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January 11, 2024

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

Dear Ms. Marconi,

**RE: EB-2023-0326: Hearing on Ontario Energy Board's Own Motion regarding Enbridge Gas Inc.'s 2021 Vector Contracting Decision - Argument Submission of Energy Probe**

On November 15, 2023, the OEB issued a Notice of Hearing and PO No.1 that it will hold a hearing on its own motion to determine the prudence of Enbridge Gas Inc.'s (Enbridge Gas) contracts with Vector Pipeline (Vector), pursuant to sections 19(4) and 36 of the *Ontario Energy Board Act, 1998*. Enbridge Gas contracted with Vector in 2021 for 40,000 Dth/d for a term of November 1, 2021, to October 31, 2026, equally split between the Enbridge Gas Distribution and Union South rate zones and extended an existing 80,000 Dth/d contract for the Union South rate zone, which was set to expire on October 31, 2022, to October 31, 2025.

The Notice indicated that it will be sent to Enbridge Gas and all other parties that participated in the EB-2023-0072 consultation and listed the parties including Energy Probe. However, the notice was not sent to Energy Probe. As a result, Energy Probe was unaware of the EB-2023-0326 proceeding and the deadline for argument submissions. Energy Probe only became aware of the proceeding and the deadline when it received the argument of Board Staff this afternoon.

In its Notice the OEB indicated that the sole issue and scope of this proceeding is whether Enbridge Gas's 2021 Vector Pipeline contracting decision was prudent. In that context, and without limiting the scope of submissions, the OEB was particularly interested in the following questions:

- *In addition to the OEB's Guiding Principles for the Assessment of Gas Supply Plans, is the Incremental Transportation Contracting Analysis approved in EB-2005-05202 informative in the assessment of the prudence of Enbridge Gas's 2021 Vector contracting decision, and if so, how?*

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- *If the 2021 Vector contracting decision is found to be imprudent, how should any cost consequences be determined and addressed?*

The following is the Argument Submission of Energy Probe.

In its May 24, 2022, submission on the EB-2022-0072 EGI Gas Supply Update Energy Probe made the following comments.

“Enbridge presented evidence on the Trans Canada Mainline capacity open season. design day analysis of options, peaking services, and explained its supply option analysis that drives its pipeline renewals and purchases decisions.

Enbridge Gas indicated that *the diversity provided by contracting through multiple suppliers provides a benefit to customers in comparison to the lowest price bid as it diversifies the risks to provide reliability and security of supply to system customers.* 8 Energy Probe suggests that Enbridge Gas in its reply submission explain the trade-off between diversity of supply and price. and discuss why the OEB should have confidence in its decisions.

Energy Probe has concerns with the Vector pipeline purchase of 40,000 Dth/d. (20,000 each for Union and EGD Rate Zones)<sup>9</sup> and the Vector pipeline renewal for the Union rate zone for capacity: 80,000 Dth/d.<sup>10</sup> Vector pipeline is an affiliate of Enbridge Gas and Enbridge Gas may have been influenced in its decision to contract with its affiliate, Vector, instead of Vector’s competitors. Enbridge Gas claims that both contracts with Vector were competitively priced. <sup>11</sup> Energy Probe suggests that Enbridge Gas in its reply submission explain why the OEB should have confidence in its Vector capacity decisions.”

In its Reply Submission of June 9, 2022, EGI responded to Energy Probe’s concerns. Based on those responses, Energy Probe believes that EGI’s contracting decision was prudent.

Respectfully submitted on behalf of Energy Probe.

Tom Ladanyi  
TL Energy Regulatory Consultants Inc.

cc. Patricia Adams (Energy Probe)  
Petar Prazic (OEB Staff)  
Ian Richler (OEB Staff)  
Parties to the Proceeding

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