

November 28, 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**

We are writing in response to the letter from Independent Participant, Elizabeth Carswell ("IP"), filed on November 26, 2023. In her letter, IP reiterated her request for a technical conference. IP requests a technical conference to ask questions about the efficiency factors for converting from propane to natural gas. IP also desires to ask further questions about the Rate Stability Period ("RSP").

Enbridge Gas relies on and reiterates its reasons in its November 22, 2023 letter to the OEB to support that a technical conference is not required. The OEB has previously determined in its approval of the three earlier community expansion projects (EB-2022-0156/0248/0249) and in EB-2020-0094 that the appropriate time for determining the rate treatment for the forecasted costs and revenue vs. actuals is in the first rebasing following the expiration of the RSP. In regards to the efficiency factor used for natural gas and propane space heating (i.e., 89% and 84%, respectively), the factors were calculated on a weighted average basis taking into account the type of equipment, equipment efficiency and percentage of customers on each equipment category. Most significantly, even if the efficiency factor for propane space heating is incorrect by 5% as suggested by IP, it would not materially change the evidence, which is that natural gas results in significantly more savings compared to propane. A technical conference will not result in further information on these issues and the commentary raised by IP is more consistent with submissions than information clarification suitable for a technical conference.

IP has also requested to file evidence on her survey of Sandford residents and the cost savings of cold climate air sourced heat pumps (ccASHP). With respect to the latter item, the IP noted that this same type of evidence was rejected by the OEB in EB-2022-0156/0248/0249. The IP has not demonstrated how the nature of her proposed evidence differs from the evidence that ED sought to file in the previous proceedings. In approving those earlier projects, the OEB noted that "the decision of individual consumers to opt for natural gas service is based on 'all relevant factors including financial and non-financial considerations relevant to their geographic location, heating

need, housing and electrical standard.” and 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 request to file evidence on cost savings on the same basis as the three similar proceedings note above.

In regards to IP’s request to file her survey information, Enbridge Gas urges the OEB to consider the purpose and value of the survey in this proceeding. Firstly, the purpose of IP’s survey as described in her letter dated November 19, 2023 is about comparing the interest of Sanford residents in natural gas vs. ccASHP:

I conducted my own survey of my Sandford neighbours last month and I shared information about cold climate air sourced heat pumps compared with gas and the other options. I took note of their interest in gas and heat pumps and my results are very different from the survey conducted a year ago for Enbridge Gas.¹

In contrast, Enbridge Gas’s survey as filed in this proceeding is designed to understand the residents’ interest in converting to natural gas from their existing fuel source. The IP’s survey has a different purpose than Enbridge Gas’s and does not appear to be connected to enabling access to natural gas. The Sandford Community Expansion Project has been selected for funding through Phase 2 of the Government of Ontario’s Natural Gas Expansion Program (“NGEP”)², which is designed to provide funding for projects to connect previously unserved communities to natural gas service. The OEB noted in its denial of ED’s evidence proposal in the three recent community expansion projects that the applications are not about choosing between heat pumps and natural gas. The OEB stated, “[I]n accordance with the pre-existing OEB approach, this application does not involve the OEB making a choice between the approval, or recommending the use, of such heat pumps instead of an expansion of natural gas facilities in serving the relevant communities”. Secondly, the OEB should consider the value of IP’s survey to this proceeding, considering that the IP has not shared any details regarding the survey methodology. Specifically, there are no details regarding the scope and content of the survey and whether the appropriate demographic within the relevant project area/boundaries were surveyed. Thirdly, Enbridge Gas notes that the OEB has not expressed any concerns or deficiencies regarding its surveys in prior community proceedings that were approved by the OEB, and the survey filed by the Company in this proceeding continues to be consistent with the approach taken for the prior surveys.

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.

¹ IP Letter (November 19, 2023), p. 1.

² The NGEP was created through the *Access to Natural Gas Act, 2018*, which is incorporated into section 36.2 of the OEB Act.

Page 3 of 3

Please contact me if you have any questions.

Yours truly,

Evan Tomek
Advisor, Regulatory Applications – Leave to Construct