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May 13, 2024

Ms. Nancy Marconi  
Registrar  
Ontario Energy Board  
P.O. Box 2319  
26<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON  
M4P 1E4

**DELIVERED BY EMAIL**

Dear Ms. Marconi,

**RE: EB-2024-0111 Enbridge Gas Inc. (EGI) 2024 Cost of Service Application  
Phase 2**

These are the submissions of the Ontario Greenhouse Vegetable Growers (OGVG) with respect to the proposed Issues List for Phase 2 of EGI's 2024 Cost of Service Application.

OGVG has reviewed the proposed Issues List and EGI's submissions on proposed changes. OGVG generally agrees with or takes no position with respect to the proposed Issues List and most of EGI's proposed adjustments to the Issues List<sup>1</sup> with the following exception:

OGVG supports the intervention of HRAI and the proposed issue with respect to EGI's Energy Sustain initiative, with the wording of the proposed issue having been submitted by HRAI on May 10, 2024, as follows:

*Are the existing and planned activities of Enbridge related to Enbridge Sustain, and the proposal to carry on that business as an unregulated ancillary business within the regulated entity, appropriate, and do the terms and procedures under which it is and will be operated fully protect the ratepayers?*

In OGVG's respectful submission HRAI's intervention and the inclusion of their proposed issue is largely supported by the somewhat disconcerting fact that, currently, all the information on the record in this proceeding about the nature of Energy Sustain as a

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<sup>1</sup> OGVG notes that, as is normally the case, OGVG's agreement with or failure to oppose a proposed issue on the Issues List does not mean that OGVG agrees with the proponent of that issue on how it should be resolved.

non-utility activity embedded within EGI and, allegedly, sharing resources with and accessing the confidential information held by EGI comes from HRAI, not EGI.

In OGVG's view it is part of the OEB's role in the rate proceeding to ensure that, when a regulated entity like EGI undertakes non-utility business activities like what it appears Energy Sustain is engaged in (assuming such activities by the regulated entity are permitted) those business activities are properly accounted for in rates, i.e. through the proper allocation of costs to the unregulated activity. Having not disclosed the existence and nature of Energy Sustain to the OEB in the proceeding, OGVG believes that it is disingenuous for EGI to assert that any examination of the relationship between EGI's regulated activity and its unregulated activity through Energy Sustain insofar as it relates to rates has either been resolved or cannot be examined in the context of how its rates will be determined during any approved IRM period.

EGI suggests that HRAI's proposed examination of Energy Sustain effectively re-opens the complete settlement reached by all parties on the base O&M budget. However, at the same time, EGI is seeking to re-open the complete settlement reached by all parties on the base O&M budget through the introduction of a OEB Cost Assessment Variance Account. EGI proposes the new variance account even though the Parties settled the issue of EGI's OEB cost assessment expenses as part of the overall O&M budget without including such a variance account even though other aspects of the settled O&M budget were afforded variance account treatment as part of the Settlement (i.e. the Post Retirement True-up Variance Account).

To be clear, OGVG does not agree that allowing EGI's proposed issue on the inclusion of an OEB Cost Assessment Variance Account concedes that the account is appropriate despite the Settlement; based on the current evidence OGVG expects to take the position that such an account is not justified, in part because it subverts the Phase 1 Settlement and there is no new evidence justifying the account despite the Settlement. However, that does not necessarily mean, in OGVG's view, that EGI should be precluded from trying to establish that such an account is appropriate under the circumstances.

Similarly, should the OEB allow HRAI's proposed Energy Sustain issue to be included, EGI would remain free to argue that any such concerns for the Test Year and any ensuing IRM period have been dealt with through the Settlement, although OGVG expects to argue that the failure of EGI to disclose even the existence of Energy Sustain during Phase 1 of the proceeding should weigh against an interpretation of the Phase 1 Settlement that purports to have disposed of any Energy Sustain related concerns through to EGI's next rebasing application.<sup>2</sup>

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<sup>2</sup> It is possible, OGVG accepts, that Energy Sustain is being conducted in a fashion that requires little or no relief during any approved IRM period; however, OGVG respectfully submits that the OEB cannot come to such a conclusion without any evidence as to how Energy Sustain is embedded within EGI's operations.

If any further information is required, please do not hesitate to contact the undersigned.

Yours very truly,

A handwritten signature in blue ink, appearing to be 'M. Buonaguro', written in a cursive style.

Michael R. Buonaguro