dated November 16, 2017 that was sent to the Ontario Energy Board (the “Board”) by EPCOR Utilities Inc. (“EPCOR”) in connection with pending applications by Enbridge Gas Distribution Inc. (“Enbridge”) under Board docket numbers EB-2017-0260 (Bobcaygeon project) and EB-2017-0261 (Scugog Island project).

According to the first paragraph, EPCOR’s letter was written in response to the Board’s letter dated November 2, 2017 (the “November 2<sup>nd</sup> Letter”) which requested that any other party “currently developing a plan” to provide natural gas services to either or both of Bobcaygeon and Scugog Island file a letter indicating so and to include in that letter certain information requirements. The November 2<sup>nd</sup> Letter also stated that, in the absence of letters from any other interested gas service providers, the Board would proceed to review Enbridge’s application when filed.

Enbridge submits that EPCOR did not provide the minimum information set out in the November 2<sup>nd</sup> Letter, nor did EPCOR confirm that it is “currently developing a plan” to provide service to either or both of Bobcaygeon and Scugog Island. The stated purpose of EPCOR’s letter to the Board is to “register its interest” in developing and submitting competitive proposals for natural gas expansion opportunities in Ontario – inclusive of opportunities in Bobcaygeon and Scugog Island. Registering general interest is far from the confirmation required by the Board.

Further, attached to EPCOR’s letter is a communication from the Mayor of the Township of Scugog dated November 14, 2017 which makes clear the concern of the Township that a competitive submission by EPCOR must not delay a proposed project in a substantial manner. Also attached to EPCOR’s letter is a copy of an email dated November 15, 2017 from the Chief Administrative Officer (“CAO”) of the City of

Kawartha Lakes which refers to the Board's intent to solicit notification from other parties actively developing plans to provide natural gas service to Bobcaygeon (underlining from original email).

One of the minimum requirements in the November 2<sup>nd</sup> Letter is a brief description of the work already undertaken to support an application to the Board. While it is certainly not an onerous requirement that EPCOR briefly describe the work that it has undertaken to support an application to the Board, EPCOR's letter simply does not address this minimum requirement.

Another of the minimum requirements set out in the November 2<sup>nd</sup> Letter is the date by which the company will be ready to file its complete application to provide gas distribution services. Again, EPCOR's letter simply does not address this minimum requirement.

The November 2<sup>nd</sup> Letter states that any responding party must demonstrate that it has already explored the opportunity to provide services to Bobcaygeon or Scugog Island and that it is in a position to file a complete application by December 2017. EPCOR has not stated that it is in a position to file a complete application by December 2017 and it has given no indication of when it will or might be in a position to file a complete application. Other than its reference to meetings with representatives of communities, EPCOR's letter provides no basis upon which it can demonstrate that it has been exploring the opportunity to provide service in Bobcaygeon or Scugog Island.

Indeed, while the intent of the November 2<sup>nd</sup> Letter is to solicit interest from any other party that is "currently developing a plan" to provide gas services, and while the CAO of the City of Kawartha Lakes clearly picked up on the importance of knowing that a responding party is "actively developing plans", EPCOR has made no effort to say, let alone demonstrate, that it is "currently" or "actively" developing anything.

In this context, it is important to appreciate that EPCOR has been aware of the opportunity to provide gas service to Bobcaygeon and Scugog Island for a considerable period of time. EPCOR was one of the intervenors in the generic proceeding on natural gas expansion (EB-2016-0004). On March 21, 2016, Enbridge filed evidence in the EB-2016-0004 proceeding that included a list of communities under its consideration for potential community expansion projects. The top two projects in Enbridge's list of 39 projects under consideration were Bobcaygeon (together with Fenelon Falls) and Scugog Island.

If EPCOR was not aware of the potential for the provision of gas service to Bobcaygeon and Scugog Island prior to the filing of Enbridge's evidence, it certainly became aware of that potential after Enbridge's evidence was filed and available on the Board's website. Further, as a participant in the EB-2016-0004 proceeding EPCOR would be in receipt of the Board's Decision in that proceeding which was issued on November 17, 2016. Yet one year and eight months later, EPCOR seeks more time, despite having failed to provide a date by which it will be ready to file a complete application and after

having failed to provide even a brief description of work undertaken to support such an application.

In regard to the fairness of the Board's competitive process, EPCOR states that it believes that fair competition requires that it be granted an extended period of time to develop proposals to serve these communities. Enbridge acknowledges that significant time is required to properly scope community expansion projects and complete the requirements of leave to construct applications. However, Enbridge submits that EPCOR has had a reasonable amount of time to do so – exactly the same amount of time available to Enbridge.

In view of the contents of EPCOR's letter, the only conclusion to be drawn is that allowing Enbridge's application to be delayed while EPCOR develops a plan to serve either or both of Bobcaygeon and Scugog Island would cause a substantial delay to Enbridge's proposal to extend gas service to these communities. Waiting while EPCOR pursues its interest in developing competitive proposals will only prove a detriment to the communities looking to be served – making a reality of the concern expressed by the Mayor of Scugog Township about delay.

Of course, the Board is aware from the EB-2016-0004 proceeding that communities in Ontario currently without natural gas service are keenly focused on avoiding undue delays in the completion of viable system expansion projects. The November 2<sup>nd</sup> Letter takes account of concerns of this nature, in providing an application deadline (December 2017) and by setting out other minimum requirements. Not only does EPCOR's letter fail to comply with the Board's requirements, it also fails to address the interests and concerns of communities that seek to avoid undue delays.

Beyond all of the deficiencies in EPCOR's November 16, 2017 submissions, the Board should take into consideration that neither of these projects will be economically viable without significant capital contributions in aid of construction. Enbridge submitted Natural Gas Grant Program ("NGGP") applications to the Ontario Ministry of Infrastructure (the "MOI") with respect to both the Bobcaygeon and Scugog Island projects late in July.

The NGGP sets out specific timelines with respect to any MOI grant funding. The deadline for NGGP applications was July 31, 2017 and all eligible project expenses must be incurred no later than March 31, 2021. Based on the time and effort that Enbridge has expended in the preparation of its NGGP grant applications and leave to construct applications, including seasonally dependent Environmental Reports, for Bobcaygeon and Scugog Island, if EPCOR has not already completed this work it would be reasonable to expect the initiation of a competitive process similar to that now underway with respect to South Bruce would delay the construction of facilities to serve these communities by an extended period of time. This will negatively impact the cost of these projects, their economic feasibility and put NGGP funding at risk.

For all these reasons, Enbridge respectfully requests that the Board proceed with consideration of Enbridge's application when filed, in accordance with the Board's usual

procedures and timelines for such applications and that those usual procedures and timelines not be altered, extended or delayed by reason of EPCOR's statement of its general interest in developing competitive proposals.

If you have any questions in this regard, please do not hesitate to contact us.

Yours truly,

[original signed]

Joel Denomy, M.A. CFA  
Technical Manager, Regulatory Applications

cc: Bruce Brandell, EPCOR  
Mayor Tom Rowett, Township of Scugog  
Mr. Ron Taylor, CAO, City of Kawartha Lakes