

## INTRODUCTION

The Federation of Rental-housing Providers of Ontario (FRPO) appreciates the opportunity to assist the Board in its consideration of facilities projects which ultimately could impact the rates of its members. FRPO requested intervenor status in two of three projects which have been collected in the Enbridge Gas Inc. (EGI) Argument-in-Chief<sup>1</sup> as an opportunity to assist the Board with the review of the facilities' aspect of these projects. Given the form of the generic argument-in-chief, the nature of our submissions and the limits on our time with argument timelines specified during the Rebasing hearing, we trust that the Board will accept a singular submission filed in each of the two proceedings (Selwyn and Mohawks of the Bay of Quinte) for which FRPO was granted intervenor status.

## PROJECT PIPING SUBMISSIONS

We understand and respect that these projects were applied for and accepted as part of the Ontario Government's Phase 2 NGEF as specified in the Expansion of Natural Gas Distribution System Regulation.<sup>2</sup> As such, in spite of what we believed would be poor economic profitability given the costs and the number of customers, we were resigned to the fact that the projects would proceed with incremental costs borne by the community, the customers served, Ontario taxpayers and potentially natural gas ratepayers in 10 years. However, the one area where we believed we could assist the Board was with the facility sizing.

Before providing more detailed comments on the respective projects, FRPO would like to highlight our concerns that these and other facilities projects have been submitted to the Board with very little information on the proposed layout of the piping network to serve the communities including pressures and other critical information required to assess the "right-sizing" of the project to the demands identified. In our view, the facilities information provided in the pre-filed evidence on these projects falls far short of those prescribed in the Natural Gas Facilities Handbook.<sup>3</sup> As such, even though our initial inquiry yielded some enhanced understanding of the sizes and operating pressures of the proposed networks, our ability to assist the Board is limited by not having the sizing, pressure and layout of these networks in the pre-filed evidence to inform more precise questions. We will address the result of these limitations for each project by way of example in the hope that the Board and staff will require these projects to meet the minimum standards of the Facilities Handbook going forward.

---

<sup>1</sup> EGI\_ARGChief\_20230725

<sup>2</sup> Ontario Regulation 24/19 Expansion of Natural Gas Distribution Systems, Schedule 2

<sup>3</sup> EB-2022-0081 Natural Gas Facilities Handbook, issued March 31, 2022

EB-2022-0248 Mohawks of the Bay of Quinte

The project description and alternatives in Exhibits D and C, respectively, of the application do not meet the filing requirements for that section of the Handbook. Through our interrogatories, we tried to elicit some of that missing information while testing the alternative to size the entire project as NPS 2 instead of the proposed NPS 4.<sup>4</sup>

We asked for EGI to run a simulation to test if the entire project could be NPS 2 using the forecasted connections in the application. The results of the requested simulation determined a system low point of 189 kPa which is higher than the system minimum of 140 kPa.<sup>5</sup> In our view, that should be the appropriate size as it leaves capacity for some more customer beyond the forecast.

However, our next interrogatory asked EGI's views on NPS 2 pipe size as an appropriate alternative. EGI seems to reject the possibility not on the basis of the 10-year attachment forecast but on the hypothetical scenario of 100% attachment rate for the project. But EGI did not apply for 100% attachment. If they had, the economics would be quite different and they would bear that risk, at least in the first 10 years.

This sizing for future additions may have been appropriate in the past when additional attachment could be considered beyond the 10-year horizon. We respectfully submit that it is not appropriate in this environment of energy transition. Further, even if additional customers may be interested in the future, they may be able to be added without additional reinforcement of the system. In a worst-case scenario, even if additional customer come on to the system beyond year 10, if the existing system cannot provide the needed demand, increasing the pipe size by looping an NPS 2 with NPS 4 could be considered.

In our respectful submission, the company has not met its onus by meeting the evidentiary requirements to support its proposal. In the alternative, FRPO recommends that EGI be approved for NPS 2 for the entire project. In this way, if they choose to put in NPS 4, the shareholder can pay for the incremental cost of the bigger size and be at risk for that cost throughout and after the initial 10-year period.

EB-2022-0156 Selwyn Township

For the Selwyn project, once again, the prefiled evidence did not meet with requirements of the Handbook. In an attempt to elicit a basic understanding of the project, we asked similarly about the use of NPS 2 instead of NPS 4. Given the limited information, we had assumed that the new extension of the Bridgeport North system would tie-in to the Lakefield Road system as this would provide additional security of supply and potentially reduced cost for the project. However, when our assumption was

---

<sup>4</sup> EB-2022-0248, Exhibit I.FRPO.3

<sup>5</sup> The 140 kPa minimum was not provided by EGI but it is the common minimum pressure for a standard Intermediate Pressure system.

not confirmed, the remainder of our questions regarding the evaluation yielded little additional helpful information. If the project description had been provided with mapping and the specificity stipulated in the Facilities Handbook, we would have been able to ask if the project costs could be reduced simply by adding a small station to inter-connect the Bridgeport North and Lakefield Rd. systems. Therefore, we cannot provide the Board with any assistance on the prudence of the pipe design.

## PROJECT COSTS AND ECONOMICS

FRPO continues to be concerned about the manner in which these NGEF projects are being supported. Given the timeframe of our submissions, we were able to review the submissions of Environmental Defence. We have come to respect their provision of energy alternatives such as heat pumps and, in our view, their position is as credible if not more than EGI in these matters. As such, we support and adopt Environmental Defence's submissions on Issue 3 in respect of the two proceedings for which FRPO has intervenor status.

## COSTS

In these proceedings, FRPO strived to assist the Board with a view to facilities matters of the expansion projects. We trust that our submissions are helpful, if only at this point, to drive change toward a higher standard of evidentiary submission for facilities projects. We respectfully request the award of 100% of our reasonably incurred costs at such time as the Board calls for those costs.

ALL OF WHICH IS RESPECTFULLY SUBMITTED ON BEHALF OF FRPO,

Dwayne R. Quinn  
Principal  
DR QUINN & ASSOCIATES LTD.