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November 2, 2020

Christine E. Long  
Registrar and Board Secretary  
Ontario Energy Board  
2300 Yonge Street, P.O. Box 2319  
Toronto ON  
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Dear Ms. Long,

**RE: EB-2020-0192 Enbridge Gas London Line Replacement Project  
Energy Probe Submission on its Interest in the Proceeding**

In its letter of October 19, 2020, Energy Probe Research Foundation (Energy Probe) applied for intervenor status and cost eligibility in the EB-2020-0192 proceeding, the Leave to Construct (LTC) application by Enbridge Gas Inc. to the Ontario Energy Board for the approval of its proposed London Line Replacement Project. In Procedural Order No. 1, dated October 29, the OEB indicated that Energy Probe's intervention request was overly broad and not specific enough for the OEB to make a determination on its intervention. It invited Energy Probe to provide more specific information on its interest in the proceeding. The purpose of this letter is to provide the OEB with more specific information on its interest.

**Energy Probe's Specific Concerns with the London Line Replacement Project**

Since the merger of Enbridge Gas Distribution and Union Gas was approved by the OEB the merged company, Enbridge Gas Inc., has applied for approval of a series of large and expensive pipeline replacement projects, each apparently sized to obtain ICM funding from ratepayers. The London Line Replacement Project is one of these projects. Enbridge Gas has applied for

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Incremental Capital Module (ICM) funding from ratepayers, including Energy Probe supporters, for the London Line Replacement in the EB-2020-0181 2021 rates application.

The OEB criteria for ICM funding consist of two quantitative tests and two qualitative tests. The quantitative tests are the Materiality Test and the Means Test. The qualitative tests are the Need Test and the Discrete Project test. To obtain ICM approval an applicant needs to put together a project that is large and expensive enough to pass the Materiality and the Means tests. It also needs to convince the OEB that the project is needed now and is a discrete project and not an aggregation of small projects.

The option of ICM funding was originally approved by the OEB for electricity distributors. When an electricity distributor applies for ICM funding for a project, it presents its entire supporting evidence including the purpose, the need, the timing and the cost for the project in its rates application allowing intervenors to test all of the evidence. However, Enbridge only presents summary evidence for a project for which it is seeking ICM funding in its rate case and the detail evidence dealing with the purpose, the need, the timing and the cost Enbridge files is in its LTC application. This severely limits the ability of intervenors concerned about the rate impact of ICM funding to test the evidence unless they also intervene in the LTC proceeding, particularly if the OEB decision in the LTC proceeding is issued prior to the rates proceeding.

Enbridge Gas Inc. is proposing to replace the existing London Dominion Line and the London South Line with approximately 82.1 kilometres of 4 inch and 6 inch diameter pipelines, between Dawn Compressor Station to Komoka Transmission Station. Enbridge Gas Inc. is also proposing to construct 8.4 kilometres of pipeline originating at Strathroy Gate Station and connecting to the new pipeline. At many places in the evidence, Enbridge Gas refers to the project as London Lines Replacement Project confirming that multiple pipelines and replacement projects are involved.

Individually the projects that make up the London Lines Replacement Project may not meet the Materiality or the Means Tests required for ICM approval. It is possible that the London Line Replacement Project may not be needed now rather than at some time in the future, and that it is a not a single discrete project but a grouping of several projects into a single project with the purpose of obtaining ICM approval. It is possible that the cost estimate of the London Lines Replacement Project has been inflated by the allocation of excessive overhead and contingency costs in order to facilitate meeting the Materiality Test and the Means Test in the EB-2020-0181 rates proceeding. The purpose, need, timing and cost of each one of the individual projects that make up London Lines Replacement is therefore of specific interest to Energy Probe.

Energy Probe understands that the EB-2020-0192 proceeding will not deal with ICM issues, which will be dealt with in the EB-2020-0181 rates proceeding. However, a Leave to Construct approval in the EB-2020-0192 proceeding that would approve the purpose, the need, the timing and the cost of the London Lines Replacement Project would make it difficult for Energy Probe to argue in the EB-2020-0181 rates proceeding that the project does not meet the ICM criteria. For these reasons Energy Probe requests that it be allowed to intervene in the EB-2020-0192 proceeding.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi  
TL Energy Regulatory Consultants Inc.  
Consultant representing Energy Probe

cc. Patricia Adams (Energy Probe Research Foundation)  
Charles Keizer (Torys LLP)  
Rakesh Torul (Enbridge Gas Inc.)  
Intervenors and Interested Parties