

Enbridge Gas Inc.

Application for approval to increase the maximum operating pressure of the Black Creek, Coveny and Wilkesport natural gas storage pools located near Sarnia, Ontario

PROCEDURAL ORDER NO. 1

April 9, 2020

Enbridge Gas Inc. (Enbridge Gas) filed an application with the Ontario Energy Board (OEB) on February 7, 2020, for approval to increase the operating pressures of the Black Creek, Coveny and Wilkesport natural gas storage pools (Pools) to 17.2 kPa/m (0.76 psi per foot). If approved, the new operating pressure will be higher than the operating pressure of 15.8 kPa/m (0.70 psi per foot) previously approved by the OEB. An increase in operating pressure will increase the deliverability of the Pools.

The OEB issued a Notice of Hearing on March 12, 2020. The Ministry of Natural Resources and Forestry (MNRF) and Pollution Probe applied for intervenor status. Pollution Probe also applied for cost eligibility under the OEB's *Practice Direction on Cost Awards*.

MNRF is approved as an intervenor. The list of parties in this proceeding is attached as Schedule A to this procedural order.

Intervention request of Pollution Probe

In its letter of intervention Pollution Probe states that its interest in this proceeding relate to the following issues:

- i. Additional storage capacity created by the Project is proposed to be sold to third parties as part of the Enbridge Gas' unregulated storage portfolio at a time where Enbridge has identified a similar need for its regulated customer base. It is unclear what is driving the need for additional capacity (regulated and unregulated) and if Ratepayers should be receiving the benefit if Enbridge requires greater supply to meet the needs of Ontario Ratepayers.
- ii. Allocation of Ratepayer costs and benefits related to the Black Creek, Coveny and Wilkesport storage assets.

- iii. It appears that the unregulated storage portfolio would get preferential access to the additional capacity proposed and potentially drive higher costs for Ontario Ratepayers. If this capacity is allocated to meet the requirements of Enbridge unregulated storage service customers, it will not be available to meet Ontario Ratepayer needs and the Provincial policy goals to expand natural gas distribution in Ontario.
- iv. The Project is the first phase of a larger project to increase deliverability and storage capacity at Enbridge Gas' storage facilities. Assessment of this phase in the context of the broader project would help optimize adequate storage resources and overall operation of the unregulated/regulated storage related assets.
- v. Other relevant consumer, financial and environmental issues within the scope of the proceeding.

By letter dated March 31, 2020, Enbridge Gas objected to Pollution Probe's intervention request noting that the issues of interest to Pollution Probe are outside the scope of this proceeding and that Pollution Probe's concerns related to ratepayer impacts are not relevant because the project will not have an impact on regulated ratepayers. Enbridge Gas stated that, "the additional storage capacity created by the Project will be sold to third parties as part of Enbridge Gas's unregulated storage portfolio. All costs related to the Project will be at the shareholder's expense. As such, there are no impacts to ratepayers." Enbridge further stated that, "[i]n accordance with the Board's decision in the Natural Gas Electricity Interface Review proceeding (NGEIR decision), any new capacity added to the storage pools is allocated to Enbridge Gas's unregulated storage operations. Pollution Probe is seeking to review the 2006 NGEIR decision through the back door of its intervention request and is well out of time to do so."

By letter dated April 6, 2020, Pollution Probe reiterated that its issues are relevant to this proceeding and that its intervention would ensure relevant information is placed on the public record. Pollution Probe noted that it would follow the OEB's direction in respect of the scope of the proceeding and aside from Enbridge Gas' concerns related to NGEIR, its issues, two, four and five are relevant to this proceeding.

Pollution Probe's request for intervenor status is denied because the OEB is not satisfied that Pollution Probe has a "substantial interest" in this proceeding within the meaning of Rule 22.02 of the OEB's *Rules of Practice and Procedure*. The OEB agrees that certain issues of interest to Pollution Probe relate to matters that have been determined in the NGEIR proceeding and are not the focus of this proceeding. With respect to Pollution Probe's interest related to the allocation of costs between unregulated and regulated functions, the OEB notes that Enbridge Gas is not proposing to change allocation methodologies and such issues are addressed more

appropriately in a rebasing application. Finally, Pollution Probe has not provided sufficient detail in respect of its concerns related to future proposals to increase storage deliverability or environmental matters to allow the OEB to assess Pollution Probe's interest in these areas.

It is necessary to make provision for the following matters related to this proceeding. The OEB may issue further procedural orders from time to time.

IT IS THEREFORE ORDERED THAT:

1. MNRF and OEB staff shall request any information and material from Enbridge Gas that is in addition to Enbridge Gas' evidence and that is relevant to the hearing by written interrogatories filed with the OEB and served to Enbridge Gas by **April 24, 2020**.
2. Enbridge Gas shall file with the OEB complete written responses to all interrogatories and serve them on MNRF by **May 11, 2020**.
3. If MNRF and OEB staff wish to file written submissions, the submissions must be filed with the OEB and served on Enbridge Gas by **May 28, 2020**.
4. Enbridge Gas may file a written reply submission with the OEB and serve it on MNRF by **June 15, 2020**.

All materials filed with the OEB must quote the file number, EB-2020-0074, be made in searchable / unrestricted PDF format electronically through the OEB's web portal at <https://pes.ontarioenergyboard.ca/eservice>. Filings must clearly state the sender's name, postal address and telephone number, fax number and e-mail address. Parties must use the document naming conventions and document submission standards outlined in the RESS Document Guideline found at <http://www.oeb.ca/OEB/Industry>. If the web portal is not available parties may email their documents to the address below.

NOTE: The OEB is temporarily waiving the paper copy filing requirement until further notice. All communications should be directed to the attention of the Board Secretary at the address below, and be received no later than 4:45 p.m. on the required date.

With respect to distribution lists for all electronic correspondence and materials related to this proceeding, parties must include the Case Manager, Ritchie Murray at

Ritchie.Murray@oeb.ca and OEB Counsel, James Sidlofsky at
James.Sidlofsky@oeb.ca.

ADDRESS

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

Email: boardsec@oeb.ca
Tel: 1-888-632-6273 (Toll free)
Fax: 416-440-7656

DATED at Toronto, **April 9, 2020**

ONTARIO ENERGY BOARD

By delegation, before: Christine E. Long

Original Signed By

Christine E. Long
Registrar and Board Secretary

Schedule A

Procedural Order No. 1

Enbridge Gas Inc.

EB-2020-0074

Applicant and List of Intervenors

April 9, 2020

Enbridge Gas Inc.
EB-2020-0074

APPLICANT & LIST OF INTERVENORS

April 09, 2020

APPLICANT

Rep. and Address for Service

Enbridge Gas Inc.

Stephanie Allman

Regulatory Coordinator
Enbridge Gas Inc.
500 Consumers Rd.
Toronto, ON M2J 1P8
Tel: 416-753-7805
Fax: 416-495-6072
egiregulatoryproceedings@enbridge.com

INTERVENORS

Rep. and Address for Service

**Ministry of Natural
Resources & Forestry**

Demetrius Kappos

Counsel
Ministry of Natural Resources & Forestry
3rd Floor, Room 3420
99 Wellesley Street West
Toronto ON M7A 1W3
Tel: 416-314-2007
Fax: 416-314-2030
demetrius.kappos@ontario.ca