

Elson Advocacy

April 27, 2020

BY COURIER (2 COPIES) AND RESS

Ms. Christine Long

Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700, P.O. Box 2319
Toronto, Ontario M4P 1E4

Dear Ms. Long:

Re: EB-2019-0188 – Enbridge Gas Inc. – North Bay (Northshore and Peninsula Roads) Community Expansion Project

I am writing on behalf of Environmental Defence to address three comments made by Enbridge in its reply submissions of today's date in the above proceeding.

First, Enbridge states that Environmental Defence “generally supports” this application.¹ This could not be farther from the truth. As noted in our submission, Environmental Defence opposes subsidies to fund the expansion of fossil fuel infrastructure.² Some concerns with this project are out of scope, such as the appropriateness of a \$65,000-per-customer subsidy that will skew incentives by encouraging customers to switch to fossil fuel heating instead of the low-carbon alternatives needed to meet climate change targets (e.g. efficient heat pumps).³ But we also noted a number of objections within scope, such as the financial risks that Enbridge is attempting to put on existing customers for potential revenue shortfalls over the final 30 years of the life this project when those risks are highest.⁴

Second, Enbridge seems to suggest that Environmental Defence's objections regarding financial risk are focused on years 1-10.⁵ Although we were concerned with Enbridge's refusal to undertake to hold customers harmless for revenue shortfalls related to those years, our submissions are focused on the risks in years 11 to 40 and a request for confirmation similar to the one provided in EB-2015-0179 that the rule against cross-subsidies will continue to govern with respect to shortfalls in that final 30-year period.⁶

¹ Enbridge Reply Submissions, April 27, 2020, para. 10.

² Environmental Defence Submissions, April 16, 2022, p. 2.

³ *Ibid.*

⁴ *Ibid.*, p. 3-7.

⁵ Enbridge Reply Submissions, April 27, 2020, paras. 50-56.

⁶ Environmental Defence Submissions, April 16, 2022, p. 3-7.

Third, Enbridge states that it provided survey respondents with a high level estimate of the savings associated with heat pumps relative to natural gas and the “negative savings” that could result where the SES applies.⁷ It is important to clarify that a price comparison was given *to customers who already had heat pumps*, but not to others.⁸ A customer with electric baseboard heaters, for example, was not told that heat pumps would result in lower annual heating costs.⁹ Furthermore, even the information provided to those with heat pumps was unclear and made no reference to “negative savings” or synonymous terms.¹⁰ To accurately predict how many customers will convert to natural gas from, say, baseboard heaters, we believe it is important to provide them with some information on alternative options. Although we wish to clarify the above factual issue, the main point remains the same regardless – if Enbridge continues to put forward its forecast as being appropriate, it should not be allowed to break the rule against cross-subsidies to recover revenue shortfalls in years 11 to 40 from base rates.

Please do not hesitate to contact me if anything further is required.

Yours truly,



Kent Elson

cc: Parties in the above proceeding

⁷ Enbridge Reply Submissions, April 27, 2020, paras. 55.

⁸ Exhibit I.ED.7, Attachment 1.

⁹ Exhibit I.ED.7, Attachment 1, see questions H7 and SUR #A3.

¹⁰ Exhibit I.ED.7, Attachment 1, see questions H8 and SUR #A1B.