

November 22, 2023

VIA EMAIL and RESS

Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto, Ontario, M4P 1E4

Dear Nancy Marconi:

**Re: Enbridge Gas Inc. (Enbridge Gas or the Company)
Ontario Energy Board (OEB) File No.: EB-2023-0200
Sandford Community Expansion Project (Project)
Reply Submission Regarding Need for Technical Conference**

Pursuant to the OEB's Procedural Order No. 1 dated October 19, 2023, this is Enbridge Gas's response to the correspondence of Environmental Defence (ED), Pollution Probe (PP), and Independent Participant, Elizabeth Carswell (IP) wherein the intervenors all requested a technical conference and oral hearing.¹ ED also requested that a single technical conference be held for all ongoing Enbridge Gas community expansion projects and that this proceeding be held in abeyance. IP also made a request to submit evidence in the proceeding.

Enbridge Gas submits that a technical conference and/or oral hearing is not required since the record is complete and no party raised any substantive issues in evidence that require further inquiry or clarification. With respect to IP's request to file evidence, Enbridge Gas submits that the OEB should deny IP's request, for the reasons outlined below. Enbridge Gas also requests that the OEB consider Enbridge Gas's proposed construction schedule in Exhibit D, Tab 2, Schedule 1 when evaluating ED's request for abeyance. Enbridge Gas is concerned that a delay in this proceeding may impact the proposed in-service date of January 2025 as construction must commence in July 2024.

In support of its request for a technical conference, ED refers to various interrogatory responses (I.ED-25, I.ED-39, and I.ED-41) and potential areas of inquiry that relate to Enbridge Gas's average use assumptions and revenue forecast, and particularly why Enbridge Gas is assuming a higher average use for residential customers in the project area than actual average use for Enbridge Gas customers in other natural gas expansion areas. Enbridge Gas notes that the annual average residential consumption is based on actual data from NGEF Phase 1 and 2 projects. The data used to derive the annual residential consumption is variable and is based on the physical characteristics of the properties within the community. For example, in Sanford the data includes high variability in residential properties ranging from communities with small bungalow style or trailer homes to areas with larger multi-story or estate-like homes. The weighted

¹ Request for a technical conference and/or oral hearing was made by PP only.

average residential consumption is used in the economic analysis for Sandford. Accordingly, the annual average is project-specific and it is based on reviewing property characteristics in the MPAC data, such as the square footage of homes and conducting high-level field verification across the Project scope to validate the assumptions.

Regarding the other interrogatories referenced by ED, ED has failed to provide any meaningful information to support its request for a technical conference. Enbridge Gas has provided complete responses to the questions posed in I.ED-2, I.ED-4, I.ED-12, I.ED-22, I.ED-27, and I.ED-28, and it has no further information to provide with the exception of I.ED-2, where an additional Letter of Support was received from the Township of Uxbridge on November 17, 2023 after interrogatory responses were filed. This additional Letter of Support will be added to the proceeding as an update to Exhibit B, Tab 1, Schedule 1.

In support of its request for a technical conference and/or oral hearing, PP refers to various factors that may impact the Profitability Index (PI). As described in evidence and reiterated in the Company's responses to interrogatories, Enbridge Gas has conducted third-party market research to assess consumer interest in converting to natural gas, engaged major builders/developers, and conducted an additional outreach campaign to collect expressions of interest to supplement the market research. Enbridge Gas has no reason to believe that the PI for the Project is not accurate. Further, Pollution Probe provides no description of the "safety factor" that it purports is excluded from the PI calculation. Enbridge Gas confirms that the PI for the Project was appropriately calculated in a manner consistent with all other Community Expansion Projects, using the OEB-approved methodology under E.B.O. 188.

Regarding IP's request for a technical conference, Enbridge Gas notes that IP has not provided any reasons to support the need for a technical conference. The IP has provided no reasons for why the existing record is incomplete. Additionally, IP has requested to file evidence based on her calculations comparing the cost effectiveness between natural gas and heat pumps. IP has also requested to file evidence on the survey results of her neighbours regarding information she shared about heat pumps compared to natural gas and other fuel options. Enbridge Gas notes, that the OEB previously denied ED's evidence proposal to file evidence comparing the cost-effectiveness of alternatives to natural gas, specifically high-efficiency electric cold climate air source heat pumps. On April 7, 2023 the OEB denied ED's evidence proposal within the three similar NGEF-funded community expansion proceedings. Furthermore, the OEB ruled in those three NGEF-funded community expansion projects (EB-2022-0156/0248/0249) that notwithstanding submissions raised regarding the relative economics of natural gas and electric heat pumps, the public interest is informed by individual consumer survey responses and that the OEB's conclusion that the Government of Ontario has identified a public need and, provided that a project is shown to be economic within the financial parameters set out in the legislation, the OEB must conclude that it meets the requirements of the public interest criterion in section 96(1) of the OEB Act. Accordingly, the OEB should deny the IP's request to file evidence regarding cost effectiveness on the same basis as the three similar proceedings noted above.

In regards to IP's request to file her survey results, Enbridge Gas notes that no details were provided regarding the reliability of the survey including the sample size, the survey design (i.e. the survey questions), the statistical significance/confidence intervals and the survey methodology used to gather the data. If the OEB allows for the survey to be filed, Enbridge Gas requests the right to ask interrogatories on the survey to determine the applicability of the survey and the findings in this proceeding.

Enbridge Gas acknowledges and will adhere to OEB staff's request that Enbridge Gas file on the record of this proceeding any additional comments it receives from Indigenous communities, along with responses to those comments, as soon as those comments and responses are available.

Based on the foregoing, Enbridge Gas submits that there is no basis for a technical conference and/or oral hearing and the most regulatory efficient next step is the filing of submissions.

Please contact me if you have any questions.

Yours truly,

Evan Tomek
Advisor, Regulatory Applications – Leave to Construct