

Elson Advocacy

March 1, 2024

Ms. Nancy Marconi
Registrar
Ontario Energy Board
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Dear Ms. Marconi:

**Re: Enbridge Gas Inc. 2024 to 2028 Rates Application
EB-2022-0200**

I am writing on behalf of Environmental Defence and the Green Energy Coalition to provide the following brief comments on the Draft Rate Order in this proceeding.

Capital

Enbridge has correctly interpreted the \$250 million capital reduction as applying to the entire capital envelope such that Enbridge has flexibility within that envelope. Although the December 21, 2023 decision could be read as requiring the reduction to be sourced solely from system renewal projects, we do not believe that is the correct interpretation. The OEB stated that “[t]he OEB’s reduction of \$250 million is an envelope reduction to the 2024 capital program...”

Although the OEB’s findings about system renewal spending do not require system renewal projects to be subject to a separate envelope, they will nevertheless be relevant in the next rebasing application when the OEB examines the prudence of Enbridge’s capital spending over the next five years. The OEB stated that the reduction is meant to “improve [Enbridge’s] approach to integrity management, repair and life extension, so that only truly necessary replacement projects proceed.” Enbridge will need to explain how it followed the OEB’s directions when it seeks to add in-service additions to rate base going forward.

Site Restoration Costs

Enbridge’s proposals regarding the tracking of site restoration costs are a step forward. Although additional granularity will likely be required to achieve the transparency sought by the OEB, that can likely be accomplished through interrogatories.

Enbridge’s proposal regarding an interim approach to investing incremental site restoration amounts is insufficient for anything that will be used beyond a short period of time because of the modest return for customers. Enbridge discusses seeking approval of an investment policy;

they should be asked to submit that policy in phase 2 to ensure that funds are appropriately invested as soon as possible.

Although Environmental Defence and the Green Energy Coalition have no further comments, that should not be taken as acceptance of the remaining aspects of the draft rate order. We have relied on other intervenors to make comments on other details, including aspects of the draft order that have not been our main focus.

Yours truly,

A handwritten signature in blue ink, appearing to read 'K. Elson', with a stylized, cursive script.

Kent Elson

cc: Parties to the above proceeding