



Haris Ginis
Technical Manager
Leave to Construct Applications
Regulatory Affairs

tel 416-495-5827
haris.ginis@enbridge.com
EGIRegulatoryProceedings@enbridge.com

Enbridge Gas Inc.
500 Consumers Road
North York, Ontario
M2J 1P8

VIA EMAIL and RESS

December 21, 2023

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 Nos.
EB-2022-0111 – Bobcaygeon Community Expansion Project (“Bobcaygeon
Project”)
EB-2023-0200 – Sandford Community Expansion Project (“Sandford Project”)
EB-2023-0201 – Eganville Community Expansion Project (“Eganville Project”)
EB-2023-0261 – Neustadt Community Expansion Project (“Neustadt Project”)
Response to Environmental Defence (“ED”) Letter**

Enbridge Gas is in receipt of ED’s letter dated December 14, 2023 whereby ED requests to consolidate and hear the above-noted Enbridge Gas proceedings together (along with an EPCOR proceeding) and with the inclusion of a joint technical conference. ED also makes a late request to file new evidence consisting of its own survey results regarding consumer interest in connecting to the natural gas system.

Enbridge Gas’s comments regarding ED’s requests are limited to the Company’s proceedings (collectively, “Proceedings”) and not the EPCOR proceeding.

Regarding ED’s request to consolidate the Proceedings and hold a joint technical conference, Enbridge Gas submits that the OEB should deny ED’s request as consolidation and a joint technical conference would result in limited probative value and unnecessary delays to the Proceedings, given the unique timing and circumstances of each project.

Similarly, regarding ED’s late request to file new evidence for the Proceedings, the OEB should deny ED’s request as the proposed evidence is not likely to provide more accurate information regarding consumer and community interest in natural gas system expansion than that of the Government of Ontario’s and Enbridge Gas’s information, should not be funded by natural gas ratepayers, and would result in unnecessary delays to the Proceedings.

ED's Request to Consolidate the Proceedings

The Proceedings are at various stages and therefore consolidating them would result in unnecessary delays to the proceedings which are more advanced. Specifically, although the Bobcaygeon Project and Sandford Project proceedings are currently at the same stage, they are more advanced than the Neustadt Project proceeding, which in turn is more advanced than the Eganville Project proceeding, as detailed below:

- **Bobcaygeon Project** and **Sandford Project** proceedings – Enbridge Gas's written interrogatory responses have been filed.¹ OEB staff, intervenor, and Enbridge Gas's submissions regarding the need for technical conferences have also been filed.²
- **Neustadt Project** proceeding – Enbridge Gas's written interrogatory responses have been filed.³ OEB staff and intervenor submissions regarding the need for a technical conference are due to be filed by January 10, 2024. Enbridge Gas's submission regarding the need for a technical conference is due to be filed by January 17, 2024.⁴
- **Eganville Project** proceeding – Enbridge Gas's written interrogatory responses are due to be filed by January 12, 2024. OEB staff and intervenor submissions regarding the need for a technical conference are due to be filed by January 18, 2024. Enbridge Gas's submission regarding the need for a technical conference is due to be filed by January 22, 2024.⁵

The Bobcaygeon Project and Sandford Project proceedings have already experienced delays as the OEB placed the proceedings into abeyance pending the OEB's determination on a motion to review filed by ED (EB-2023-0313).⁶ On December 13, 2023, the OEB made its determinations regarding the motion⁷ and other than the OEB's holiday timeout period (ending on January 7, 2024)⁸ there are no outstanding procedural steps impeding continuation of these proceedings. Aligning the procedural steps/timelines of the Bobcaygeon Project and Sandford Project proceedings with the

¹ Enbridge Gas's interrogatory responses for the Bobcaygeon Project proceeding were filed on September 20, 2023.

Enbridge Gas's interrogatory responses for the Sandford Project proceeding were filed on November 16, 2023.

² OEB Staff and intervenor submissions regarding the need for a technical conference for the Bobcaygeon Project proceeding were filed on September 22, 2023.

Enbridge Gas's submission regarding the need for a technical conference for the Bobcaygeon Project proceeding was filed on September 26, 2023.

OEB Staff and intervenor submissions regarding the need for a technical conference for the Sandford Project proceeding were filed on November 20, 2023.

Enbridge Gas's submission regarding the need for a technical conference for the Sandford Project proceeding was filed on November 22, 2023.

³ Enbridge Gas's interrogatory responses for the Neustadt Project proceeding were filed on December 15, 2023.

⁴ EB-2023-0261, OEB Procedural Order No. 1 (November 17, 2023).

⁵ EB-2023-0201, OEB Procedural Order No. 1 (November 22, 2023).

⁶ EB-2022-0111, OEB Correspondence (October 11, 2023).

EB-2023-0200, OEB Correspondence (November 29, 2023).

⁷ EB-2023-0313, OEB Decision and Order (December 13, 2023).

⁸ OEB Correspondence (November 30, 2023): "The OEB holiday timeout period for the 2023-2024 fiscal year will be from December 16, 2023, to January 7, 2024".

Eganville Project and Neustadt Project proceedings would result in unnecessary delays to the more advanced Bobcaygeon Project and Sandford Project proceedings.

Enbridge Gas has committed to the Government of Ontario (“Government”) to assess and file with the OEB several community expansion projects and applications by the end of 2025. Enbridge Gas must execute project work in a coordinated manner to ensure appropriate resources are available for project development and construction. Enbridge Gas has therefore staggered the filing of its community expansion applications in consideration of several factors including resource availability, community readiness and completion of filing requirements. It would be counterproductive to delay and consolidate proceedings for projects that Enbridge Gas has staggered for these reasons.

Regarding ED’s request for a joint technical conference for the Proceedings, the Company reiterates its submissions within the Bobcaygeon Project and Sandford Project proceedings that technical conferences are not required since the record is complete and no party raised substantive issues that require further inquiry or clarification.⁹ Regarding the Eganville Project and Neustadt Project proceedings, Enbridge Gas notes that ED’s request for a joint technical conference was submitted prior to the filing of the Company’s interrogatory responses (and parties’ submissions regarding the need for technical conferences) and submits that the OEB should make its determination regarding the need for technical conferences for those proceedings after it has reviewed Enbridge Gas’s interrogatory responses and parties’ submissions regarding the need for technical conferences.

Furthermore, Enbridge Gas notes that while some of the Company’s evidence is prepared by utility staff that are common across the Proceedings, other parts of the Company’s evidence is prepared by utility staff that are unique to each project, providing limited value from a joint technical conference. Additionally, several aspects of the Proceedings are unique including the size and scope of the proposed projects¹⁰ and the intervening parties¹¹.

⁹ EB-2022-0111, Enbridge Gas Reply Submission Regarding Need for Technical Conference (September 26, 2023).

EB-2023-0200, Enbridge Gas Reply Submission Regarding Need for Technical Conference (November 28, 2023).

¹⁰ For example, the Bobcaygeon Project will make natural gas available to approximately 3,600 customers (EB-2022-0111, Exhibit B, Tab 1, Schedule 1, p. 1) with an estimated project cost of \$115.2 million (EB-2022-0111, Exhibit E, Tab 1, Schedule 1, p. 1), whereas the Sandford Project will make natural gas available to approximately 183 customers (EB-2023-0200, Exhibit B, Tab 1, Schedule 1, p. 1) with an estimated project cost of \$7.2 million (EB-2023-0300, Exhibit E, Tab 1, Schedule 1, p. 1).

¹¹ For example, the Sandford Project proceeding includes Independent Participant Elizabeth Carswell as an approved intervenor, whereas the Bobcaygeon Project proceeding does not. Furthermore, the Bobcaygeon Project proceeding includes the Federation of Rental-housing Providers of Ontario as an approved intervenor, whereas the Sandford Project proceeding does not.

ED's Late Request to File New Evidence

It is important to note that ED has known about the projects related to the Proceedings for a long time. The projects and associated communities were awarded funding by the Government via the Natural Gas Expansion Program (“NGEP”) on June 9, 2021 (over 900 days ago).¹² Furthermore, ED filed requests for intervenor status within each of the Proceedings on the following dates:

- Bobcaygeon Project proceeding – June 17, 2022 (over 550 days ago)
- Sandford Project proceeding – September 12, 2023 (over 90 days ago)
- Eganville Project proceeding – November 9, 2023 (over 40 days ago)
- Neustadt Project proceeding – November 9, 2023 (over 40 days ago)

ED has been provided with ample time and opportunity to request to file evidence within the Proceedings. This is made even more evident by the fact that ED already requested to file evidence within the Proceedings.¹³ The lateness of ED's new request to file evidence is unjustified.

Furthermore, Enbridge Gas submits that ED's proposed evidence would provide limited value to the OEB in its assessment of consumer interest in connecting to the natural gas system and allowing the evidence would only result in unnecessary and unwarranted delays to the Proceedings. The projects and their associated communities were selected by the Ministry of Energy to receive funding through Phase 2 of the Government's NGEP and, as part of that process, were specifically assessed by the Government and the OEB among hundreds of other applications related to other projects and communities. The granting of NGEP funding was rooted in extensive community consultation and support, together with local, geo-targeted market analysis to assess and substantiate consumer interest in natural gas. ED's request infers that the Government's process is inadequate by suggesting that it can more accurately assess consumer and community interest in natural gas expansion.

Additionally, Enbridge Gas has already conducted and filed surveys related to consumer interest in converting to natural gas within the project areas.¹⁴ The OEB has accepted Enbridge Gas's survey methodologies (and described no errors, inaccuracies or bias as suggested by ED) as recently as September 2023.¹⁵ ED's December 14, 2023 letter ignores that the Company has no incentive to produce or rely on biased surveys. The OEB explicitly indicated within its Decisions and Orders regarding similar community expansion proceedings that if actual natural gas attachments are lower than Enbridge Gas's forecasts (which are derived in part based on the Company's surveys), Enbridge Gas “is not guaranteed total cost recovery if actual capital costs and revenues

¹² <https://www.ontario.ca/page/natural-gas-expansion-program>

¹³ Within ED's requests for intervenor status for each of the Proceedings, ED requested to file evidence related to the cost-effectiveness of high-efficiency electric cold climate air-source heat pumps. None of ED's earlier requests to file evidence describe the evidence proposed in ED's December 14, 2023 letter.

¹⁴ EB-2022-0111, Exhibit B, Tab 1, Schedule 1, Attachment 4.

EB-2023-0200, Exhibit B, Tab 1, Schedule 1, Attachment 3.

EB-2023-0201, Exhibit B, Tab 1, Schedule 1, Attachment 6.

EB-2023-0261, Exhibit B, Tab 1, Schedule 1, Attachment 3.

¹⁵ EB-2022-0156, OEB Decision and Order (September 21, 2023), pp. 12, 19-20.

EB-2022-0248, OEB Decision and Order (September 21, 2023), pp 12, 20.

EB-2022-0249, OEB Decision and Order (September 21, 2023), pp. 11, 19.

result in an actual PI below 1.0.”¹⁶ As such, Enbridge Gas is incentivized to produce unbiased and reliable surveys due to the potential cost recovery consequences related to its natural gas attachment forecasts. If Enbridge Gas relies on surveys that overstate consumer interest in conversion to natural gas as ED suggests, the Company would be subjecting itself to potential cost recovery risk.

Regarding the scope of ED’s new evidence proposal, ED appears to be focused on providing consumers with simplified information regarding high-efficiency electric cold climate air-source heat pumps (“electric ccASHP”), specifically the average annual operational costs of electric ccASHPs.

ED’s proposal omits providing consumers with information regarding the total cost required to convert a home to an electric ccASHP configuration, including the potential upfront cost which could be prohibitive for some home configurations.¹⁷ Additionally, providing consumers with simplified information related to conversions to non-natural gas energy solutions without consideration of those energy solutions’ supply-side requirements and implications would not be appropriate or valuable.

The scope of ED’s new evidence proposal (i.e., providing consumers with simplified financial/economic information regarding electric ccASHPs) ignores the OEB’s findings within its Decisions and Orders regarding similar community expansion proceedings which state that (i) financial considerations are only one of many relevant factors that influence consumer energy decisions, and (ii) the current economics of electric ccASHPs can change over time:¹⁸

The OEB agrees with Enbridge Gas 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.”...

The OEB also agrees with Enbridge Gas’s submission that:

“Policy changes, growing electricity costs to modernize and renew the grid and build out supply, technological change, and economic cycles could change the economic relationship between electric heat pumps and natural gas in the future.” [Emphasis added]

ED’s late evidence proposal also states that, while it would prefer to conduct its proposed surveys in each community, an alternative approach could involve conducting its survey in one community and extrapolating the results to other communities, subject to appropriate caveats. Enbridge Gas objects to this approach on the basis that

¹⁶ EB-2022-0156, OEB Decision and Order (September 21, 2023), pp. 20-21.

EB-2022-0248, OEB Decision and Order (September 21, 2023), p. 21.

EB-2022-0249, OEB Decision and Order (September 21, 2023), p. 20.

¹⁷ EB-2022-0111, Exhibit I.ED.28(a).

EB-2023-0200, Exhibit I.ED.28(a).

EB-2023-0261, Exhibit I.ED.28(a).

¹⁸ EB-2022-0156, OEB Decision and Order (September 21, 2023), p. 20.

EB-2022-0248, OEB Decision and Order (September 21, 2023), p. 20.

EB-2022-0249, OEB Decision and Order (September 21, 2023), p. 19.

consumer interest in connecting to natural gas can vary from community to community. ED's suggested approach would be unreliable and inconsistent with the project-specific and community-specific assessments conducted by the Government and Enbridge Gas noted above.

If the OEB were to permit ED's proposed evidence and allow for ratepayer-funded recovery of its cost, it should ensure that the evidence is produced objectively (with the intention of supporting the OEB's assessment of the community expansion applications beyond the information that is already available to it) rather than to promote ED's interests (i.e., the promotion of electric heat pumps and the opposition to natural gas expansion projects). While Enbridge Gas's surveys were developed to confirm the viability of natural gas community expansion projects, ED's interests with respect to similar NGEF-funded applications consist of "efforts to help consumers adopt heat pumps as the home heating option" and "efforts to combat fossil fuel subsidies".¹⁹ Notably, the OEB indicated in its adjudication of the ED motion to review that while ED's interests demand careful deliberation they "extend beyond the immediate scope of these proceedings".²⁰ This is also true of ED's new evidence request for the Proceedings.

If the actual intended use of ED's proposed surveys is to promote electric heat pumps and to oppose natural gas expansion projects, this would need to be revealed to survey participants prior to seeking their engagement, in accordance with acceptable market research industry ethics and standards. Consumers having any desire to obtain natural gas service may be understandably reluctant to participate in such a survey, which would in turn make the survey results unreliable for the purpose of assessing consumer interest in connecting to the natural gas system.

In addition to the limited probative value of ED's proposed evidence, the OEB should also consider consumer survey fatigue related to ED's additional proposed surveys, how such fatigue may impact survey accuracy, and whether there may be consumer confusion regarding the source and need for the surveys, especially if consumers have already responded to Enbridge Gas's surveys in the recent past.

Additionally, the OEB should consider the material delay that would arise from admitting ED's evidence. Enbridge Gas anticipates that if the OEB were to allow ED's new evidence request, there would be material delays resulting from the preparation, execution and testing of the evidence, all of which may delay the Proceedings by several months. As a matter of procedural fairness, if the OEB makes provision for ED's proposed evidence, Enbridge Gas requires the opportunity for discovery and to file responding evidence.

For the foregoing reasons, Enbridge Gas submits that the OEB should deny ED's requests to consolidate the Proceedings with a joint technical conference and deny ED's late request to file new evidence.

If you have any questions, please contact the undersigned.

¹⁹ EB-2023-0313, Reply Submissions of Environmental Defence (November 29, 2023), p. 3.

²⁰ EB-2023-0313, OEB Decision and Order (December 13, 2023), p. 16.

Sincerely,

Haris Ginis

Technical Manager, Leave to Construct Applications

c.c. Charles Keizer (Torys LLP, Enbridge Gas Counsel)
Henry Ren (Enbridge Gas Counsel)
Guri Pannu (Enbridge Gas Counsel)
Tania Persad (Enbridge Gas Counsel)
Judith Fernandes (OEB Staff)
Kaidie Williams (OEB Staff)
Michael Beare (OEB Staff)
Catherine Nguyen (OEB Staff)
Intervenors (EB-2022-0111/EB-2023-0200/EB-2023-0201/EB-2023-0261)