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K4K-1A3

April 22, 2019

Ontario Energy Board  
P.O. Box 2319  
2300 Youge Street, 27<sup>th</sup> Floor  
Toronto, ON, M4P1E4  
Attention: Board Secretary

Reg: EB-2018-0305

My Name is Luc Sanscartier. I have been working for Bernard Sanscartier Construction Limited. for the past 8 years. I wish to provide the OEB with important information regarding issues many smaller builders have been facing over the years, particularly regarding Enbridge Gas Inc. **customer connection policy**.

What has triggered my desire to provide the following information is a hope to obtain fair treatment for our self and other local builders. In good faith, wishing to be part of the solution and not the problem, we have had over the years, multiple meetings with Enbridge staff in an effort to resolve the long-standing issues that will follow. We have submitted numerous complaints to Enbridge gas distribution inc. now Enbridge gas inc. Ombudsman's office and escalated our issues within the OEB. All these efforts over the years have resulted in temporary improvement of service for a few months followed by a return to business as usual.

In the last few months, it was with great disappointment, after escalating our issues up to the OEB Consumer Protection & Industry Performance Vice President, that we were informed by the Consumer Policy & Compliance Manager that our issues were not the mandate of the OEB and our file simply closed. Requesting guidance as to what agency we could seek help from was also declined.

On the OEB website, under mandates I found this statement: *Looking out for consumer interests, investigating complaints and applying penalties, where appropriate*

I understand that most of the people I have corresponded with in the above-mentioned departments and agencies have specific job descriptions mandates limiting their ability to bring change. What I fail to understand is why the OEB, the Agency responsible for Licensing, Regulating and apparently Enforcing utility companies like Enbridge Gas Inc. failed to do so. It appears their mandate is only protecting the rate payers after they moved in to their new home. I believe this to be a serious flaw to the OEB's mandate

since all unnecessary additional cost imposed to builders are in the end paid by the consumer, the new home buyer. The idea of Asset Management Plan protecting utilities from potential losses due to uncollected planned revenues in the form of contribution in aid of construction fees is also very flawed. Its structure consists of a unilateral business advantage enjoyed only by utility companies. All party's involved in land development should assume the full risk of their investment. I understand it would not be reasonable to cover losses due to unimproved services by cross subsidization through rate payers. Both approaches have serious problems. I believe a fair approach for all would be an independent, unbiased, project specific, market feasibility study that would determine a "reasonable market projection" of which the OEB and stakeholders would agree on parameters as what a reasonable projection should be. Utility expansion and infrastructure cost required for the portion of a proposed project that falls within the predetermined reasonable market projection, thus expected to materialize by all should have its risk equally shared by all. If one party wished to invest, develop, expand, improve or speculate beyond this predetermined reasonable market projection, that one party should logically bear the risk associated with their over speculation.

It is important to understand that the following issues are specific to many small builders in the outskirts of major cities across the province, purchasing lots from developers where these properties have remained unconnected for 5 year or more since infrastructure activation. It is also beyond my comprehension why such revenue recapture or recovery fee payments (called **contribution in aid of construction** by Enbridge gas inc.) is now a condition for connection to builders and not developers. The infrastructure was put in place for Enbridge's customer the developer at the developer's request at the time of development planning. Why would builders be liable to pay for a developer whom over speculated sales 5 years ago. Why has Enbridge not even requested such payment from their customer for whom they installed the infrastructure, the developer. Instead builders where being held ransom over their badly needed and overdue gas connections for the first time in the middle of winter of 2018.

In the attached documents, Schedule A provides a summary of certain issues. Schedule B is an email requesting information regarding their newly imposed fees with Enbridge's confirmation of fees being contribution in aid of construction. These fees have subsequently been reimbursed to certain builders. Schedule C is an example of an email confirmation of an actual builder reimbursement with lots adjacent to ours.

I stress, the opinions, and complaints provide herein are regarding the flawed business structure and current procedures in place and in no way personnel to anyone involved.

Respectfully

Luc Sanscartier

## Schedule A

### #1

**Problem:** Enbridge gas distribution Inc (EGDI). non transparent, unannounced and unjustified connection and Contribution in aid of construction (CIAC) fees charged to builders within subdivisions to obtain a gas connection to the existing street gas main. Homes in construction being denied gas connections unless the fees paid.

**Cause:** Unlike hydro one, EGDI has a complete absence of transparency as it has no multi-service connection cost agreement in place with developers at all, causing hidden fees applicable at time of connection of lots sold by developers. Interestingly this infrastructure is installed by Enbridge for their customer "the developer" but yet these revenue recapture fees are imposed directly to builders upon requesting a connection to their existing street main. Hydro one is transparent in their approach by means of an actual agreement referred to as "MULTI-SERVICE CONNECTION COST AGREEMENT". Their agreement contains everything regarding infrastructure implementation costs including their "lost revenue recovery mechanism" referred to as Expansion deposit by hydro one. The document clearly states the payment maturity date, amount, applicable lots and most importantly it consists of an actual service offer/mutual agreement between the two parties that could be declined by the developer if the presented future liabilities are deemed unfeasible. With EGDI no one knows where, when, why, what or even if fees will apply. My request for information with our municipality (City of Clarence-Rockland) has confirmed the existence of a Franchise Agreement. This agreement was accepted by the municipality on behalf of its citizens and contains no mention or reference to connection or CIAC fees. Reviewing the current EGDI Ontario Energy Board hearing EB-2018-0305 revealed the existence of an actual condition of service document not referred to in our Municipal Franchise Agreement. This EGDI document vaguely describing CIAC and connection fee mechanism. Despite EGDI having a franchise agreement in place no amendment could be found on file with our municipality to include their so-called common practice of charging connection and CIAC fees since this has never been common practice till now. As far as I know this situation applies to all builders building within subdivisions in all municipalities with whom EGDI has or had franchise agreements in place. It is unknown to me if union gas operates in the same way or what effect the amalgamation will have.

**Solution:** Like hydro one, the implementation of an actual multi-service connection cost agreement by EGDI as it is done by Hydro one to prevent such surprises and to enable a developer to agree with the offer and in turn be able to disclose such future fees/conditions in agreements of purchase and sales with its builders.

### #2

**Problem:** Unreasonable connection delays. Builders are having to wait 2-3 months from day of application in order to get a gas meter install and the house connected to the existing infrastructure in the street. Private/owner builds having to wait 1 year and in some instances 2 years to connect to an existing street main. Upon requesting an install date we are never given any firm date. On multiple occasions local builders had no choice but to close new homes without gas as Enbridge was to "bussy". In order to legally close the transactions electric water heaters and space heaters are temporarily installed and then removed at our cost. In other situations, closings were postponed, and penalties paid to home owners.

**Cause:** Enbridge's 8+ year old reply is "were very busy". Unlike hydro one Enbridge does not allow any other subcontractors other than their own exclusive close business partner such as Aecon and Linkline to complete the connections. Final gas connections (house to existing street main) should be a free market and not be reserved exclusively to Enbridge select few close business partners like Aecon. Builders have no other choice but to wait until this area exclusive subcontractor comes regardless how late or urgent a connection may be.

**Solution:..** Like hydro one, builder should be allowed to choose their own certified subcontractor. This would enable, competition, timely connections, proper construction scheduling and above all fairness. This option is offered by Hydro one, builder is not at the mercy of a utility company's exclusive subcontractor that "will come when they can"

**Note:** EGDI has a multitude of problems and a lack of ambition to fix their internal problems since in many areas they simply have no competition. It is of utmost importance that there be actual implementation of third-party oversight on business conduct and customer protection other than just for the rate payer/home owner. Unfortunately, their internal watchdog the "Ombudsman's office" has not succeeded in implementing lasting change. The OEB despite being the agency mandated to licence, regulate and enforce gas distributors like EGDI, after two months of complaint escalation regarding these new fees and lack of transparency, the OEB consumer policy & compliance manager closed our file indicating it was outside the scope of their mandate to provide protection or enforcement on this issue. Upon request guidance as to what agency I may next seek help, this manager declined to suggest any further avenues. These are only the main issues in order to keep this summary brief. I am not an energy sector expert and this summary describes our personal experiences to date. I believe the same situations exist in many municipalities mainly in the outskirts of major centers where older lot inventory exists and where it is less cost effective for an EGDI exclusive subcontractors like Aecon need to travel man and equipment to complete only a few connections of smaller builders. It is worth to mention the private/owner self-built home whom sometimes wait 1 to 2 years to get connected to an existing street main because of this market exclusivity problem efficiently keep silent.

## Luc Sanscartier

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**From:** Ken Blair <Ken.Blair@enbridge.com>  
**Sent:** November 8, 2018 1:55 PM  
**To:** Luc Sanscartier  
**Subject:** RE: lot 179/618 Ruby

Hey Luc,

It's very unlikely this can be installed by the end of December, the typical time frame is 8-12 weeks give or take a few due to weather conditions.

The cost for the installs on Ruby will be \$3,756.03 each unless you wait until spring 2019.  
I'll be sending some documents by email - you should have these by tomorrow morning.

Thank You

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**From:** Luc Sanscartier [mailto:luc@bscl.ca]  
**Sent:** Thursday, November 08, 2018 11:14 AM  
**To:** Ken Blair  
**Subject:** [External] RE: lot 179/618 Ruby

Ok thank you,

Do you think there is any chance of getting an actual conx done before December?

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**From:** Ken Blair <Ken.Blair@enbridge.com>  
**Sent:** November 8, 2018 10:48 AM  
**To:** Luc Sanscartier <luc@bscl.ca>  
**Subject:** RE: lot 179/618 Ruby

Hey Luc

I have sent a request to try to have this done by today.  
We had some recent services go in on that street so I'm hoping we have actuals to use.

Thank,  
Ken

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**From:** Luc Sanscartier [mailto:luc@bscl.ca]  
**Sent:** Thursday, November 08, 2018 10:38 AM  
**To:** Ken Blair  
**Subject:** [External] RE: lot 179/618 Ruby

Hi Ken,

Thanks for the explanation, when do you think the assessment will be completed?

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**From:** Ken Blair <[Ken.Blair@enbridge.com](mailto:Ken.Blair@enbridge.com)>

**Sent:** November 8, 2018 10:35 AM

**To:** Luc Sanscartier <[luc@bscl.ca](mailto:luc@bscl.ca)>

**Subject:** FW: lot 179/618 Ruby

Hello Luc,

Sorry, that is a term for internal use and I understand it would make no sense to you, unimproved service refers to an area where the main has been installed within the last 5 years. The main installed on Ruby was completed in 2012. When a project is initiated a project feasibility takes into account the project construction cost, number of homes expected and revenue to be generated over a 5 years period. In the case of this project, we did not receive the expected revenue and the project has reached it's 5 year period.

After 5 years any new service requests along this main are subject to a construction cost assessment and would apply to 618/622 Ruby St.

Please let me know if you have any other questions.

Thank You,  
Ken

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**From:** Luc Sanscartier [<mailto:luc@bscl.ca>]

**Sent:** Thursday, November 08, 2018 8:59 AM

**To:** BuilderOttawa

**Subject:** [External] RE: lot 179/618 Ruby

Good morning,

What does unimproved services mean?

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**From:** BuilderOttawa <[BuilderOttawa@enbridge.com](mailto:BuilderOttawa@enbridge.com)>

**Sent:** November 8, 2018 8:41 AM

**To:** Clinton MacDonald <[CMacDonald@aecon.com](mailto:CMacDonald@aecon.com)>; Luc Sanscartier <[luc@bscl.ca](mailto:luc@bscl.ca)>

**Subject:** RE: lot 179/618 Ruby

Good Morning,

These are not unimproved services and have been sent for a construction assessment. They will be assigned with a date for 2019.

Thank You  
Ken

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**From:** Clinton MacDonald [<mailto:CMacDonald@aecon.com>]

**Sent:** Thursday, November 08, 2018 8:38 AM

**To:** Luc Sanscartier

**Cc:** BuilderOttawa

**Subject:** [External] RE: lot 179/618 Ruby

We do not have a service ticket for these services 618 Ruby St or 193 Onyx Cres please follow up with Enbridge.

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**From:** Luc Sanscartier <[luc@bscl.ca](mailto:luc@bscl.ca)>

**Sent:** November 8, 2018 8:34 AM

**To:** Clinton MacDonald <[ClMacDonald@aecon.com](mailto:ClMacDonald@aecon.com)>

**Subject:** lot 179/618 Ruby

Hello,

We are ready for gas conx at lot 179/618 Ruby street.

Thank You

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**From:** Leah Stiles [<mailto:Leah.Stiles@enbridge.com>]  
**Sent:** February-05-19 11:30 AM  
**To:** [REDACTED]  
**Cc:** [REDACTED], Jim McKinley  
**Subject:** RE: Morris Village Subdivision City of Clarence-rockland

Hi [REDACTED],

I have reviewed your concerns with our Manager and agreed to reimburse you for the addresses on Onyx Cres Rockland where a "winter rate charge was applied". The difference will be reimbursed to you and have outlined below the new service contribution amounts for these addresses.

- 180 Onyx Cres Rockland - \$792.60 plus HST = \$895.64 (reimbursement of \$2,470.88 plus HST)
- 196 Onyx Cres Rockland - \$792.60 plus HST = \$895.64 (reimbursement of \$2,470.88 plus HST)
- 200 Onyx Cres Rockland - \$792.60 plus HST = \$895.64 (reimbursement of \$2,470.88 plus HST)
- 224 Onyx Cres Rockland - \$792.60 plus HST = \$895.64 (reimbursement of \$2,470.88 plus HST)

I have requested a credit card reimbursement which you will see on your credit card shortly.

If you have any questions, please let me know.

Thanks.

**Leah Stiles**  
Team Lead, Customer Connections

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