

Reply to the Attention of: Laura Brazil
Direct Line: 416.865.7814
Email Address: laura.brazil@mcmillan.ca
Our File No.: 274433
Date: July 6, 2020

RESS AND EMAIL

Christine Long
Registrar and Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

boardsec@oeb.ca

Dear Ms. Long,

**Re: Enbridge Gas Inc. Harmonization of System Expansion Surcharge,
Temporary Connection Surcharges and Hourly Allocation Factor-
(SES TCS HAF)
EB-2020-0094
CPA Interrogatories**

We are counsel to the Canadian Propane Association (the "**CPA**"), an intervenor in this proceeding.

Attached are CPA's Interrogatories, in accordance with the Procedural Order No. 1, issued by the Board on June 15, 2020.

Yours truly,



Laura Brazil

Encl.

cc: OEB Case Manager
OEB Counsel
Applicant and Intervenors

**ENBRIDGE GAS INC.
APPLICATION FOR APPROVAL OF A SYSTEM EXPANSION
SURCHARGE, A TEMPORARY CONNECTION SURCHARGE
AND AN HOURLY ALLOCATION FACTOR
EB-2020-0094**

CANADIAN PROPANE ASSOCIATION INTERROGATORIES

Interrogatory #1

Ref:

Exhibit A, Tab 2, Schedule 1, Page 2 of 4, para. 3(i) and (ii)

Exhibit B, Tab 1, Schedule 1, plus Appendix, Page 4 of 16, para. 7

Exhibit B, Tab 1, Schedule 1, plus Appendix, Page 11 of 16, para. 30

Exhibit C, Tab 2, Schedule 1, Page 2 of 11, para. 8

Union Gas Limited Application in EB-2015-0179, Exhibit A, Tab 1, Page 19 of 46, lines 5-11.

CPA Interrogatories, Exhibit A, Enbridge Presentation, Fenelon
Falls/Cameron/Cambray/Community Expansion Project Update dated June 21, 2019

CPA Interrogatories, Exhibit B, Photograph of Enbridge Fenelon Falls Marketing Materials
posted in Facebook Group “New Natural Gas Customers in Kawartha Lakes” by Shane Beers on
February 19, 2019

Preamble:

Enbridge seeks an order setting the SES and TCS at the rate of \$0.23/m³ based on an economic study originally filed in EB-2015-1079. The study estimated the average savings (net of their costs) that customers would achieve by moving to natural gas. It then calculated the amount of SES and TCS that Enbridge would need to charge based on average volumes to get a payment equal to net average savings. The result was \$0.23/m³.

One of the costs involved in moving to natural gas is the amount Enbridge charges new customers to connect their meter to the main (“**Customer Connection Costs**”). It does not appear that the study Enbridge relies on in this application assumed that Enbridge would pay for or in any way subsidize Customer Connection Costs.

Since the OEB previously approved the rate of \$0.23/m³, it has become clear that Enbridge has in fact been offering at least three different subsidy levels for Customer Connection Costs in Ontario:

- **50 Meter Subsidy:** Enbridge's marketing materials for its Fenelon Falls, Ontario expansion project state that Enbridge will pay all of the Customer Connection Costs for the first 50 meters from the main, for those who committed to attach by October 31, 2019;
- **20 Meter Subsidy:** In this application, Enbridge says it will pay all of the Customer Connection Costs for the first 20 meters from the main;
- **No Subsidy and Individual PI:** In EB-2018-0305, the OEB concluded that Enbridge had breached its policies by calculating Customer Connection Costs for residential in-fill customers using the Profitability Index ("PI") for each in-fill customer.

Question:

- (a) Please confirm whether the study Enbridge relies on in this application reflects no subsidy, a 20 Meter Subsidy, or the 50 Meter Subsidy.
- (b) If Enbridge used the costs for Customers receiving a 50 Meter Subsidy, please recalculate the appropriate rate for the SES and TCS by using the 20 Meter Subsidy proposed in this application. Please provide detailed background, in the form of a spreadsheet, for the original calculations and the revised calculations.
- (c) Does Enbridge agree that the OEB should revisit the appropriate rates for the SES and TCS for new projects if Enbridge changes the Customer Connection Costs it charges or changes the amount of subsidy it offers? If not, please explain why.

Interrogatory #2

Ref:

Exhibit C, Tab 2, Schedule 1, Page 2 of 11, para. 8

Preamble:

Under Enbridge's 20 Meter Subsidy, Enbridge will pay all of the Customer Connection Costs for the first 20 meters from the main. Any service length beyond 20 meters is charged to the customer at a rate \$32 per meter. If installing the first 20 meters also costs \$32 per meter, Enbridge's 20 Meter Subsidy costs up to \$640 per customer.

Question:

- (a) How does Enbridge plan to fund or recoup its costs of the 20 Meter Subsidy?
- (b) If Enbridge plans to include the 20 Meter Subsidy or any other subsidy as system capital costs and recover them at some point through general system-wide rates, please explain how this is not the type of system-wide cross-subsidy that was prohibited by the OEB in EB-2016-0004?
- (c) If Enbridge plans to include the 20 Meter Subsidy or any other subsidy as community expansion system capital costs and recover its cost over time through the SES and TCS, please explain whether this is the same approach that was taken with the 50 Meter Subsidy in the Fenelon Falls project.
 - i. If this was the same approach as Enbridge used in the Fenelon Falls, please provide the specific reference to where Enbridge describes the recovery mechanism in (i) this application; and (ii) its Fenelon Falls application.
 - ii. If this was not the same approach as Enbridge used in the Fenelon Falls application, why is it appropriate to recover the 20 Meter Subsidy through the SES and TCS in projects governed by this application but not in other projects, such as Fenelon Falls?
- (d) If Enbridge does not plan to recover the 20 Meter Subsidy or any other subsidy from customers such that those costs will instead be borne by shareholders through reduced returns, please confirm that those cost amounts will not be treated as capital costs in any future rate rebasing.

Interrogatory #3

Ref:

Exhibit B, Tab 1, Schedule 1, plus Appendix, Page 5 of 16, para. 10

Exhibit B, Tab 1, Schedule 1, plus Appendix, Page 10 of 16, para. 28

CPA Interrogatories, Exhibit C, Letter from Carolyn Parker to the OEB dated March 26, 2019

CPA Interrogatories, Exhibit D, “New natural-gas customers in Kawartha Lakes upset with Enbridge monthly expansion-surcharge fee” by Mark Guinta, Global News, February 8, 2019,

CPA Interrogatories, Exhibit E, “Cameron Area Residents Accuse Enbridge Gas of Hiding System Expansion Surcharge” by Mary Riley, My Kawartha, February 18, 2019,

Preamble:

Enbridge says that it will inform potential customers of the details of the SES and TCS charges as each project is developed, as well as at the time that customers apply to Enbridge for service.

However, there have already been customer complaints about Enbridge's failure to inform potential customers about the SES:

- **Fenelon Falls:** Enbridge customer Carolyn Parker submitted a complaint letter dated March 26, 2019 (filed with the Board on April 5, 2019 in EB-2017-0147) stating that she was not advised about the SES by Enbridge's representatives or in the Enbridge literature she received about converting to natural gas. It was not until after she had converted to natural gas and connected to the Enbridge system that she learned of the SES rates.
- **Kawartha Lakes:** Kawartha Lakes residents have also complained that Enbridge failed to disclose the SES until after they connected to the Enbridge system. A Global News article on the complaints reported that Enbridge "confirmed the initial letter sent out by the company's president to potential customers did not disclose the [SES] fee." In another article on the issue, the Enbridge spokesperson admits that they "should have done a better job" and that they used an all-in cost instead of disclosing the SES.

Question:

- (a) Please provide any other complaint letters and documents relating to complaints from customers who claim that Enbridge did not adequately inform them about the SES or TCS before they made the decision to convert to natural gas. Customer names and other identifiers may be redacted to protect the customer's privacy, if necessary.
- (b) What steps, if any, has Enbridge taken to address those complaints?
- (c) What steps, if any, has Enbridge taken to ensure that any failure to inform potential customers about the SES and TCS will not occur again?
- (d) Please provide copies of the marketing materials that Enbridge and its partners uses to inform potential customers of the details of the SES and TCS charges.

Interrogatory #4 : Enbridge's Unilateral Changes to Customer Connection Costs

Ref:

Exhibit B, Tab 1, Schedule 1, plus Appendix, Page 5 of 16, para. 11

Preamble:

Enbridge seeks to apply the SES for a period of up to 40 years with the term of the project set to ensure the project will achieve a PI of at least 1.0.

Question:

- (a) Will Enbridge include the 20 Meter Subsidy costs when calculating the community expansion system capital costs used to establish the SES term?

Interrogatory #5

Ref:

Exhibit B, Tab 1, Schedule 1, plus Appendix, Page 6 of 16, para. 14

Preamble:

Enbridge states that the initial evaluation of a Community Expansion Project and the SES term are determined based on estimated capital costs and a forecast of customer attachments, revenue rates, and natural gas consumption.

Question:

- (a) Will Enbridge use the 20 Meter Subsidy when forecasting customer attachment?
- (b) Will Enbridge include the costs it incurs as a result of the 20 Meter Subsidy when estimating capital costs?

Interrogatory #6

Ref:

Exhibit B, Tab 1, Schedule 1, plus Appendix, Page 7 of 16, para. 17

Preamble:

Enbridge proposes to treat capital costs in the same manner as the costs of other capital projects.

Question:

- (a) If Enbridge will be applying the 20 Meter Subsidy, does Enbridge intend to include the costs of paying for the first 20 Meters of a customer's service lines in its capital costs?

Interrogatory #7

Ref:

Exhibit B, Tab 1, Schedule 1, plus Appendix, Page 9 of 16 at para.

Preamble:

Enbridge' proposal for a TCS would apply to those small volume customers who would otherwise be required to pay a CIAC in order to make gas service to their property economically feasible at a PI of 1.0. In these situations, Enbridge would have the ability to offer the TCS for up to 20 years as an alternative to these potential customers rather than requiring them to pay a lump sum CIAC prior to the in-service date of the facilities.

Question:

- (a) Will Enbridge include its costs of the 20 Meter Subsidy costs when calculating the community expansion system capital costs used to establish the TCS term?



McMillan LLP

Per: Laura Brazil

Counsel for the Canadian Propane Association

Fenelon Falls/Cameron/Cambray Community Expansion Project HVAC Update



June 21, 2019

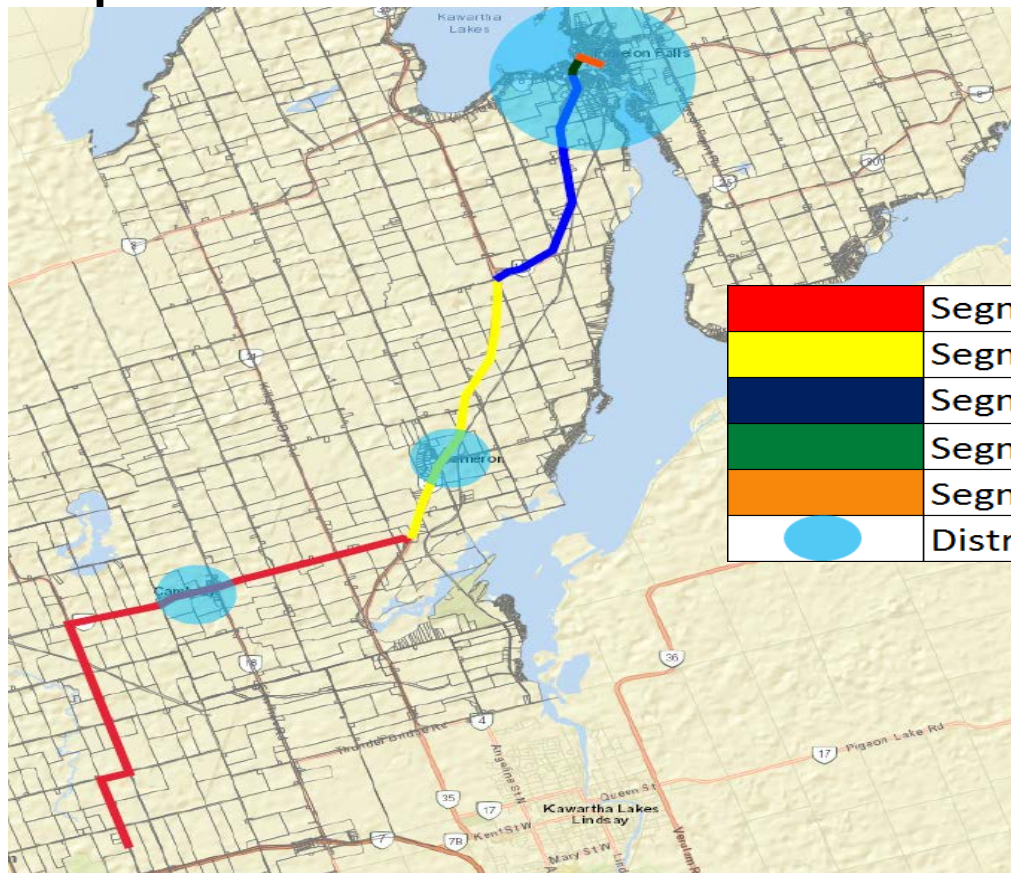
Construction Update

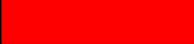







Fenelon Falls Community Expansion

Overall Scope

Filed: 2020-07-06
EB-2020-0094
CPA_IR_EGI, Exhibit A
Page 3 of 27



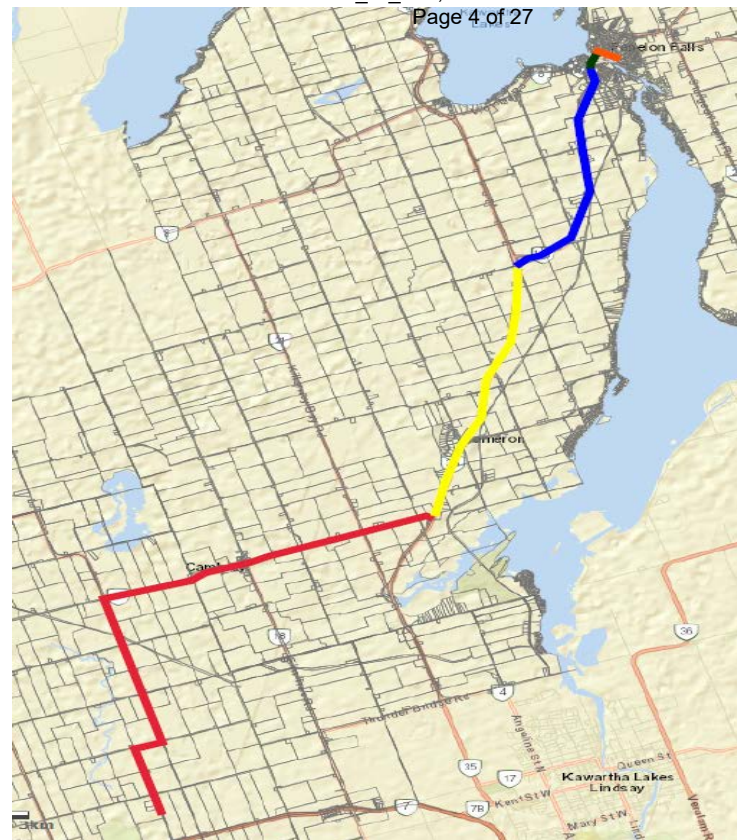
	Segment 1 - Ref Slide 4
	Segment 2 - Ref Slide 5
	Segment 3 - Ref Slide 6
	Segment 4 - Ref Slide 7
	Segment 5 - Ref Slide 8
	Distribution

Fenelon Falls Community Expansion

Progress Highlights – Segment 1

Filed: 2020-07-06
 EB-2020-0094
 CPA_IR_EGI, Exhibit A
 Page 4 of 27

Segment	Highlights	Energized Date	Completion Date
1	NPS 6 XHP all installed. Conditioning now complete. Bridal to be left in place at Taylors Road at this point.	Oct 12, 2018 Fully Energized	Dec 11, 2018
2	NPS 4 XHP & NPS 6 HPPE now complete and energized.	Nov 26, 2018 Fully Energized	Nov 26, 2018
3	NPS 6 HPPE now all installed & Energized	Nov 26, 2018 Fully Energized	Dec 4, 2018
4	River Crossing Complete. Approximately 10m remaining for completion.	Feb 26, 2019 Fully Energized	Feb 26, 2019
5	Bond Street.	Feb 26, 2019 Fully Energized	Feb 26, 2019






Fenelon Falls




Community Expansion

Distribution – Fenelon South

Energized:

Helen Street
Redwing Ave
Oriole Rd
Bass St
West St N
King St
North St
Veterans Way
Lindsay St (Hwy 121 to Helen St)
West St S

Legend Gas Main	
	Energized
	In Construction
	Proposed

Legend Services	
	Using NG
	Gas App Received
	No Application



Fenelon Falls




Community Expansion




Distribution – Fenelon

Under Construction

Clifton Street Package now OTC

- Clifton St
- Bond St East
- Adam Court
- County Rd 121

Legend Gas Main	
	Energized
	In Construction
	Proposed




Legend Services	
	Using NG
	Gas App Received
	No Application






Fenelon Falls

Community Expansion

Distribution – Cambray

Legend Gas Main	
	Energized
	In Construction
	Proposed




Legend Services	
	Using NG
	Gas App Received
	No Application






Fenelon Falls

Community Expansion

Distribution – Cameron

Legend Gas Main	
	Energized
	In Construction
	Proposed

Legend Services	
	Using NG
	Gas App Received
	No Application



Fenelon Falls Community Expansion

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CPA_IR_EGI, Exhibit A
Page 9 of 27

Confirmed/Potential Streets

Town	Street	Confirmed/Potential
Oakwood	Taylor Road	Confirmed
Oakwood	Quaker Road (Taylor to Eden Rd)	Confirmed
Oakwood	Eden Road (Quaker to Cambray Road)	Confirmed

Town	Street	Confirmed/Potential
Cameron	Hwy 35 (Killarney Bay Rd to Hwy 121)	Confirmed
Cameron	Cameron Rd (Hwy 35 to Civic 61)	Confirmed
Cameron	Long Beach Rd (Hwy 35 to Civic 51)	Confirmed
Cameron	Westlake Rd	Confirmed
Cameron	Naylor Rd (Hwy 35 to Strawberry St)	Confirmed
Cameron	Strawberry St	Confirmed

Town	Street	Confirmed/Potential
Fenelon Falls	Hwy 121	Confirmed
Fenelon Falls	Ranchers Rd (Hwy 121 to Civic 331)	Confirmed
Fenelon Falls	Johnston Rd (Hwy 121 to Civic 231)	Confirmed
Fenelon Falls	Lindsay St	Confirmed
Fenelon Falls	Veterans Way	Confirmed
Fenelon Falls	North Street	Confirmed
Fenelon Falls	Eva St	Confirmed
Fenelon Falls	Moore Cres	Confirmed
Fenelon Falls	Helen St	Confirmed
Fenelon Falls	Redwing	Confirmed
Fenelon Falls	Oriole Dr	Confirmed
Fenelon Falls	Bass St	Confirmed
Fenelon Falls	West St N	Confirmed
Fenelon Falls	West St S (Lindsay St to Civic 89)	Confirmed
Fenelon Falls	Murray St	Confirmed
Fenelon Falls	Ellice St	Confirmed
Fenelon Falls	Elliot St	Confirmed
Fenelon Falls	Juniper St	Confirmed
Fenelon Falls	Wychwood Cres	Confirmed
Fenelon Falls	Rabys Shore (Ellice St to Civic 252)	Confirmed
Fenelon Falls	Colborne St	Confirmed
Fenelon Falls	Oak St	Confirmed
Fenelon Falls	Francis St W	Confirmed
Fenelon Falls	Francis St E	Confirmed

Town	Street	Confirmed/Potential
Cambray	Cambray Rd	Confirmed
Cambray	North Street	Confirmed
Cambray	Pine Street	Confirmed
Cambray	Elm Tree (Civic 2275 to Civic 2330)	Confirmed

Fenelon Falls	Bond St E	Confirmed
Fenelon Falls	Bond St W	Confirmed
Fenelon Falls	John St	Confirmed
Fenelon Falls	May St	Confirmed
Fenelon Falls	Market St	Confirmed
Fenelon Falls	Louisa St (Colborne St to Civic 219)	Confirmed
Fenelon Falls	Queen St	Confirmed
Fenelon Falls	Dodd St	Confirmed
Fenelon Falls	Jordan St	Confirmed
Fenelon Falls	Princess St W	Confirmed
Fenelon Falls	Albert St	Confirmed
Fenelon Falls	Clifton St	Confirmed
Fenelon Falls	Princess St E	Confirmed
Fenelon Falls	Head St	Confirmed
Fenelon Falls	Church St	Confirmed
Fenelon Falls	Kennedy Dr	Confirmed
Fenelon Falls	Deane St	Confirmed
Fenelon Falls	Janlisda Dr	Confirmed
Fenelon Falls	Elgin St	Confirmed
Fenelon Falls	Concession Rd	Confirmed
Fenelon Falls	Ridgehill Crt	Confirmed
Fenelon Falls	Whychwood Dr E	Confirmed
Fenelon Falls	Lagoon Dr	Confirmed
Fenelon Falls	River Dr	Confirmed
Fenelon Falls	Sturgeon Glen Rd (Francis St E to Civic 45)	Confirmed
Fenelon Falls	Sturgeon Glen Rd (Civic 45 to Dead End)	Potential
Fenelon Falls	Short St	Confirmed
Fenelon Falls	Hwy 121 (Short St to County Rd 8)	Confirmed
Fenelon Falls	County Rd 8 (Hwy 121 to Adam Crt)	Confirmed
Fenelon Falls	Adam Crt	Confirmed

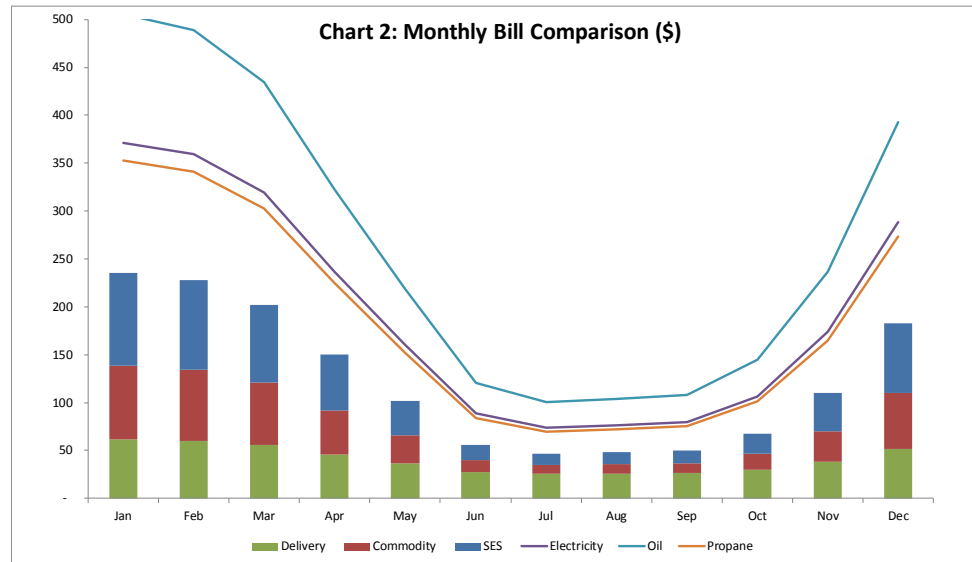
HVAC Contractor Update

System Expansion Surcharge (SES)

- The cost to build and expand the natural gas system to a new system expansion community requires a significant investment and while we have allocated money for this project, the Ontario Energy Board requires that all new communities must also contribute to this cost.
- The fairest way to do this is through a system expansion surcharge (SES) of \$0.23 per cubic meter.
- All new system expansion communities will be paying this charge
 - Other communities within Enbridge franchise area already paying this charge

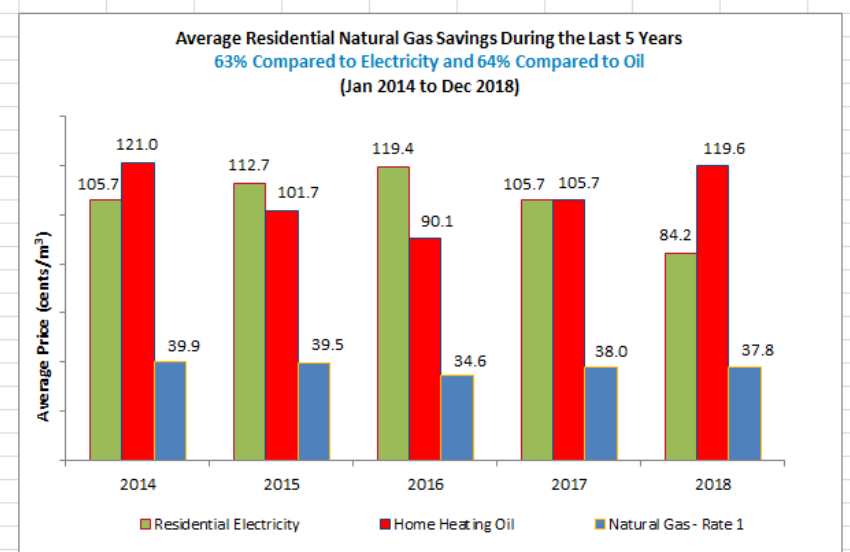
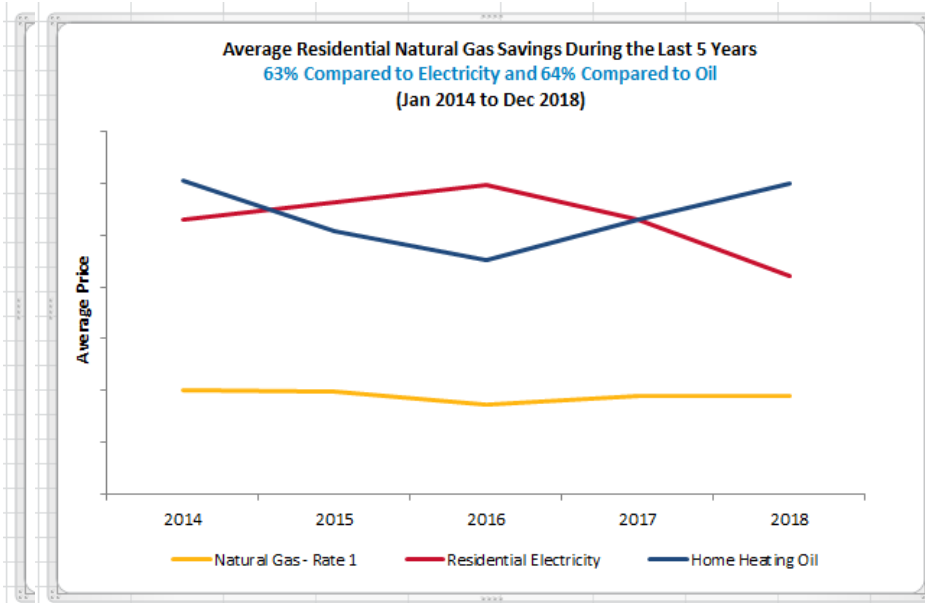
System Expansion Surcharge (SES)

- This is a volumetric charge, not a fixed charge
 - This is not a \$118 a month charge, it will vary with volumes used.
 - The customers in this system expansion project will not be paying 3 times more for their natural gas



Notes: Commodity includes gas supply charge and transportation charge on the bill. SES represents surcharge. Delivery includes both fixed monthly charge and variable delivery rates.

2014 to 2018 Price Comparison



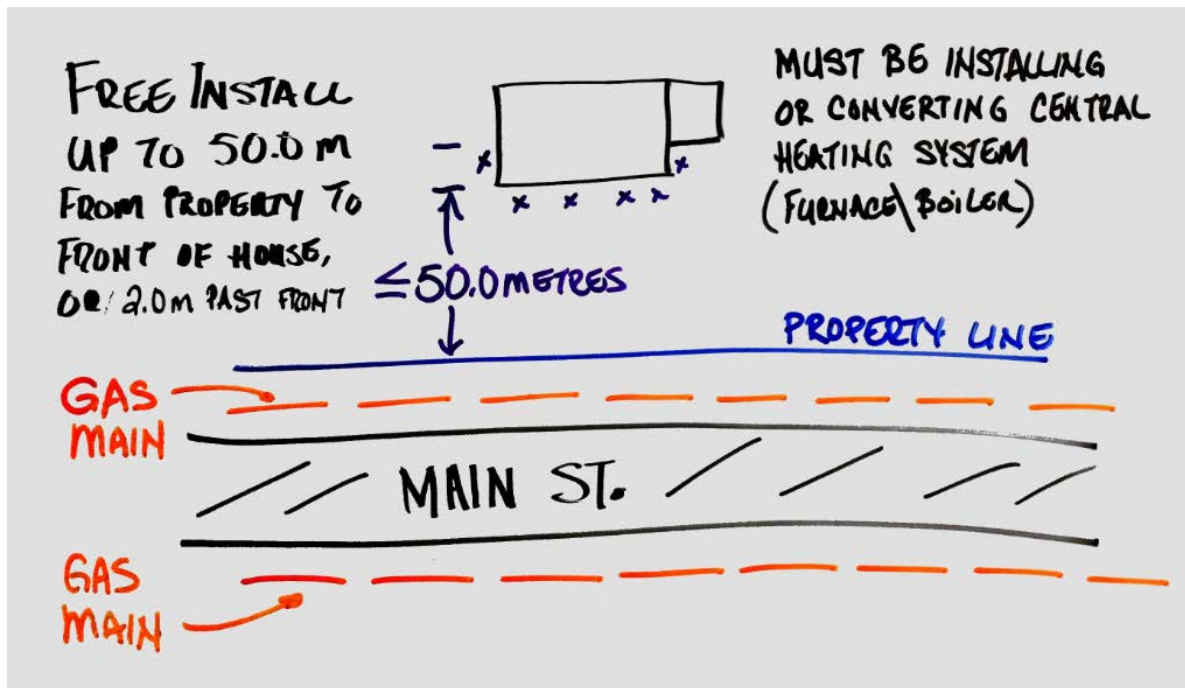
Extension of the 50.0 metre rule

Our current June 28th deadline is being
extended to:

- October 31, 2019



No up-front cost install ending June 28, 2019



Changes to the 50 metre rule to align company wide

Proposed(For Community Expansion Projects)

- Residential Rule - 50 metre no charge, excess length will be charged at a rate of \$80 per metre
 - No requirement on type of appliance connected
 - Charges based on installed pipe measured from property line to meter
 - Statement to address added costs for extreme construction conditions (to be defined)
- Commercial Rule
 - Small commercial service metre rule applies -Load less than 425 scfh (ie 400 series meter) - 50
 - Large commercial service applies -Load greater than 425 scfh – economic model

Do not remove functioning equipment

We strongly counsel against removing or disconnecting a customers current heating system till you have been advised by Enbridge that gas is available


Only remove old equipment when a gas meter has been installed

Explaining natural gas pricing

What it costs to expand gas to your community

We're happy to join your community and to make natural gas connections possible for more Ontario homes. Some customers were surprised at some of the charges on their bill, so we're working to improve the way we communicate important information – like where your money goes.

Here's a helpful explanation of the charges on your bill



System Expansion Surcharge
It takes a significant investment to build the infrastructure to bring natural gas to your community. While there are many who contribute to this cost, this surcharge is your contribution and the fairest way to spread the costs out. Most homes will pay about \$600 a year for this surcharge (\$0.23 per m³).

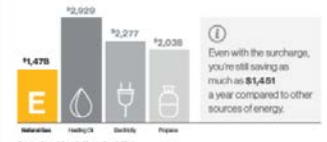
Customer Charge
This is a fixed \$20 amount that pays for meter reading, equipment maintenance and 24/7 emergency response services.

Cost Adjustment
You pay what we pay. As the price for natural gas changes, we will adjust your bill quarterly as a charge or credit.

Supply, Delivery & Transportation Charges
These cover the costs to:
• buy natural gas,
• bring it to Ontario and
• move it to your home, safely and reliably.

All charges, except the fixed Customer Charge, vary based on how much gas you use.

Compared to other fuels and electricity, natural gas is the most affordable, reliable and efficient heating source.



Heating Source	Annual Residential Heating Bill*
Natural Gas	\$1,478
Electricity	\$2,029
Propane	\$2,277

*Based on Ontario residential gas and electric rates (2019-2020) and propane rates (2019-2020).

Even with the surcharge, you're still saving as much as \$1,451 a year compared to other sources of energy.

ENBRIDGE
Life Takes Energy

Questions?
www.enbridgegas.com/connect

- Customer charge
 - \$20
- Supply, Delivery and Transportation charges
 - variable
- System Expansion Surcharge
 - \$0.23 per m³
- Cost adjustment
 - QRAM

Community Expansion

Customer can call 1-888-427-8888 to confirm gas will be available on their street or come into the Fenelon Falls office – 9 Colborne St

New Store hours

- Store Open Monday, Thursdays and Fridays
 - Monday 9am to 3pm
 - Thursday 11am to 7pm
 - Friday 9am to 12 noon

Store is remaining open until end of October

- www.enbridgegas.com/gasapplication
- Only way to submit a residential gas application is on-line.

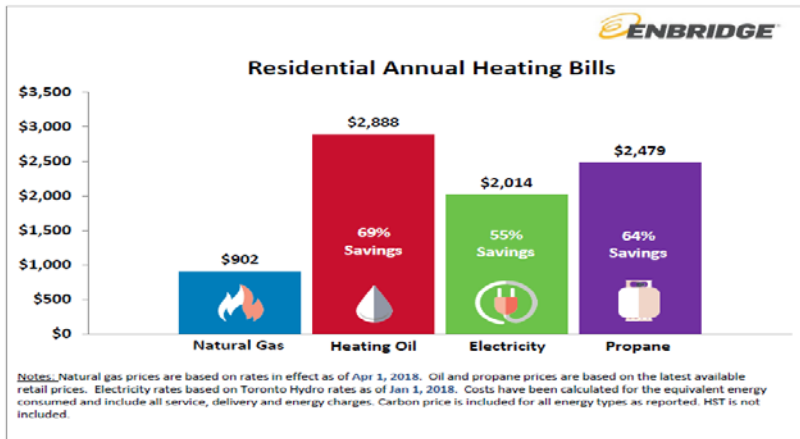
Commercial Application

All commercial requests must go through our Customer Connection Call Center 1-888-GAS-8888 or **1-888-427-8888 or salesenquiry@enbridge.com**

- Customer Connections representative will contact and guide you on the process.
- All gas load information will be required.

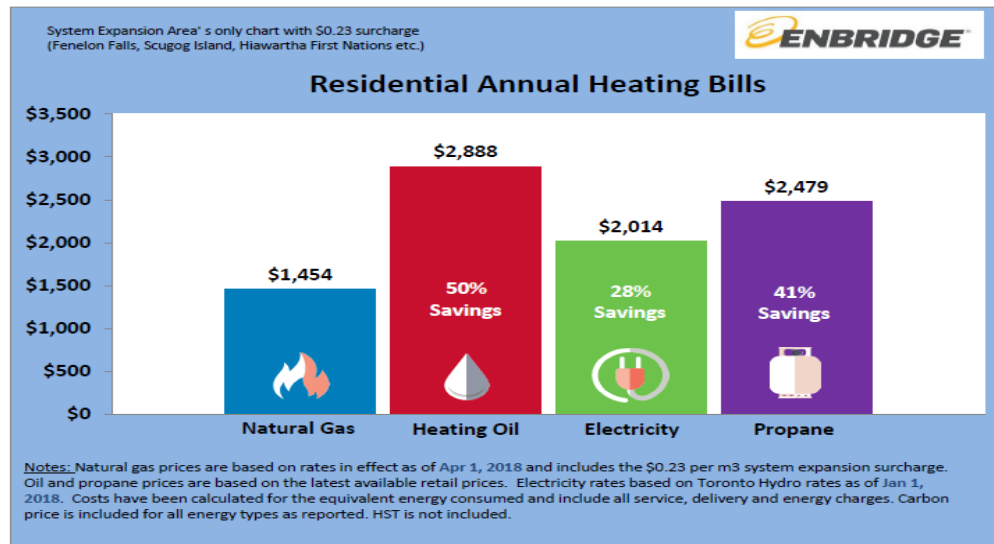
Paper application is required to complete a commercial conversion to natural gas.
Fax to: 1-905-436-7029

Quarterly Price Comparison Chart



New Comparison Chart showing the \$0.23 cent surcharge for expansion area's (SES)

Existing Chart and applicable in all Enbridge areas except new expansion area's.



Rates for Provinces

The following table presents fuel charge rates that will apply in Ontario, New Brunswick, Manitoba and Saskatchewan. The rates will become effective as of April 2019, with future increases effective as of April of the year noted in the table.

Federal Fuel Charge Rates for Listed Provinces					
Type	Unit (\$ per)	April 2019 (\$20/tonne)	April 2020 (\$30/tonne)	April 2021 (\$40/tonne)	April 2022 (\$50/tonne)
Aviation gasoline	litre	0.0498	0.0747	0.0995	0.1244
Aviation turbo fuel	litre	0.0516	0.0775	0.1033	0.1291
Butane	litre	0.0356	0.0534	0.0712	0.0890
Ethane	litre	0.0204	0.0306	0.0408	0.0509
Gas liquids	litre	0.0333	0.0499	0.0666	0.0832
Gasoline	litre	0.0442	0.0663	0.0884	0.1105
Heavy fuel oil	litre	0.0637	0.0956	0.1275	0.1593
Kerosene	litre	0.0516	0.0775	0.1033	0.1291
Light fuel oil	litre	0.0537	0.0805	0.1073	0.1341
Methanol	litre	0.0220	0.0329	0.0439	0.0549
Naphtha	litre	0.0451	0.0676	0.0902	0.1127
Petroleum coke	litre	0.0767	0.1151	0.1535	0.1919
Pentanes plus	litre	0.0356	0.0534	0.0712	0.0890
Propane	litre	0.0310	0.0464	0.0619	0.0774
Coke oven gas	cubic metre	0.0140	0.0210	0.0280	0.0350
Marketable natural gas	cubic metre	0.0391	0.0587	0.0783	0.0979
Non-marketable natural gas	cubic metre	0.0517	0.0776	0.1034	0.1293
Still gas	cubic metre	0.0540	0.0810	0.1080	0.1350
Coke	tonne	63.59	95.39	127.19	158.99
High heat value coal	tonne	45.03	67.55	90.07	112.58
Low heat value coal	tonne	35.45	53.17	70.90	88.62
Combustible waste	tonne	39.95	59.92	79.89	99.87

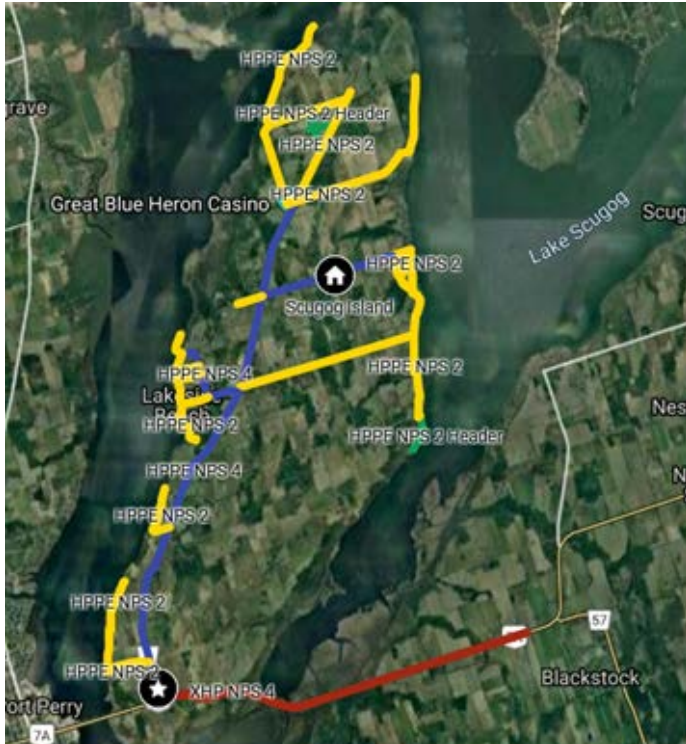
https://www.fin.gc.ca/n18/data/18-097_1-eng.asp

- New federal carbon tax was implemented on April 1, 2019.
- Currently \$20/ton and scheduled increases in \$10/ton increments until April 1, 2022 when it will be \$50/ton.
- Natural gas is the cleanest burning fossil fuel of them all.
- Natural gas has the lowest carbon tax of them all!

Scugog Island System Expansion coming in 2020!



Scugog Island and Casino Expansion



Construction on Hwy 7 from Blackstock to the mouth of Scugog Island to begin later this year in the fall of 2019.

Potential 1050 residential, commercial and farming customers. Mostly residential.

Largest customer being Great Blue Huron Casino. Casino is currently adding a hotel.

Save the Date

Friday September 20, 2019

Hosting our first HVAC Contractor Update and Launch at the Scugog Island Hall
2710 Damara Road
Scugog Island
1:00 to 3:00pm





Write a comment...

Next Steps | Help us get all our ducks in a row.

- 1 Reach out to your local contractor.** They will provide you with an estimate to convert your appliances to natural gas, submit the natural gas application on your behalf, and determine where the natural gas meter is to be located.
- 2 Visit www.enbridgegas.com/connect/** to submit the natural gas application. This is important to do early to help us plan for your natural gas installation.
- 3 Look out for our staff.** They will be in your community in the coming months to answer questions and help you through the process.

Submit **YOUR** natural gas applications as early as possible to ensure your natural gas service is installed **now** while our construction team is in your community.

Now is the best time to request your natural gas service line! During the construction, we will install a service line with no up front costs for customers that are within 50 meters of the property line and who install a furnace. Note: this is a time limited offer available until the end of the projected construction period - June 2019.

For more information, visit www.enbridgegas.com/connect/ or call 1-888-427-8888



Like



Comment

by 1



Write a comment

2017-04

RECEIVED

APR - 5 2019

ONTARIO ENERGY BOARD

March 26, 2019

Dear Ms Scott, MPP

I reside in the village of Cambray. I am writing to you so that I can be added to the list of people that have contacted you regarding the Enbridge Cambray/Fenelon Falls gas line expansion.

When we were approached by Enbridge to convert to gas, there was never any mention of or on the literature handed to us of the System Expansion Surcharge. What was said, was that if we were to sign up while the project was going through the village of Cambray there would be no charge to bring gas to our home. With this information we decided to go to the expense of removing our oil furnace, wood stove, and electric hot water tank and replace with gas equipment. This cost was prohibitive.

I received my first bill for a 10 day period, \$110.11. \$40.71 of that was SES. I was shocked. I immediately called Enbridge to inquire what is an SES. The Enbridge employee did not know what it was, she had to put me on hold to find out. Returning to our call she read aloud from their literature, in order to explain what it was as she advised that this was something new to her. Following termination of this call and after digesting this new information, I called back with further questions only to get a different representative. Again, this new representative knew nothing of the SES and I was again placed on hold while she investigated. Not only were Enbridge's new customers not advised about it, it seems that their own employees also weren't aware of this new charge.

I have received my first full monthly bill of \$403.07. With the SES being \$151.11, needless to say the initial excitement of now having access to gas has turned into such a disappointment. I believe that the SES charge was a very important piece of information we as consumers had a right to know when making our decision. My hope is that you will step in and help this growing community of uninformed Enbridge customers in the Cambray/Fenelon Falls project. I would like my bill to be on par with other Enbridge customers outside our territory, with no SES charge.

Sincerely,

Carolyn Parker

Cc: Mr. Schmale MP

Mr. Letham CKL Mayor

Gas Distribution Ombudsman's Office

Ontario Energy Board



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Cameron area residents accuse Enbridge Gas of hiding system

News Feb 18, 2019 by [Mary Riley \(/kawartha-author/mary-riley/9B99ED5E-FE35-4848-BEBB-DB8BA1AB6\)](#)
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Enbridge Gas Inc.

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WHAT AM I PAYING FOR?

Billing Period: Dec 18, 2018 - Jan 17, 2019

Balance from Previous Bill	\$89.30
Payment Received	\$0.00
Balance Forward (Paid, Thank You)	\$89.30
Charges for Natural Gas	\$214.86
Late Payment Charge	\$1.34
Total Amount Due	\$406.30

CHARGES FOR NATURAL GAS

From 18, 2018 - Jan 17, 2019

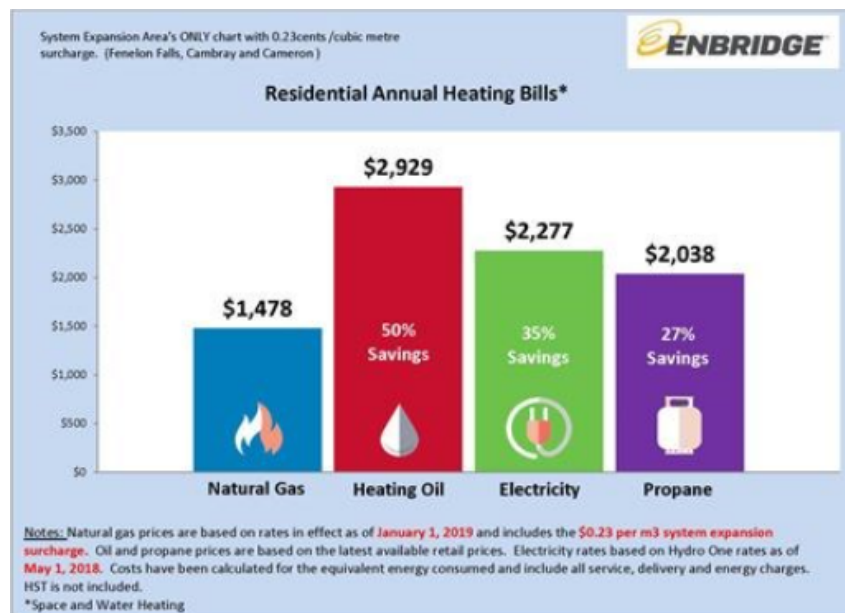
Customer Charge	\$20.00
Delivery to You	\$31.26
Transportation to Enbridge	\$23.62
System Expansion Surcharge	\$118.45
Gas Supply Charge	\$68.04
Cost Adjustment	\$7.08
Charges for Natural Gas	\$279.35
HST*	\$36.21
Total Charges for Natural Gas	\$315.56

NATURAL GAS SUPPLY

Your gas supply rate: 12.43\$/m³
Gas cost adjustment: 0.62\$/m³
Total effective gas supply rate: 13.05\$/m³

WHAT DO I NEED TO KNOW?

IMPORTANT NOTICE
GAS RATES HAVE CHANGED
Please see the enclosed notice for further details.



Don and Sarah Campbell are among many potential Enbridge Gas customers who are upset with a system e.

Two Cameron-area residents are part of a larger group of customers who are outraged about a system expansion surcharge from Enbridge Gas they claim they were never told about.

Phil Hunt, who has not yet hooked up for the service, says it is "deceitful" that Enbridge Gas "sneaked in" a system expansion surcharge that will be added to customers' monthly gas bill for the next 40 years.

Don and Sarah Campbell have already connected and were shocked at the surcharge, which was \$118.48, bringing their total bill from Dec. 18 to Jan. 18 to \$315.66.

In interviews with This Week, the residents maintain Enbridge representatives never told potential customers about the surcharge.

RELATED CONTENT



Enbridge president hasn't forgotten about Bobcaygeon

City of Kawartha Lakes agrees to contribute revenue to allow for gas expansion in Fenelon, Bobcaygeon

Enbridge spokesperson Tanya Bruckmueller said the company should have done a better job communicating with new customers in terms of explaining the billing charges.

The Province announced funding about a year ago to bring natural gas to the Cambray, Cameron and Fenelon Falls areas and has contributed \$12.3 million, making connections possible for 1,370 homes and 155 businesses. So far, there have been 32 residential and one business connections.

The City has committed \$700,000 over 10 years and the balance will be borne by users. The total cost of the pipeline is \$47 million.

Hunt and the Campbells say it's about customers paying for the natural gas infrastructure, and they don't feel they are responsible

for it.

"If you do the math, if we take about 500 homes at an extra \$100 per month extra, that's \$1,200 per year, per house," Hunt says.

"Multiply that by 40 years and that's \$25 million."

Hunt said he just spent more than \$10,000 to put in a new furnace and duct work while waiting for natural gas to be hooked up, but he's having second thoughts after learning about the surcharge.

"I didn't sign anything yet," he said.

After his wife saw a local TV news story about the surcharge, he did some research.

"None of this was mentioned before we were even asked about getting the gas in our area. It wasn't until people got hooked up and started to get their bills that this was brought to light," he said.

Hunt said along with his new furnace, he spent more than \$500 for the pipes to bring gas into the house.

"But, now that I'm hearing of these added charges, I'm wondering if it wouldn't be just as cheap to change the furnace to propane."

He estimates if he pays \$100 for his gas usage, \$100 for the surcharge plus delivery and taxes "it could cost more than \$300 a month to heat my home. But, I could spend \$200 a month with propane and enjoy the same benefits, so why should I support the Enbridge project?"

The Campbells said they were first approached by the company last June, and agreed to sign up for natural gas service partly because they were eligible for an incentive that saw the pipe from the main to their home free of charge. They were among the first 100 homes that could hook up to the pipeline.

Initially they thought their service would start in October or November.

By early December they were wondering what was going on, and after a phone call to Enbridge, everything was inspected and the meter started running.

The couple got their first bill on Dec. 8 for 10 days (\$89.30) which they thought was "odd."

But, the Jan. 17 bill shocked them. While it had the standard transportation, delivery and customer charges they expected, it also had the surcharge - \$118.45 - that brought the total bill to \$315.66. The gas usage for that period was \$58.94.

Don says the couple are paying 35 cents per cubic metre, including the surcharge while other communities are paying significantly less (23 cents per cubic metre).

"If the project was not financially feasible without making the customers pay an additional charge that nobody else pays, then why do the pipeline? As taxpayers we gave them \$12.5 million. If Enbridge didn't have the capital to fund the project or didn't have the customer base to recover the cost over the lifespan of the pipeline, then they shouldn't have done it, plain and simple and I'm no economist."

The Campbells and Hunt all said if all Enbridge customers in Ontario paid the surcharge, they would be agreeable to it, as it would be fair to everyone. Sarah Campbell said there is a backlash from a Facebook group of residents who are upset, New Natural Gas Customers.

Bruckmueller acknowledged she has spoken with people upset about the surcharge who did not realize it was part of their bill and is aware of the Facebook group.

She said when company officials first came to the area to explain and promote bringing in natural gas, there should have been better communications with the residents.

"It was a learning experience for us," she said.

She explained some customers in Ontario pay a surcharge and some don't; it depends on several factors.

"The Milverton, Wartburg, Rostock, Kettle Point, Lambton Shores, Prince Township, and Moraviantown communities all pay a volumetric surcharge of 23 cents per m³. The cost of the Fenelon Falls project is significantly more than other neighbouring communities because of several factors: distance of pipeline and the amount of work to install the pipeline (such as cutting through rocky soil, under water, etc.), and the number of customers compared to other communities."

She said residents "asked us to provide a cost comparison so that they could make the choice on whether or not it would make sense to switch from one fuel source to natural gas. The surcharge was included in all the estimates. We had in the print below the chart that the surcharge was included.

"We also tried to make sure that all HVAC contractors were aware of this charge to help educate customers. However, depending on where and who applied for the service (it could have been done over the phone or their contractor did it on their behalf), they may or may not have understood or seen the note about the surcharge."

She acknowledged customers may not have realized there was a surcharge as "we thought it would be easier to provide an "all in cost."

The surcharge shows up as a separate charge on the bill, and this may be what has caused the concern, she said.

"When we initially approached the community, they asked for total costs. To make it easier for them to make the direct comparison to other fuels and electricity, we provided an "all-in" cost (including the surcharge). To be clear, this isn't an additional cost to what they were expecting to pay."

Bruckmueller continued, "Over the past several years, we've talked to residents and businesses about bringing gas to Kawartha Lakes and it's always been about making it work financially. In fact, the Ontario Energy Board didn't approve previous applications because of the cost of the project and its funding structure. They approved this project only because of the surcharge.

"The role of the OEB is to protect the ratepayer, and so they regulate and approve all expansion projects and rates. The Board didn't approve previous applications because of the cost of the project and its funding structure.

"While we've always talked about it costing more for customers in Kawartha Lakes, we didn't always call it a 'surcharge' and so we're committed to improving the communications to ensure people are more aware of it."

She said Enbridge estimates the average residential customer would pay a surcharge of about \$550 a year which is about 30 per cent of a typical residential bill. "Further, it's a volumetric charge -- so they would only pay the surcharge when they used gas (0.23 cents a cubic metre) and the bulk of this additional charge will happen during the winter months when they're using the most gas."

There was also the option to fund the project with initial contributions, meaning the customer would have to pay a large fee upfront versus spreading it out over the 40 years, she added. "We felt that the latter was more appealing for customers."

Bruckmueller emphasized that "even with the surcharge, customers can expect to see \$1,400 in annual savings when switching from other fuels (see the chart), and the Ontario Real Estate Association says that most homes with natural gas have a higher resale value than those with oil or propane."

Ward 3 Councillor Doug Elmslie said he's heard from several residents "asking if it's a good idea to go to natural gas." He said he's advised them to take their current bills such as for electric, oil or propane to Enbridge's office in Fenelon Falls and ask what the benefit would be to switch before making a decision.

"Bringing natural gas to the area offers another energy source, but as with other sources of energy, it's a good idea to compare."



by [Mary Riley](#)

Mary Riley is the city hall reporter at Kawartha Lakes This Week. She can be reached at mriley@mykawartha.com. Follow her on Twitter at [@kitwiley](#) and Kawartha Lakes This Week on [Facebook](#)

Email: mriley@mykawartha.com



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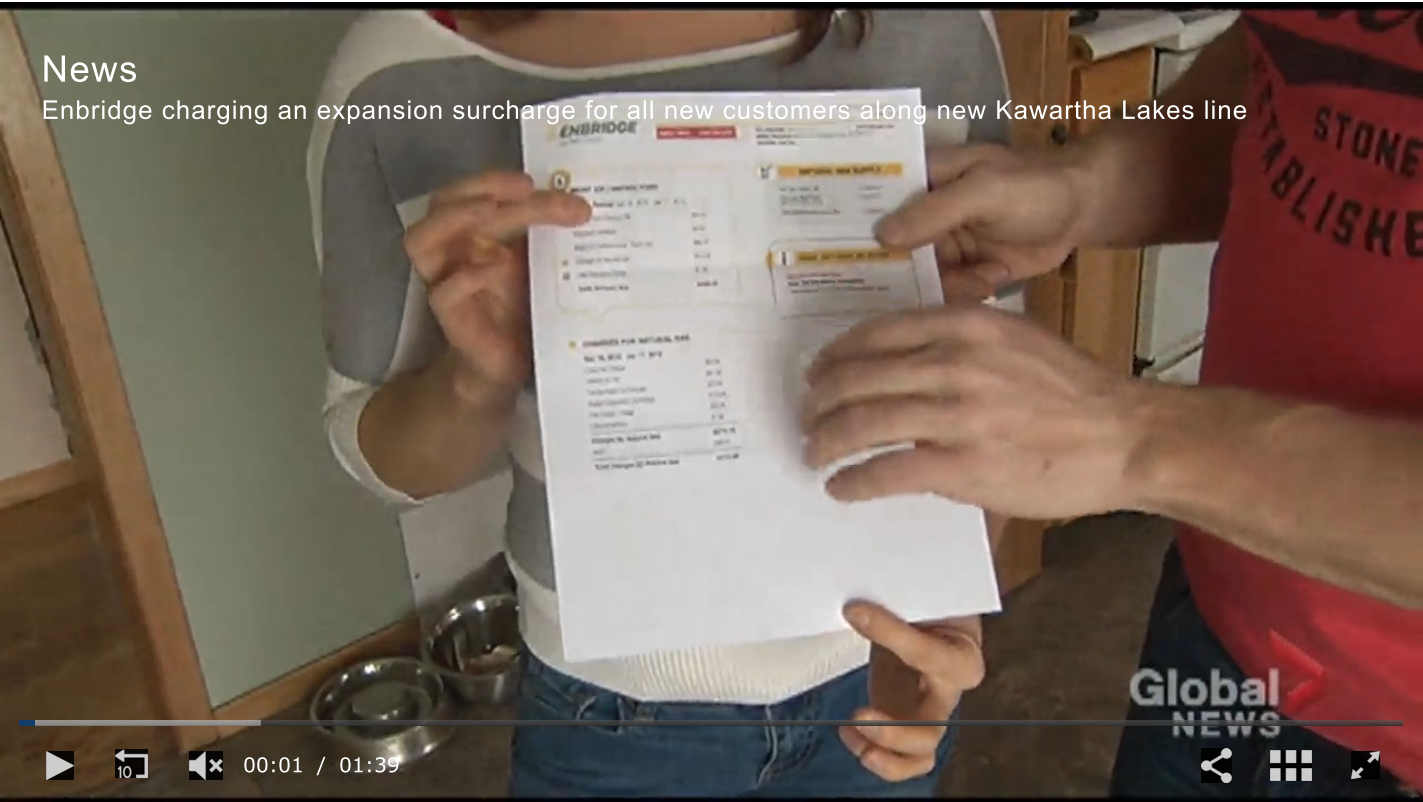


By **Mark Giunta** • Global News

Posted February 8, 2019 8:46 am ▾

News

Enbridge charging an expansion surcharge for all new customers along new Kawartha Lakes line



Global NEWS

00:01 / 01:39

All new Enbridge customers along the City of Kawartha Lakes natural-gas expansion will pay a monthly expansion surcharge calculated at 23 cents per cubic metre of gas used.



-A

A+

Don and Sarah Campbell of Cambray, Ont., are reconsidering the switch from propane to natural gas.

Their first full bill came with a \$118 system-expansion surcharge — a fee that Enbridge Gas Inc. says will be on all new customer bills for the City of Kawartha Lakes pipeline extension for up to 40 years.

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The fee will appear on customer bills monthly. It's calculated at 23 cents for every cubic metre of gas used.

READ MORE: [City of Kawartha Lakes receives \\$12M to expand natural gas services](#)

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WHAT AM I PAYING FOR?

Billing Period Dec 18, 2018 - Jan 17, 2019

Balance from Previous Bill	\$89.30
Payment Received	\$0.00
Balance Forward if paid, Thank You	\$89.30
Charges for Natural Gas	\$315.66
Late Payment Charge	\$1.34
Total Amount Due	\$406.30

NATURAL GAS SUPPLY

Your gas supply rate	12.4364¢/m³
Gas cost adjustment Jan 01/19-Dec 31/19	0.6292¢/m³
Total effective gas supply rate	13.0656¢/m³

WHAT DO I NEED TO KNOW?

IMPORTANT NOTICE
GAS RATES HAVE CHANGED
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CHARGES FOR NATURAL GAS

Dec 18, 2018 - Jan 17, 2019

Customer Charge	\$20.00
Delivery to You	\$51.26
Transportation to Enbridge	\$23.62
System Expansion Surcharge	\$118.45
Gas Supply Charge	\$58.94
Cost Adjustment	\$7.08
Charges for Natural Gas	\$279.35
HST*	\$36.31
Total Charges for Natural Gas	\$315.66

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Don and Sarah Campbell were charged \$118 for a system-expansion surcharge. **Don Campbell**

“We were probably \$3,000 to switch everything over. New dryer, hot water tank and to convert the furnace from propane, and then to get a \$120 charge on top of the gas we used is pretty upsetting,” Don Campbell said.

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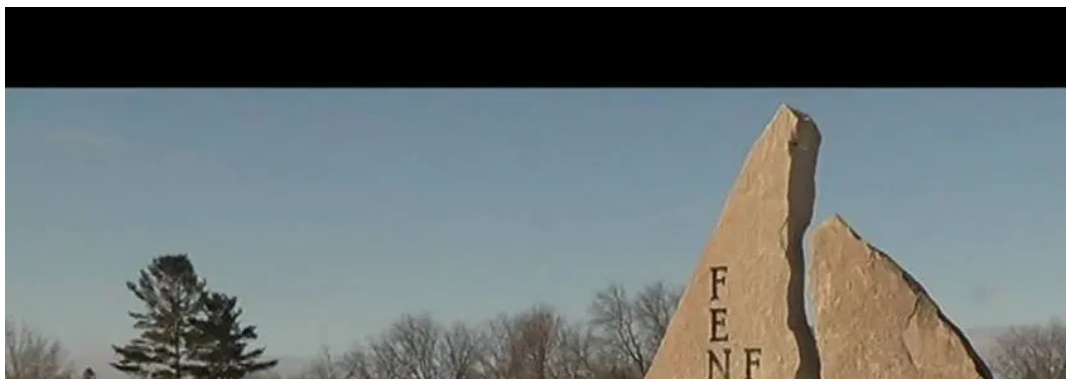
According to Enbridge, in order to make the project economically sound, it needed to charge the fee.

“So there’s a contribution from (the city of) Kawartha Lakes, a provincial grant and the system-expansion surcharge would make the project feasible,” said Tanya Bruckmueller, spokesperson for Enbridge.

The Campbells are also upset with the fee wasn’t disclosed early on.

In an email to Global News, Enbridge confirmed the initial letter sent out by the company’s president to potential customers did not disclose the fee. Instead, it directed customers to go to the website or to the office in Fenelon Falls.

All subsequent material contained the fee.

WATCH: Natural gas update in Fenelon Falls



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Natural gas update in Fenelon Falls

“The first material we ever saw, there was nothing on there about a 23-cent expansion charge. Enbridge even admitted that on that first bit of material, it didn’t exist,” Campbell said.

STORY CONTINUES BELOW ADVERTISEMENT

Enbridge estimates the \$12-million expansion project, which currently has 32 homes and one business hooked up to it, will save the average customer \$1,100 in energy costs per year.

But the Campbells disagree, saying the fee eats into those savings.

“This is happening. It’s our bill. It’s going to be everyone else’s bill,” Sarah Campbell said.

Potential customers have until the end of June to sign up for natural gas along the line.

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