



Enbridge Gas Inc.
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January 17, 2023

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Dear Ms. Marconi:

**Re: Price Paid by Natural Gas Distributors for Natural Gas Produced in Ontario
Ontario Energy Board File Number: EB-2022-0094**

On January 13, 2023, the Ontario Petroleum Institute (OPI) submitted a letter outlining their proposed evidence in this proceeding.

In its Decision and Procedural Order No. 3 issued November 17, 2022, the Ontario Energy Board (OEB) determined that it does not have jurisdiction to directly set the price that Ontario natural gas producers get paid for the gas they produce and provide to Ontario distributors or any other purchaser. The OEB also determined that, in a narrow set of circumstances, a panel of Commissioners can address issues relating to fair and transparent access to the gas distribution system in the context of the terms and conditions associated with OEB approved rates, but a panel of Commissioners does not have jurisdiction to create, amend or revoke rules relating to “establishing conditions of access to transmission, distribution and storage services provided by a gas transmitter, gas distributor or storage company” pursuant to section 44 of the *Ontario Energy Board Act*.

Enbridge Gas believes that the items that OPI intends to raise within this proceeding are better suited to be discussed as part of the proceeding reviewing Enbridge Gas’ 2024 Rebasing Application (EB-2022-0200).

OPI indicates that its proposed evidence will: (a) identify those specific contractual terms in the M13 Contract that, in OPI’s experience, have acted as a barrier to fair access for Ontario gas producers; (b) explain how each term operates as a barrier; (c) where an example is feasible and might be useful to the OEB, provide such example; and (d) indicate whether the same term exists in the Gas Purchase Agreement. The proposed evidence will also identify terms and conditions that OPI believes should be included in the M13 Contract in order to ensure fair and transparent access for Ontario producers.

All of the items that OPI intends to raise as part of its proposed evidence should be raised as part of the review of the 2024 rebasing application where a broader group of stakeholders can engage. It should be noted that OPI members are not the only customers under the M13 Rate (for which changes are proposed in the 2024 rebasing proceeding) nor of the proposed injection service. It should also be noted that costing or cost allocation changes to one rate class can impact other rates classes, something that is best addressed in a comprehensive rates proceeding.

Enbridge Gas is concerned that if the items remaining in this Price Paid to Local Producers proceeding are reviewed in parallel with the issues being reviewed in the 2024 rebasing proceeding, then there is a risk of duplication and inconsistent findings.

It appears that the items to be addressed in OPI's proposed evidence related to the current M13 Rate would be relevant under the Rate Design issues in the rebasing proceeding, including the proposed Issue 28 in Phase 1 of the rebasing proceeding ("Are the proposed changes to the terms and conditions applicable on January 1, 2024 to existing rate classes appropriate?"). Issues related to the proposed harmonized rate that will replace Rate M13 would be relevant in Phase 2 of the 2024 rebasing proceeding.

Having OPI's issues addressed in a single regulatory proceeding would be a much more efficient use of resources. OPI has not requested intervenor status in the 2024 rebasing proceeding but OPI might wish to reconsider that decision given that issues impacting its members will be determined in that proceeding. Enbridge Gas would not object to a request for late intervenor status submitted by OPI. By registering as an intervenor in the 2024 rebasing proceeding, OPI will have an opportunity to submit interrogatories on the Enbridge Gas evidence (including Rate M13) under the current rebasing procedural schedule and then will have until April 14, 2023 to file its proposed evidence (with Enbridge Gas then having the opportunity to ask interrogatories to OPI as is the case for other intervenor evidence).

Should you have any questions on this submission, please do not hesitate to contact me.

Yours truly,

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