



THE BOARD OF DIRECTORS

PATRICIA ADAMS
Chair and President
ANN CAVOUKIAN
Executive Director, PBDI, Metropolitan University
GLENN FOX
Economist, University of Guelph
GEORGE TOMKO
Expert-in-Residence in IPSI, University of Toronto

MAX ALLEN
Producer, CBC Radio
DAVID CAYLEY
Writer and Broadcaster
GAIL REGAN
President, Cara Holdings Inc.

August 30, 2023

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, P.O. Box 2319
Toronto ON, M4P 1E4

Dear Ms. Marconi,

**RE: EB-2022-0157 Enbridge Gas Inc. Panhandle Regional Expansion Project
Submission of Energy Probe on Issues to be addressed in an Oral Hearing**

In its letter of August 25, 2023, the OEB gave an opportunity for parties to the proceeding and OEB Staff to file written submissions on issues to be addressed in an oral hearing and the format any oral hearing might take. This letter is the submission of Energy Probe.

In support of its request for approval of the Panhandle Regional Expansion Project Enbridge filed its economic analysis of the feasibility of the project. The economic analysis is based on the Three Stage Test from EBO 134 and with a DCF analysis from EBO 188 based on 40 years of revenues from instead of 20 years for large volume customers as is specified in EBO 188. The hearing should examine if all of this is appropriate.

According to the economic DCF analysis the Panhandle Regional Expansion Project is has a large negative NPV at Stage One and will require a subsidy from Enbridge ratepayers for more than 40 years. The hearing should examine whether it is appropriate to proceed with such an uneconomic project.

To improve the feasibility of the Panhandle Regional Expansion Project would require the customers served by the project to pay a contribution. The hearing should examine if the OEB can order Enbridge to charge a contribution as a condition of approval and whether such a contribution should be based on a DCF analysis using 20 years or 40 years of revenues.

Based on the evidence it appears that Enbridge sought to create a market for the Panhandle Regional Expansion Project in order to justify building a larger diameter pipeline than necessary. The hearing should examine whether it is appropriate to build a larger diameter pipeline considering that it would require a larger subsidy from ratepayers.

Energy Probe Research Foundation 565 Bloor Street West, Suite 6, Toronto, Ontario, M5S 1Y6

Phone: (416) 964-9223 Fax: (416) 964-8239 E-mail: EnergyProbe@nextcity.com Internet: www.EnergyProbe.org

The scope and the cost estimate of the project changed from what was originally filed. The hearing should examine whether the new scope and the cost estimate are appropriate.

Regarding the format for an oral hearing, Energy Probe believes that an in-person hearing would allow for more effective communication between the parties and the Commissioners than a virtual hearing.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi
TL Energy Regulatory Consultants Inc.

cc. Patricia Adams (Energy Probe Research Foundation)
Zora Crnojacki (OEB Staff)
Haris Ginis (Enbridge Gas Inc.)
Michael Millar (OEB Staff)
Parties to the Proceeding