

**Enbridge Gas Inc.
Application to change its natural gas
rates and other charges beginning
January 1, 2024**

VECC

COMPENDIUM

July 31, 2023

TAB 1

E.B.O. 188

IN THE MATTER OF the Ontario Energy Board Act, R.S.O.
1990, c. O.13;

AND IN THE MATTER OF a hearing to inquire into, hear and
determine certain matters relating to natural gas system expansion
for The Consumers' Gas Company Ltd., Union Gas Limited and
Centra Gas Ontario Inc.

BEFORE: G.A. Dominy
Presiding Member

R.M.R. Higgin
Member

J.B. Simon
Member

FINAL REPORT OF THE BOARD

January 30, 1998

(b) Customer Revenue Horizon

The maximum customer revenue horizon shall be 40 years from the in-service date of the initial mains, except for large volume customers where the maximum shall be 20 years from the customers' initial service.

(c) Discount Rate

The Utilities' incremental after-tax cost of capital will be used for the discount rate. This will be based on the prospective capital mix, debt and preference share costs, and the latest Board approved equity return levels.

(d) Discounting

Discounting will reflect the true timing of expenditures. Up-front capital expenditures will be discounted at the beginning of the project year and capital expended throughout the year will be mid-year discounted, as will revenue, gas related costs, and operating and maintenance expenditures.

(e) Operating and Maintenance Expenditures

The incremental costs directly associated with the attachment of new customers to the system will be included in the operating and maintenance expenditures.

(f) Gas Costs

In the near term, the weighted average cost of gas ("WACOG") will continue to be the proxy for gas costs (gas costs shall be WACOG less the commodity portion of the gas costs). This approach may not be appropriate in the case of projects for large customers, where a specific gas cost forecast may be required.

3.2.2 The parties to the Dissent Document submitted the ADR Agreement was deficient in that the utilities had not agreed on a common method for calculating their P.I.s; that a 40 year revenue horizon may result in existing customers paying undue rate

increases; and that 40 years is inappropriate in the absence of shareholder responsibility for forecast variations.

3.2.3 The Dissent Document also stated that the utilities were understating the costs in the financial feasibility analysis, since they are not using incremental costs for gas storage and transportation services, but have proposed that gas costs be WACOG less the commodity portion of gas costs.

3.2.4 The Dissent Document proposed:

- ! a customer attachment horizon no longer than 5 years (unless there is a specific contract);
- ! a maximum time period for the DCF calculation of 20 years from the in-service date of the initial main for large volume customers and between 20 and 30 years for small volume customers;
- ! customer use volumes representing the best estimates of the gas consumption for new customers; and
- ! the inclusion of incremental costs associated with gas storage and TransCanada PipeLines Limited transmission.

3.3 BOARD'S COMMENTS AND FINDINGS

3.3.1 The Board notes that the utilities have undertaken to apply consistent business principles for the development of the elements of the financial feasibility test. These elements include: customer attachment horizon, customer revenue horizon, discount rate and timing, operating and maintenance expenditures, and weighted average gas costs.

3.3.2 The Board notes that the proposed customer attachment forecast horizon of 10 years is a maximum and adopts this as part of the Guidelines in Appendix B.

3.3.3 The Board is concerned that a customer revenue horizon of 40 years will encourage inclusion of projects with very long cash flow break-even periods and hence high

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5. ENVIRONMENTAL REQUIREMENTS FOR DISTRIBUTION SYSTEM EXPANSION PROJECTS

6. DOCUMENTATION, RECORD KEEPING AND REPORTING

SCHEDULE 1 DISCOUNTED CASH FLOW METHODOLOGY

Ontario
Energy
Board

ONTARIO ENERGY BOARD
GUIDELINES FOR
ASSESSING AND REPORTING ON
NATURAL GAS SYSTEM EXPANSION
IN ONTARIO

JANUARY 1998

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SCHEDULE 1 DISCOUNTED CASH FLOW METHODOLOGY



Ontario Energy Board Commission de l'énergie de l'Ontario

DECISION WITH REASONS

EB-2016-0004

ONTARIO ENERGY BOARD GENERIC PROCEEDING ON COMMUNITY EXPANSION

BEFORE: Ken Quesnelle
Presiding Member and Vice Chair

Cathy Spoel
Member

Paul Pastirik
Member

November 17, 2016

I. OVERVIEW - PURPOSE AND OBJECTIVE OF THE GUIDELINES

The Ontario Energy Board ("OEB", "Board") Guidelines for Assessing and Reporting on Natural Gas System Expansion In Ontario ("The Guidelines") provide a common analysis and reporting framework to be applied by regulated Ontario Local Distribution Companies - Union Gas Limited and The Consumers' Gas Company Ltd. ("the utilities") to natural gas distribution system expansion. The principles upon which the Guidelines are based reflect the Board's conclusions in its Distribution System Expansion Reports under Board File No. E.B.O. 188. (Interim Report dated August 15, 1996; Final Report dated January 30, 1998).

Portfolio Approach

The main change from prior policy and practice is the use of a portfolio approach, as opposed to a project-by-project approach, to the planning, analysis, management and reporting of distribution system expansion projects. The intent of the portfolio approach is to provide the utilities a greater degree of flexibility in determining which projects to undertake, while the Board retains overall regulatory control to ensure no undue cross subsidy or rate impacts result from distribution system expansion.

Financial Feasibility Analyses

The Guidelines provide the utilities with direction with respect to the structure of their system expansion portfolios and the methods for conducting financial feasibility analyses at both the individual project level and the portfolio level. The Guidelines standardize the elements to be used in the discounted cash flow ("DCF") analysis as well as establish the parameters for the costs and revenues that are the inputs to that analysis.

Reporting

The Guidelines establish a mechanism to evaluate the performance of each of the utilities' distribution expansion activities on a portfolio basis and on an individual project basis. The Guidelines also outline reporting requirements for system expansion plans and post expansion impacts. The forecast rate impacts of a utility's expansion plans will be presented in rates case filings on a prospective test year basis.

These reporting requirements are intended to provide the Board and interested parties with sufficient information to monitor the utilities' expansion activities and their associated rate impacts. The performance of the utilities related to implementation of these Guidelines will be evaluated as part of each utility's rates case.

Customer Connection Policies

Part of the utilities' management of distribution system expansion will be the provision of common customer connection policies. These will include policies relating to service line fees, customer contributions to otherwise financially unfeasible projects and for projects dominated by one or more large volume customers.



DECISION AND ORDER

EB-2020-0094

ENBRIDGE GAS INC.

**Application for approval of a System Expansion Surcharge, a
Temporary Connection Surcharge and an Hourly Allocation Factor**

BEFORE: Susan Frank
Presiding Commissioner

Robert Dodds
Commissioner

November 5, 2020



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Ontario Energy Board

GAS DISTRIBUTION ACCESS RULE

AMENDED MARCH 1, 2020
(ORIGINALLY ISSUED DECEMBER 11, 2002)

2. ACCESS TO GAS DISTRIBUTION SERVICES

2.1. Gas Distributor Provides Services

- 2.1.1 A gas distributor shall provide gas distribution services in a non-discriminatory manner.
- 2.1.2 A gas distributor shall respond to all requests for gas distribution services from a person in a timely manner. The gas distributor shall record, at a minimum, the receipt and response dates of each such request.

2.2 Connection to and Expansion of a Gas Distribution System

- 2.2.1 A gas distributor shall connect a building to its gas distribution system in accordance with subsection 42(2) of the Act.
- 2.2.2 A rate-regulated gas distributor shall assess and report on expansion to its gas distribution system in accordance with the guidelines contained in the E.B.O. 188 Report.

2.3. Gas Distributor Record Keeping Responsibilities

- 2.3.1 A gas distributor shall create or obtain, and maintain records relating to the following matters within its franchise area:
 - system configuration;
 - system operating limitations; and
 - documents sufficient to demonstrate compliance with the requirements of this Rule.
- 2.3.2 The gas distributor shall file records described in subsection 2.3.1 of this Rule with the Board, if requested by the Board.

8 Customer Service Policy Applicable to Residential Customers

8.1 General

- 8.1.1 A rate-regulated gas distributor shall document its customer service-related standards and practices applicable to residential customers in a Customer Service Policy.
- 8.1.2 A Customer Service Policy shall, at a minimum, include a description of the rate-regulated gas distributor's standards and practices for each of the following customer service-related areas:
- (a) bill issuance and payment;
 - (b) allocation of payments between gas and non-gas charges;
 - (c) correction of billing errors;
 - (d) equal payment and equal billing plans;
 - (e) disconnection for non-payment;
 - (f) security deposits;
 - (g) arrears management programs;
 - (h) management of customer accounts; and
 - (i) late payments, including the date from which any Board-approved late payment charges apply.
- 8.1.3 Where a rate-regulated gas distributor has established customer service-related standards and practices specific to eligible low-income customers, the gas distributor shall describe them in its Customer Service Policy in a manner separate and apart from its customer service-related standards and practices applicable to other residential customers.

8.2 Policy to be Published

- 8.2.1 A rate-regulated gas distributor shall file a copy of its Customer Service Policy with the Board, make a copy publicly available for viewing at its head office and on its web site, and provide a copy to each person that requests it.
- 8.2.2 [Revoked effective March 1, 2020]

TAB 2



[Français](#)

Ontario Energy Board Act, 1998

S.O. 1998, CHAPTER 15
SCHEDULE B

Consolidation Period: From June 8, 2023 to the [e-Laws currency date](#).

Last amendment: [2023, c. 9, Sched. 24](#).

Legislative History: [+]

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Void agreement

(7) An amalgamation agreement between the corporations that propose to amalgamate is void if the Board refuses to grant leave under this section, even if the amalgamation agreement has been adopted in accordance with subsection 176 (4) of the *Business Corporations Act*. 1998, c. 15, Sched. B, s. 43 (7).

Void certificate

(8) A certificate of amalgamation endorsed by the director appointed under section 278 of the *Business Corporations Act* is void if it is endorsed before leave of the Board for the amalgamation is granted. 1998, c. 15, Sched. B, s. 43 (8).

Section Amendments with date in force (d/m/y) [+]**Rules**

44 (1) The chief executive officer may make rules,

- (a) governing the conduct of a gas transmitter, gas distributor or storage company as such conduct relates to its affiliates;
- (b) governing the conduct of a gas distributor as such conduct relates to any person,
 - (i) selling or offering to sell gas to a consumer,
 - (ii) acting as agent or broker for a seller of gas to a consumer, or
 - (iii) acting or offering to act as the agent or broker of a consumer in the purchase of gas;
- (b.1) subject to subsections 42 (5) to (14), governing the conduct of a gas distributor as the conduct relates to,
 - (i) stopping the distribution of gas to a property, including the manner in which and the time within which the distribution stops or is to stop, and, with respect to a low-volume consumer as defined in section 47, periods during which the distribution may not be stopped,
 - (ii) the manner, timing and form in which the notice under subsection 42 (6) is to be provided to the person, and
 - (iii) the information to be included in the notice to the person;
- (b.2) subject to the regulations, governing the manner and circumstances in which security is to be provided, including where security is to be provided or not to be provided by a gas consumer to a gas distributor and,
 - (i) the interest rate to be applied to amounts held on deposit and payable by the gas distributor to the consumer for the amounts,
 - (ii) the manner and time or times by which the amounts held on deposit may or must be paid or set-off against amounts otherwise due or payable by the consumer,
 - (iii) the circumstances in which security need not be provided or in which specific arrangements in respect of security may or must be provided by the gas distributor to

the consumer, and

(iv) such other matters as the chief executive officer may determine in respect of security;

(b.3) relating to any matter in respect of invoices issued in respect of gas to consumers, including meeting such requirements as may be provided for by the chief executive officer or being in a form approved by the chief executive officer;

(c) governing the conduct of persons holding a licence issued under Part IV;

(c.1) relating to any matter, prescribed by regulation, in respect of gas marketers in relation to gas marketing, subject to any regulations made under this Act or under the *Energy Consumer Protection Act, 2010*;

(d) establishing conditions of access to transmission, distribution and storage services provided by a gas transmitter, gas distributor or storage company;

(e) establishing classes of gas transmitters, gas distributors and storage companies;

(f) requiring and providing for the making of returns, statements or reports by any class of gas transmitters, gas distributors or storage companies relating to the transmission, distribution, storage or sale of gas, in such form and containing such matters and verified in such manner as the rule may provide;

(g) requiring and providing for an affiliate of a gas transmitter, gas distributor or storage company to make returns, statements or reports relating to the transmission, distribution, storage or sale of gas by the gas transmitter, gas distributor or storage company of which it is the affiliate, in such form and containing such matters and verified in such manner as the rule may provide;

(h) establishing a uniform system of accounts applicable to any class of gas transmitters, gas distributors or storage companies;

(i) respecting any other matter prescribed by regulation. 1998, c. 15, Sched. B, s. 44 (1); 2010, c. 8, s. 38 (5); 2017, c. 1, s. 1 (1); 2019, c. 6, Sched. 2, s. 18 (1-3).

(1.1) REPEALED: 2019, c. 6, Sched. 2, s. 18 (4).

Approval, etc., of Board

(2) A rule may require an approval, consent or determination of the Board, with or without a hearing, for any of the matters provided for in the rule. 2003, c. 3, s. 34 (2).

Incorporation by reference

(3) A rule authorized by this section may incorporate by reference, in whole or in part, any standard, procedure or guideline and may require compliance with any standard, procedure or guideline adopted. 1998, c. 15, Sched. B, s. 44 (3).

Scope

(4) A rule may be general or particular in its application and may be limited as to time or place or both. 1998, c. 15, Sched. B, s. 44 (4).

Conflict with *Public Utilities Act*

(4.1) In the event of a conflict between a rule made under subclause (1) (b.1) (i) and anything in section 59 of the *Public Utilities Act*, the rule prevails. 2017, c. 1, s. 1 (2); 2019, c. 6, Sched. 2, s. 18 (5).

Exemption

annual capital expenditures by Asset Class, as shown in the Capital Update /u
provided at Exhibit 2, Tab 5, Schedule 4. Categories of spend not included in the
Asset Management Plan (AMP) include Community Expansion and Other which
includes Renewable Natural Gas (RNG) and Compressed Natural Gas (CNG).

Table 1
Utility Capital Expenditures by Asset Class

Line No.	Particulars (\$ millions)	Category	2024 Test Year (a)	2025 Forecast (b)	2026 Forecast (c)	2027 Forecast (d)	2028 Forecast (e)	
1	Compression Stations	Storage	46.3	64.3	50.3	127.6	19.2	/u
2	Customer Connections	Growth	304.1	248.1	256.9	254.0	250.1	/u
3	Distribution Pipe	Dist Ops	357.1	414.4	282.7	250.2	316.4	/u
4	Distribution Stations	Dist Ops	83.5	113.1	105.5	79.0	116.3	/u
5	Fleet & Equipment	General	31.5	35.4	40.1	45.7	52.3	/u
6	Growth - Distribution System Reinforcement	Growth	85.2	200.0	43.4	46.0	10.3	/u
7	Real Estate & Workplace Services	General	63.0	61.3	92.0	32.0	56.4	/u
8	Technology Information Services	General	102.4	78.0	71.0	44.9	54.1	/u
9	Transmission Pipe and Underground Storage	Storage	69.2	144.8	201.5	268.4	169.9	/u
10	Utilization	Dist Ops	152.3	160.1	172.6	152.0	168.4	/u
11	EA Fixed Overhead	Other	39.8	40.8	41.9	43.0	23.2	/u
12	Community Expansion	Growth	11.2	19.6	20.5	21.5	7.3	/u
13	Other	Other	124.6	43.9	28.3	28.0	35.7	/u
14	Total		1,470.3	1,623.8	1,406.7	1,392.3	1,279.5	/u

Notes:

- (1) Expenditures are shown by Asset Class inclusive of IDC and Overheads and net of contributions
- (2) Expenditures are shown on an annual basis
- (3) Panhandle Regional Expansion Project capex reductions of \$194.9M in 2024 and \$6.7M in 2025

Table 4
Customer Attachments by Type Before Energy Transition Impact

	Community Expansion (CE)	Fuel Switching Other than CE	Homes in residential developments (subdivisions)	Single family dwellings (Apartment Ensuite)	Other
2020	564	5,535	30,106	5,305	2,423
2021	428	4,953	33,268	1,741	2,420
2022	314	4,834	30,641	4,279	2,574
2023	579	4,548	30,233	4,282	2,456
2024	1,257	4,640	29,508	4,222	2,342
2025	2,019	4,505	28,841	4,168	2,230
2026	1,802	4,371	28,211	4,119	2,120
2027	1,388	4,229	27,256	4,023	2,015
2028	1,053	4,102	26,057	3,892	1,910
2029	714	3,783	25,301	3,820	1,808
2030	630	3,673	24,567	3,749	1,709
2031	380	3,569	23,854	3,681	1,612
2032	363	3,474	23,166	3,613	1,517

TAB 3

customers, should they request this service. The proposed charge is greater than the current charges in the EGD and Union rate zones for meter dispute test services for residential customers because the previous charges have not been updated in over 10 years and no longer reflect the cost to provide the service. The proposed charge may be lower than the current custom charge for some non-residential customers depending on specific customer circumstances.

1.7. ELC⁴

37. Enbridge Gas uses the extra length rule to assess feasibility of residential infill⁵ customers. Currently, the rule assumes standard residential services are economically feasible to a threshold length of 20 metres for the EGD rate zone and 30 metres for the Union rate zones. Customers pay an ELC when the service length exceeds these thresholds. The current approved ELC is \$32 per additional metre for the EGD rate zone and \$45 per additional metre for the Union rate zones. Despite increases in construction costs, these ELC rates have remained constant for many years and require updating to reflect the latest marginal cost per metre. The ELC collected is accounted for as a reduction to capital investment or a credit to assets.

38. Enbridge Gas is proposing a harmonized service length threshold of 20 metres and an updated ELC of \$122 per additional metre that will apply consistently across all franchise areas. Service length threshold and ELC have been determined in consideration of various factors including results from the customer engagement and internal data analysis as described below. The customer engagement showed that customers had varying preferences when considering the options presented (of

⁴ Charge was previously called street service alteration on Rider G.

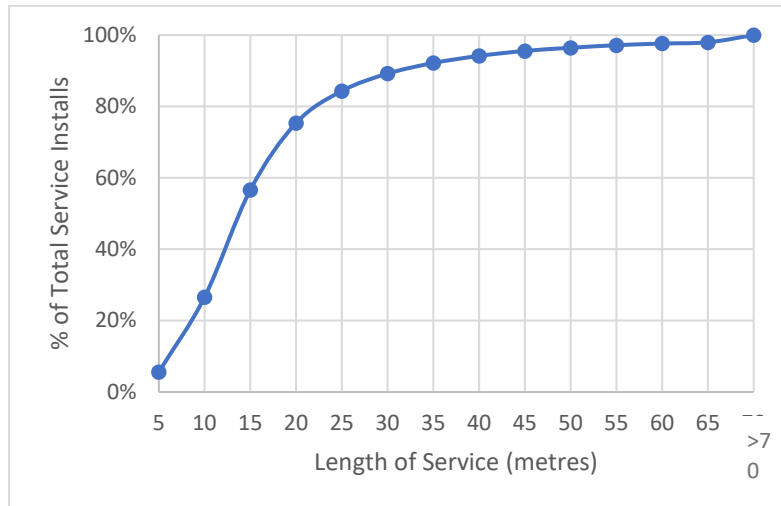
⁵ Residential infills are existing homes which are converting from other fuel types to natural gas to meet their energy needs.

a shorter or longer length for the service length threshold and associated ELC), with no strong preference for one option. Approximately one third of customers (32%) indicated a preference of 15 metres with a lower ELC, a combined 35% indicated a preference of 20 metres (22%) or 25 metres (13%) with a higher ELC, and the remaining 32% had no preference or indicated don't know. Further details can be found in the customer engagement report provided at Exhibit 1, Tab 6, Schedule 1, Attachment 1, pages 279-280.

Proposed Service Length Threshold

39. Enbridge Gas is proposing that residential infill customers be provided with the first 20 metres of service at no cost. The length of the service will be measured from the customer's property line to the location where the gas meter is installed. Service lengths beyond the threshold length of 20 metres will be subject to the ELC.
40. The proposed service length threshold is based on data from residential infill services installed between 2018 to 2020. Based on this data, it was determined that the distribution revenue from a typical residential customer can support the average cost of services below 20 metres. As shown in Figure 1, approximately 75% of residential services are less than or equal to 20 metres. As such, the proposed service length threshold will result in the Company attaching most infill services with no accompanying ELC. This anticipated outcome will support continued efficiencies in the infill service attachment process while also ensuring no undue cross-subsidization.

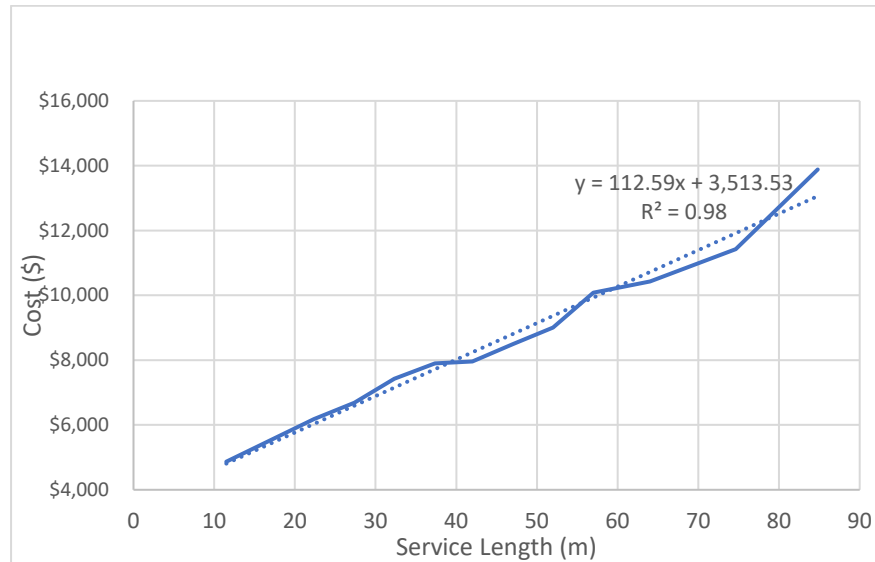
Figure 1: Residential Service Length by % of Total Service Installs, 2018 to 2020



Proposed ELC

41. Enbridge Gas is proposing an ELC of \$122 per metre in excess of the 20-metre service length threshold. The ELC of \$122 per metre in 2024 has been calculated based on the actual cost of \$113 per metre established for 2020, as described in this section of evidence, escalated for annual inflation of 2%.
42. The ELC of \$113 per metre (for 2020 prior to inflation), represents the marginal cost per metre and was determined through a linear regression of historical service costs vs. service length, as shown in Figure 2. The regression analysis was conducted using actual service lengths and costs over the 3-year period from 2018 to 2020, across all rate zones. The equation of the regression trend line ($y=113x + 3514$) in Figure 2 indicates two cost components; 1) the slope of the line that is \$113 represents the marginal (or variable) cost per metre and 2) fixed cost is \$3,514. The regression results indicate a strong correlation between cost and length, as evident from a high R-squared (0.98) value.

Figure 2: Average Service Cost, 2018 to 2020



43. The proposed cost per metre for ELC is higher compared to the current EGD and Union ELC because the charges have not been updated in over 10 years. Since then, construction costs have increased due to various factors including inflation, enhancement in safety standards, extensive use of trenchless technology, sewer safety and cross bore mitigation requirements, and additional costs related to municipal permit fee and restoration requirements.

1.8. Locate Delivery Service Charge

44. Enbridge Gas currently provides locate delivery services upon request from customers⁶, third-party contractors and other utilities at no extra charge.

45. Bill 93, the Getting Ontario Connected Act, 2022⁷, was recently passed into law on April 14, 2022. Bill 93 imposes significant changes to how locates are delivered in

⁶ Occupants of residential and/or private property.

⁷ Bill 93, Getting Ontario Connected Act, 2022, April 14, 2022.

https://www.ola.org/sites/default/files/node-files/bill/document/pdf/2022/2022-04/b093ra_e.pdf

TAB 4



ONTARIO ENERGY BOARD

FILE NO.: EB-2022-0200

Enbridge Gas Inc.

VOLUME: 3

DATE: July 17, 2023

BEFORE: Patrick Moran

Presiding Commissioner

Allison Duff

Commissioner

Emad Elsayed

Commissioner

1 Ms. Giridhar is indeed part of that panel as well. I
2 believe, based on what Ms. Giridhar has said and what I
3 more generally understand, that there may be some question
4 as to whether the feasibility guidelines should be changed
5 for Enbridge Gas as part of this case.

6 And I believe you will hear from the witnesses as to
7 why the current feasibility guidelines make sense, but they
8 may also have some impressions as to why a question like
9 that is better addressed in a different forum, and I think
10 that is what Ms. Giridhar was foreshadowing today.

11 We are not intending -- we are not planning to hold
12 all that simply for argument. Should the questions come up
13 we will explain the rationale for our position. But I
14 believe you will hear more as to why that is the company's
15 position in the event that some parties believe that a
16 change is needed today.

17 MR. MORAN: Okay. Thank you for that. That is
18 helpful.

19 As a follow-up then, I think Ms. Giridhar also
20 suggested that perhaps everybody who needs to be here isn't
21 here. Is Enbridge suggesting that we have a notice issue
22 on our hands, given the extensive notice that has taken
23 place for this proceeding?

24 MR. STEVENS: I think from the Enbridge Gas
25 perspective there was no contemplation within any of the
26 evidence within any of the proposals that feasibility
27 guidelines or connection rules would change. That is
28 something that to my knowledge came up a little bit within

1 some questions that were asked, but really the only party
2 who has put forward evidence is Mr. Neme.

3 And there is no sort of record to talk about
4 alternatives or to talk about economic theory as to why
5 different approaches should proceed, and that may well
6 contribute to the fact that other people, whether it is
7 developers, whether it is the Ontario government,
8 interested parties, why they didn't feel it necessary to be
9 part of this process at the moment.

10 I can't speak for them. But I would say, had somebody
11 contacted Enbridge Gas at the time that the notice was put
12 out and said, you know, are there going to be different
13 rules for customer attachments, the Enbridge Gas response
14 would be, well, we haven't proposed anything different.

15 MR. MORAN: Right. And would you have updated your
16 advice to them in light of Procedural Order No. 6?

17 MR. STEVENS: I think in light of Procedural Order No
18 6, had somebody got in touch with Enbridge Gas, then that
19 would have been drawn to their attention. Certainly.

20 MR. MORAN: So to go back to my original question, is
21 Enbridge of the view that there's a notice issue that needs
22 to be addressed here?

23 MR. STEVENS: I think it is probably best for me to
24 take that away and respond, having consulted with others,
25 if that is okay with you.

26 MR. MORAN: That would be perfectly fine. Maybe
27 tomorrow morning when -- before we continue. Thank you.

28 So we are adjourned now until tomorrow morning at

1 9:30. We will continue with Pollution Probe's questions.

2 MR. STEVENS: The last item that we spoke about, I
3 would like to ask the Panel's permission to be able to
4 speak with Ms. Giridhar about that overnight. Although she
5 is under cross-examination, I would like an exception be
6 made if possible so that she can provide us with advice.

7 MR. MORAN: That is fine, Mr. Stevens.

8 MR. STEVENS: Thank you.

9 MR. MORAN: Have a good evening, everyone.

10 --- Whereupon the hearing adjourned at 4:35 p.m.

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ONTARIO ENERGY BOARD

FILE NO.: EB-2022-0200

Enbridge Gas Inc.

VOLUME: 4

DATE: July 18, 2023

BEFORE: Patrick Moran

Presiding Commissioner

Allison Duff

Commissioner

Emad Elsayed

Commissioner

1 Tuesday, July 18, 2023

2 --- On commencing at 9:30 a.m.

3 **ENBRIDGE GAS INC. - PANEL 1, ENERGY TRANSITION,**
4 **HYDROGEN/LOW CARBON ENERGY, RESUMED.**

5 **Tracey Teed Martin,**

6 **Jennifer Murphy,**

7 **Cara-Lynne Wade,**

8 **Malini Giridhar,**

9 **Alex Tiessen,**

10 **Dave Shipley,**

11 **Cody Wood,**

12 **Andrea Roszell,**

13 **Decker Ringo; Previously Affirmed.**

14 MR. MORAN: Good morning, everybody. Please be
15 seated. Maybe I will start off with you, Mr. Stevens. Did
16 you have anything to up follow up on our question from
17 yesterday or did you want more time?

18 MR. STEVENS: We are ready to respond. Thank you, Mr.
19 Chair.

20 MR. MORAN: Please proceed.

21 MR. STEVENS: So the question that was asked yesterday
22 was whether Enbridge Gas takes the position that the notice
23 in this case was insufficient or didn't properly reach
24 folks who might be impacted if feasibility guidelines for
25 customer attachments were reviewed in this case.

26 We have looked at this and we have thought about it.
27 And, while we do maintain that other parties could decide
28 that they would be interested in this, municipalities or

1 developers, for example, we are not certain that they would
2 actually choose to intervene.

3 And so, as I think you have heard and read, we are
4 primarily, or first and foremost, focused on having rates
5 in place for January 1, 2024. That is of paramount
6 importance to Enbridge. And so, with that context, we
7 would prefer not to interrupt the proceeding to give
8 supplemental notice to other parties.

9 I do want to say that, with that being said, while
10 Enbridge will not argue that there has been insufficient
11 notice, Enbridge does reserve the right to make other
12 appropriate arguments in relation to questions and issues
13 that may arise around customer attachment policy and
14 whether changes are appropriate to what was set out, or
15 what is set out, in E.B.O. 188.

16 MR. MORAN: Thank you, Mr. Stevens. And, of course,
17 Enbridge has every right to make every submission that
18 relates to any relevant issue that we are dealing with,
19 along with every other party, so that is great.

20 MR. STEVENS: Thank you.

21 MR. MORAN: So I think we are ready to continue with
22 Pollution Probe. Mr. Brophy?

23 **CROSS-EXAMINATION BY MR. BROPHY:**

24 MR. BROPHY: Great, thank you. Can everyone hear me?
25 Super.

26 This morning, we have about 95 minutes on the
27 schedule. If we need to take break in there, then we could
28 just pick a time if needed, or I am happy to go right to

1 the end, whatever makes sense.

2 MR. MORAN: Maybe I could ask the court reporter: Are
3 you able to hear Mr. Brophy all right? And the witnesses,
4 can you hear him? Maybe you could just angle the
5 microphone so it is a bit pointing right at your mouth.
6 There you go.

7 MR. BROPHY: Okay. I didn't know which orientation
8 was the most efficient, but I've figured it out, thank you.

9 Why don't we start. I have a quick question or two
10 for Guidehouse. We covered several of the residual
11 modelling issues related to the diversified scenario in the
12 technical conference on April 27, and so I don't intend to
13 go through all that again here. It doesn't make sense.
14 But, just as reminder, a few of them are the exclusion of
15 energy emissions and costs relating to the parasitic losses
16 for carbon capture, or CCUS -- and, for the panel's
17 benefit, that is covered in page 54 of our compendium --
18 customer costs and their ability to install carbon capture,
19 or CCUS, which is page 51; availability that margin
20 electricity used will be net zero, that is page 55 of the
21 compendium; and then there was quite a bit of discussion
22 around the difference between Guidehouse's modelling in
23 relation to hydrogen and the way Enbridge would actually do
24 it, as well, which I didn't intend to get into details
25 unless we need to.

26 But what I wanted to do is just validate that nothing
27 has changed since April 27 and that the issues that we went
28 through on April 27, which was after the third edition of